

Adopted at the Company's Annual General
Meeting on / 2018.

Chairman of the meeting

SLF Romer XV ApS
Vigerslev Allé 77, 2500 Valby

ANNUAL REPORT 2017
(CVR-nr. 27 95 95 55)

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Company information

Company

SLF Romer XV ApS
Vigerslev Allé 77
2500 Valby
CVR-nr.: 27 95 95 55
Municipality: København
Date of incorporation: 01.10.2004
Financial year: 01.01 - 31.12

Board of directors

Sander Fynboe
Jakob Grünfeld
Lars Vestergaard

Executive Management

Lars Vestergaard

Statement by the Board of Directors

The Board of Directors and the Executive Management have today considered and approved the annual report of SLF Romer XV ApS for the financial year 1 January - 31 December 2017.

The annual report is presented 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 2017 and of the results of its operations for the financial year 1 January - 31 December 2017.

In our opinion, the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Valby, 31 May 2018

Executive Management

Lars Vestergaard

Board of Directors

Sander Fynboe

Jakob Grünfeld

Lars Vestergaard

Management's commentary

Main activity

The company's purpose is to undertake and finalise WESP technology and rights licensed to Babcock & Wilcox Company, Ohio, USA, as well as finalisation of non-divested Cembrit companies within the FLSmidth Group.

Developments in activities and financial performance

The result after tax in 2017 amounted to DKKt 1,245 (2016: DKKt 3,990).

Events occurring after the balance sheet date

No events have occurred after the balance sheet date that have a material effect on the amounts in the financial statements.

Accounting policies

General comments

The 2017 Annual Report for SLF Romer XV ApS is presented in accordance with the provisions of the Danish Financial Statements Act for Reporting Class B companies, with options from Reporting Class C companies (large). SLF Romer XV ApS is included in the FLSmidt & Co. A/S consolidated financial statements. Referring to Section 112 subsection 1 and Section 86 subsection 4 of the Danish Financial Statements Act, the Annual Report of SLF Romer XV ApS does not contain consolidated financial statements nor a cash flow statement.

The Annual Report is presented in accordance with the same accounting policies as last year.

General principles for recognition and measurement

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

Liabilities are recognised in the balance sheet when it is likely that future economic benefits will depart from the Company and the value of the liability can be measured reliably. In case of initial recognition, assets and liabilities are measured at cost. Subsequent measurements are based on value adjustments as described below.

Translation of foreign currency

Transactions in foreign currency are translated at the exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities in foreign currency are translated at the exchange rates prevailing at the balance sheet date. Any foreign exchange differences between the rates prevailing at the date of the transaction and the payment date or the balance sheet date, as the case may be, are recognised in the income statement as financial items.

Non-monetary assets and liabilities in foreign currency are recognised at the rate of exchange prevailing at the date of the transaction. Non-monetary items that are measured at fair value (shares) are translated at the exchange rate prevailing at the date of the latest fair value adjustment.

The foreign exchange adjustment of receivables from subsidiaries which are considered to be part of the parent company's total investment in the said subsidiary is recognised in the parent company income statement.

Accounting policies

Administrative costs

Administrative costs comprise audit fees and indirect administrative costs.

Dividend from Group enterprises

Dividend from investments in subsidiaries, associates and joint ventures 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.

Financial items

Financial items comprise interest income and costs, realised and unrealised exchange gains and losses on securities, liabilities and transactions in foreign currency, impairment of shares in Group enterprises, associates and joint ventures, addition or deduction of amortisation related to mortgage debt, etc.

Interest income and costs are accrued on the basis of the principal amount and the effective interest rate. The effective interest rate is the rate used to discount the anticipated future payments which are related to the financial asset or the financial liability so that the present value of the payments corresponds to the carrying amount of the asset and the liability, respectively.

Tax

Tax for the year which comprises current tax and the change in deferred tax is recognised in the income statement with the share attributable to the profit/loss of the year, and directly in equity with the share attributable to items entered directly in equity.

Current tax comprises tax calculated on the basis of the expected taxable income for the year, using the applicable tax rates for the financial year, and any adjustments of taxes for previous years.

Deferred tax is calculated using the balance sheet liability method on all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes, except differences relating to initial recognition of goodwill not deductible for tax purposes. Deferred tax is calculated based on the applicable tax rates for the individual financial years. The effect of changes in the tax rates is stated in the income statement unless they are items previously entered directly in the equity. The tax value of losses that are expected with adequate certainty to be available for utilisation against future taxable income in the same legal tax unit and jurisdiction is included in the measurement of deferred tax.

Deferred tax assets are annually assessed and are only recognised to the extent that it is probable that they will be used.

The Company and its Danish Group enterprises are jointly taxed with the other Danish members of the FLSmidt & Co. A/S Group. The current Danish corporation tax is shared between the jointly taxed companies in proportion to their taxable incomes (full distribution with refund of tax losses).

Accounting policies

BALANCE SHEET

Receivables

Receivables comprise trade receivables, receivables from construction contracts and other receivables.

Receivables are measured at amortised cost. An impairment loss is recognised when there is an objective indication that a receivable has been impaired.

Financial assets

Investments in Group enterprises, associates and joint ventures are measured at cost less impairment. Where the cost exceeds the recoverable amount, an impairment loss is recognised.

Dividends from subsidiaries and associates 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.

Dividends

Dividends are provided for in the financial statements at the time when it is decided at the Annual General Meeting, the company thereby having incurred a liability. The dividend proposed for distribution is stated as a separate item in equity.

Other liabilities

Other liabilities include audit accruals, taxes and duties and interest payable.

Income statement for 2017

(Amounts in 1,000 DKK)

Note:		<u>2017</u>	<u>2016</u>
	Administration costs	<u>(1,087)</u>	<u>(842)</u>
	Earnings before interest and tax (EBIT)	(1,087)	(842)
1	Financial income	<u>196</u>	<u>4,865</u>
	Earnings before tax (EBT)	(891)	4,023
2	Tax for the year	<u>(240)</u>	<u>(33)</u>
	Profit/loss for the year	<u>(1,131)</u>	<u>3,990</u>
	Transfer to retained earnings	<u>(1,131)</u>	<u>3,990</u>
		<u>(1,131)</u>	<u>3,990</u>

Balance sheet at 31 December 2017

(Amounts in 1,000 DKK)

Note:		<u>2017</u>	<u>2016</u>
	Assets		
3	Licenses and technology	0	0
	Intangible Assets	<u>0</u>	<u>0</u>
4	Investments in Group enterprises	1,933	1,334
	Financial assets	<u>1,933</u>	<u>1,334</u>
	Non-current assets	<u>1,933</u>	<u>1,334</u>
9	Receivables from Group enterprises	1,153	2,291
	Tax receivables	38	247
	Receivables	<u>1,191</u>	<u>2,538</u>
	Current assets	<u>1,191</u>	<u>2,538</u>
	Assets	<u>3,124</u>	<u>3,872</u>
	Equity and liabilities		
	Share capital	250	250
	Retained earnings	2,461	3,592
6	Equity	<u>2,711</u>	<u>3,842</u>
9	Payables to Group enterprises	413	0
	Other liabilities	0	30
	Current liabilities	<u>413</u>	<u>30</u>
	Equity and liabilities	<u>3,124</u>	<u>3,872</u>
	Other notes		
7	Staff costs		
8	Contingent assets and liabilities		
9	Related parties and ownership		

NOTES

(Amounts in 1,000 DKK)

	<u>2017</u>	<u>2016</u>
Note 1, Financial lincome and costs		
Financial income		
Dividends from Group enterprises	192	445
Interest income from Group enterprises	4	3
Reversal of impairments in subsidiaries	0	4,417
	<u>196</u>	<u>4,865</u>
Note 2, Tax for the year		
Current tax on the profit/loss for the year	113	3
Adjustment for previous years, current taxes	(353)	(36)
	<u>(240)</u>	<u>(33)</u>
Note 3, Licenses and technology		
The company's rights to WESP Technology are fully written off, but the rights continue to exist.		
Note 4 Investments in Group enterprises		
Cost at 1 January 2017	1,883	
Additions - capital increase	599	
Disposals	0	
Cost at 31 December 2017	<u>2,482</u>	
Adjustments at 1 January 2017	(549)	
Write-downs	0	
Adjustments at 31 December 2017	<u>(549)</u>	
Carrying amount at 31 December 2017	<u>1,933</u>	
Carrying amount at 31 December 2016	<u>1,334</u>	

NOTES

(Amounts in 1,000 DKK)

Note 6, Equity

	Share capital	Retained earnings	Total
Equity at 1 January 2016	250	(398)	(148)
Profit/loss for the year		3,990	3,990
Equity at 31 December 2016	250	3,592	3,842
Equity at 1 January 2017	250	3,592	3,842
Profit/loss for the year		(1,131)	(1,131)
Equity at 31 December 2017	250	2,461	2,711

5 year development of share capital

	2017	2016	2015	2014	2013
Start of year	250	250	250	125	125
End of year	250	250	250	125	125

Note 7, Staff costs

In 2017 the company had no employees.

Note 8, Contingent assets and liabilities

The company is part of a Danish joint taxation scheme for which FLSmidth & Co. A/S is the administrator. The company is therefore jointly liable under the provisions of the Danish company taxation act for all tax obligations in the jointly taxed companies.

Note 9, Related parties and ownership

SLF Romer XV ApS is a fully consolidated subsidiary in the FLSmidth & Co. A/S Group, FLSmidth A/S is the sole shareholder and the parent company. Regarding SLF Romer XV ApS's transactions with related parties, reference is made to the consolidated financial statements for the company's parent, which can be obtained at the following address:

www.flsmidth.com