



FLSmidth Minerals Holding ApS

Vigerslev Allé 77

2500 Valby

CVR no. 27 92 09 34

Annual report for 2021

Adopted at the annual general
meeting on 8 April 2022

Scott Gregory Marshall Maclean
chair

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Company details

The company

FLSmidth Minerals Holding ApS
Vigerslev Allé 77
2500 Valby

CVR no.: 27 92 09 34

Reporting period: 1. januar - 31. december 2021

Domicile: Copenhagen

Board of directors

Sander Fynboe, chair
Lisbet Kragelund
Scott Gregory Marshall Maclean

Executive Management

Scott Gregory Marshall Maclean

Auditors

EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
2000 Frederiksberg

Statement by management on the annual report

The Board of directors and Executive Management have today discussed and approved the annual report of FLSmidth Minerals Holding ApS for the financial year 1. januar - 31. december 2021.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31. december 2021 and of the results of the company's operations for the financial year 1. januar - 31. december 2021.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Valby, 8 April 2022

Executive Management

Scott Gregory Marshall
Maclean

Board of directors

Sander Fynboe
chair

Lisbet Kragelund

Scott Gregory Marshall
Maclean

Independent auditor's report

To the shareholder of FLSmidth Minerals Holding ApS

Opinion

We have audited the financial statements of FLSmidth Minerals Holding ApS for the financial year 1 January – 31 December 2021, which comprise accounting policies income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 8 April 2022

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Kennet Hartmann
State Authorised Public Accountant
MNE no. mne40036

Management's review

Business review

FLSmidth Minerals Holding ApS is the parent company of a number of foreign subsidiaries, being the only activity of the company.

Its subsidiaries, within mining and cement industries, construct and deliver machinery, delivering spare parts and services to a number of industries such as for ore and mineral preparation and to the lime and cellulose industries.

Financial review

The company's income statement for the year ended 31 December 2021 shows a profit of TDKK 124.673, and the balance sheet at 31. december 2021 shows equity of TDKK 1.227.530.

Significant events occurring after the end of the financial year

FLSmidth are closely following the situation in Ukraine and the sanctions made by EU, USA and other western countries towards Russia. Although the mining and cement industries are currently not subject to sanctions, FLSmidth has suspended new business in Russia and Belarus and will wind down our activities in Russia. We are, however, obliged to fulfil our legal obligations with regards to ongoing activities to the extent possible.

We will follow any new sanctions as they are announced on an ongoing basis.

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of FLSmidth Minerals Holding ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with options from reporting class C companies.

The accounting policies applied are consistent with those of last year.

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Administration costs

Administration costs include expenses related to audit fee and indirect administrative costs.

Accounting policies

Financial income and expenses

Financial income and costs are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, liabilities and foreign currency transactions and allowances under the Danish Tax Prepayment Scheme, etc.

Dividend from Group enterprises

Dividend from investments in subsidiaries, is recognised as income in the income statement in the financial year in which the dividend is declared. This will typically be at the time of the approval by the Annual General Meeting of the distribution from the company concerned.

Tax for the year

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Financial assets

Investment in subsidiaries are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Dividend from subsidiaries are recognised in full as income in profit and loss for the year, not considering if distributed dividends exceed the accumulated earnings after the acquisition date.

Accounting policies

Receivables

Receivables are measured at amortised cost. Usually equalling nominal value less write downs for bad and doubtful debts.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Payables to group entities are measured at amortised cost, which is usually equivalent to nominal value.

Other liabilities include audit accruals. Other payables are measured at net realisable value.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2021</u> TDKK	<u>2020</u> TDKK
Administration costs		-23	-31
Gross profit		-23	-31
Dividend from Subsidiaries		51.239	0
Financial income	1	748	0
Impairment and reversals of impairment of investments in subsidiaries	4	80.293	0
Financial costs	2	-9.729	-9.724
Profit/loss before tax		122.528	-9.755
Tax for the year	3	2.145	2.134
Profit/loss for the year		124.673	-7.621
Retained earnings		124.673	-7.621
		124.673	-7.621

Balance sheet 31 December

	<u>Note</u>	<u>2021</u> TDKK	<u>2020</u> TDKK
Assets			
Investments in subsidiaries	4	<u>1.604.855</u>	<u>1.524.562</u>
Financial assets		<u>1.604.855</u>	<u>1.524.562</u>
Total non-current assets		<u>1.604.855</u>	<u>1.524.562</u>
Receivables from Group entities		23.843	0
Other receivables		13	8
Deferred tax asset		<u>4.064</u>	<u>2.146</u>
Receivables		<u>27.920</u>	<u>2.154</u>
Total current assets		<u>27.920</u>	<u>2.154</u>
Total assets		<u><u>1.632.775</u></u>	<u><u>1.526.716</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2021</u> TDKK	<u>2020</u> TDKK
Equity and liabilities			
Share capital		200	200
Retained earnings		<u>1.227.330</u>	<u>1.102.657</u>
Equity		<u>1.227.530</u>	<u>1.102.857</u>
Payables to Group entities		405.236	423.846
Other payables		<u>9</u>	<u>13</u>
Total current liabilities		<u>405.245</u>	<u>423.859</u>
Total liabilities		<u>405.245</u>	<u>423.859</u>
Total equity and liabilities		<u>1.632.775</u>	<u>1.526.716</u>
Contingent assets and liabilities	5		
Related parties and ownership structure	6		

Statement of changes in equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January 2021	200	1.102.657	1.102.857
Net profit/loss for the year	0	124.673	124.673
Equity at 31 December 2021	200	1.227.330	1.227.530

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January 2020	200	1.110.278	1.110.478
Net profit/loss for the year	0	-7.621	-7.621
Equity at 31 December 2020	200	1.102.657	1.102.857

Notes

	<u>2021</u>	<u>2020</u>
	TDKK	TDKK
1 Financial income		
Exchange gains	<u>748</u>	<u>0</u>
	<u>748</u>	<u>0</u>
2 Financial costs		
Financial expenses, group enterprises	<u>9.729</u>	<u>9.724</u>
	<u>9.729</u>	<u>9.724</u>
3 Tax for the year		
Deferred tax for the year	-2.145	-2.146
Adjustment of tax concerning previous years	0	12
Adjustment of deferred tax concerning previous years	227	0
Joint taxation contribution	<u>-227</u>	<u>0</u>
	<u>-2.145</u>	<u>-2.134</u>

Notes

	<u>2021</u>	<u>2020</u>
	TDKK	TDKK
4 Investments in subsidiaries		
Cost at 1 January 2021	<u>1.604.855</u>	<u>1.604.855</u>
Cost at 31 December 2021	<u>1.604.855</u>	<u>1.604.855</u>
Revaluations at 1 January 2021	-80.293	-80.293
Reversal of impairments for the year	<u>80.293</u>	<u>0</u>
Revaluations at 31 December 2021	<u>0</u>	<u>-80.293</u>
Carrying amount at 31 December 2021	<u><u>1.604.855</u></u>	<u><u>1.524.562</u></u>

The main reason for reversal of the impairment of FLSmidth Ltd. is an increase in performance of the entity.

Notes

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest	Equity	Profit/loss for the year
543 FLSmidth (Pty.) Ltd.	South Africa	100	655.914	38.204
734 Euroslot KDSS (South Africa) (Pty.) Ltd.	South Africa	100	0	0
838 FLSMIDTH-SOCIEDADE UNIPessoal, LDA	Angola	100	-273	0
736 FLSmidth Mozambique Limitada	Mozambique	100	-6.000	0
987 FLSmidth Roymec (Pty) Ltd.	South Africa	100	0	10
989 FLSmidth (Pty) Ltd.	Botswana	100	6.028	-7.016
639 FLSmidth South Africa (Pty.) Ltd.	South Africa	75	-230.936	-51.264
311 FLSmidth Ltd.	Canada	100	279.782	19.939
544 FLSmidth Private Limited	India	100	578.269	-39.428
309 FLSmidth Pty. Ltd.	Australia	100	1.214.733	286.986
753 DMI Holdings Pty. Ltd.	Australia	100	-3	-85
754 DMI Australia Pty. Ltd.	Australia	100	2	-3.557
991 ESSA Australia Limited	Australia	100	0	0
756 Fleet Rebuild Pty. Ltd.	Australia	100	40.533	-1.800
758 Mayer Bulk Group Pty. Ltd.	Australia	100	27.344	-13.176
757 FLSmidth Mayer Pty. Ltd.	Australia	100	0	-24.775
546 FLSmidth ABON Pty. Ltd.	Australia	100	426.366	113.028
947 FLSmidth Krebs Australia Pty. Ltd.	Australia	100	0	-26.805
755 FLSmidth M.I.E. Enterprises Pty. Ltd.	Australia	100	0	-175.775
715 Ludowici Pty. Limited	Australia	100	1.029.461	0
839 IMP Group Pty Ltd	Australia	100	189.561	350
840 Intertek Robotic Laboratories Pty Ltd *	Australia	50	0	0

Notes

717	Ludowici Australia Pty. Ltd.	Australia	100	0	0
718	Ludowici China Pty Limited	Australia	100	0	0
719	Ludowici Hong Kong Limited	Hong Kong	100	46.554	-334
722	Rojan Advanced Ceramics Pty. Ltd.	Australia	100	0	0
744	Ludowici Hong Kong Investments Ltd.	Hong Kong	100	-11.053	-1.232
737	Ludowici Packaging Australia Pty. Ltd.	Australia	100	0	0
158	FLSmidth S.A.	Chile	100	0	0
532	FLSmidth S.A. de C.V.	Mexico	100	179.358	11.530
	Total			4.425.640	124.800

All foreign subsidiaries are recognised and measured as separate entities.

*Associate

Notes

5 Contingent assets and liabilities

The company is jointly taxed with its parent company, FLSmidth & Co. A/S (management company). The company is herefore jointly liable under the provisions of the Danish company taxation act for all tax obligations in the jointly taxed companies.

6 Related parties and ownership structure

FLSmidth A/S, Denmark owns 100% of the shares of FLSmidth Minerals Holding A/S.

FLSmidth Minerals Holding A/S is a fully consolidated subsidiary in the consolidated financial statements (largest and smallest group), FLSmidth & Co A/S, Valby Copenhagen, CVR no. 58180912.

The Group Annual Report 2021 is available on:

<https://www.flsmidth.com/en-gb/company/investors/reports-and-presentations>

FLSmidth & Co A/S has to provide liquidity and/or capital support to FLSmidth Minerals Holding ApS necessary to maintain continuous operating during 2022.