

Morton Denmark Holding ApS

c/o Harbour House
Sundkrogsgade 21
2100 København Ø

CVR No. 28668880

Annual Report 2020

14. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 6 July 2021

Mike Lenox
Chairman

Morton Denmark Holding ApS

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Morton Denmark Holding ApS

Management's Statement

Today, Management has considered and adopted the Annual Report of Morton Denmark Holding ApS for the financial year 1 January 2020 - 31 December 2020.

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 assets, liabilities and financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January 2020 - 31 December 2020.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 6 July 2021

Executive Board

Mark Charles Demetree
Manager

Adam Loren Cohn
Manager

Independent Auditors' Report

To the shareholder of Morton Denmark Holding ApS

Opinion

We have audited the financial statements of Morton Denmark Holding ApS for the financial year 1 January 2020 - 31 December 2020, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. 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 Company's financial position at 31 December 2020 and of the results of its operations for the financial year 1 January 2020 - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis of 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The auditor's responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about 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 the 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 these financial statements.

As part of an audit conducted in accordance with ISAs and the 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.?
- * 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 Entity's internal control.

Independent Auditors' Report

- * 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 Entity'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 Entity to cease to continue as a going concern..
- * Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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 which we identify during our audit.

Statement on Management's Review

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Copenhagen, 6 July 2021

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR-no. 33963556

Flemming Larsen

State Authorised Public Accountant

mne27790

Morton Denmark Holding ApS

Company details

| | |
|------------------------|---|
| Company | Morton Denmark Holding ApS c/o Harbour House Sundkrogsgade 21 2100 København Ø |
| CVR No. | 28668880 |
| Date of formation | 7 November 2006 |
| Registered office | København |
| Executive Board | Mark Charles Demetree, Manager Adam Loren Cohn, Manager |
| Auditors | Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 2300 København S CVR-no.: 33963556 |

Management's Review

The Company's principal activities

The Company's objects are to sell and buy, hold, and possess shares, partnership shares, and other equity interest in other companies and/or partnerships or limited partnerships in Denmark and abroad, lending and other funding activities and to undertake any other activities which the ex-ecutive board deems incidental to these objects.

Development in the activities and the financial situation of the Company

Development in activities and the financial situation

The Company's Income Statement of the financial year 1 January 2020 - 31 December 2020 shows a result of EUR -16.724 and the Balance Sheet at 31 December 2020 a balance sheet total of EUR 606.542 and an equity of EUR 593.342.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

The Annual General Meeting of the Company decides that the Financial Statements for next year are not to be audited.

Accounting Policies

Reporting Class

The Annual Report of Morton Denmark Holding ApS for 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Subsequent events

During the first half of 2021, the company was sold and in this context has changed its legal name.

Further to this, the company have decided to change their financial year to 1. October through 30. September. Previous financial year was 1. January through 31. December.

Reporting currency

The Annual Report is presented in EUR.

Translation policies

Transactions in foreign currencies are translated at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

General Information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost principle.

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset 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 probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Accounting Policies

Income Statement

Other external expenses

Other external costs include costs for distribution, sales, advertising, administration, premises, loss of debtors, operating leasing costs etc.

Income from investments in group enterprises and associates

Financial income and expenses

Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, financial expenses of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme.

Dividends equity investments are recognised as income in the financial year in which the dividends are declared.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Balance Sheet

Equity investments in group enterprises and associates

Investments in group enterprises and associates are recognised in the balance sheet at the proportionate share of the equity value of the enterprises, calculated according to the parents accounting policies with the deduction or addition of unrealised intercompany profits or losses and with the addition or deduction of the remaining value of positive or negative goodwill, calculated according to the purchase method.

Subsidiaries having a negative equity value are recognised at EUR 0, and any amounts receivable from those enterprises are written down by the parents share of the negative equity value to the extent that the amounts are deemed to be uncollectible.

If the negative equity value exceeds receivables, the remaining amount is recognised as a provision to the extent that the parent has a legal or constructive obligation to cover the negative balance of the relevant subsidiary.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the Income Statement over the life of the financial instrument.

Mortgage debt is accordingly measured at amortised cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortised cost corresponds to the outstanding balance determined as the

Accounting Policies

underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities, comprising deposits, trade payables and other accounts payable, are measured at amortised cost, which usually corresponds to the nominal value.

Other payables

Other payables are measured at amortised cost, which usually corresponds to the nominal value

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Income Statement

| | Note | 2020 EUR | 2019 EUR |
|---|------|----------------|----------------|
| Other external expenses | | -16.669 | -13.933 |
| Gross result | | -16.669 | -13.933 |
| Income from investments in group enterprises and associates | | 0 | 229.252 |
| Other finance income | 1 | 0 | 912 |
| Finance expenses | 2 | -55 | -16 |
| Profit from ordinary activities before tax | | -16.724 | 216.215 |
| Profit | | -16.724 | 216.215 |
| Proposed distribution of results | | | |
| Proposed extraordinary dividend recognised in equity | | 365.000 | 200.000 |
| Retained earnings | | -381.724 | 16.215 |
| Distribution of profit | | -16.724 | 216.215 |

Morton Denmark Holding ApS

Balance Sheet as of 31 December

| | Note | 2020 EUR | 2019 EUR |
|-------------------------------------|------|----------------|----------------|
| Assets | | | |
| Long-term investments in associates | | 467.677 | 467.677 |
| Investments | | <u>467.677</u> | <u>467.677</u> |
| Fixed assets | | <u>467.677</u> | <u>467.677</u> |
| Cash and cash equivalents | | <u>138.865</u> | <u>158.663</u> |
| Current assets | | <u>138.865</u> | <u>158.663</u> |
| Assets | | <u>606.542</u> | <u>626.340</u> |

Morton Denmark Holding ApS

Balance Sheet as of 31 December

| | Note | 2020 EUR | 2019 EUR |
|--|------|----------------|----------------|
| Liabilities and equity | | | |
| Contributed capital | | 18.097 | 18.097 |
| Retained earnings | | 210.245 | 591.969 |
| Proposed dividend recognised in equity | | 365.000 | 0 |
| Equity | | 593.342 | 610.066 |
| Other payables | | 13.200 | 16.274 |
| Short-term liabilities other than provisions | | 13.200 | 16.274 |
| Liabilities other than provisions within the business | | 13.200 | 16.274 |
| Liabilities and equity | | 606.542 | 626.340 |
| Contingent liabilities | 5 | | |

Morton Denmark Holding ApS

Statement of changes in Equity

| | Contributed capital | Retained earnings | Proposed dividend recognised in equity | Total |
|--------------------------------|--------------------------------|------------------------------|---|----------------|
| Equity 1 January 2020 | 18.097 | 591.969 | | 610.066 |
| Dividend | 0 | 0 | 365.000 | 365.000 |
| Profit (loss) | 0 | -381.724 | 0 | -381.724 |
| Equity 31 December 2020 | 18.097 | 210.245 | 365.000 | 593.342 |

The share capital has remained unchanged for the last 5 years.

Notes

| | 2020 | 2019 |
|--------------------------------|-----------|------------|
| 1. Other finance income | | |
| Other finance income | 0 | 912 |
| | <u>0</u> | <u>912</u> |
| 2. Finance expenses | | |
| Other finance expenses | 55 | 16 |
| | <u>55</u> | <u>16</u> |

3. Investments in associates

| | 2020 | 2019 |
|---------------------------------------|----------------|----------------|
| Cost at 1 January | 467.677 | 467.677 |
| Carrying amount at 31 December | <u>467.677</u> | <u>467.677</u> |

Investments in associates are specified as follows

| Name | Place of registered office | Votes and ownership |
|--|----------------------------|---------------------|
| Morten China National Salt (Shanghai) Salt Co. Ltd | Shanghai | 45% |

4. Equity

The share capital consist of 135 shares of a nominal value of EUR 1,000. No shares carry any special right.

There have been no changes in the share capital during the last 5 years.

5. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

6. Related parties

Consolidated Financial Statements

The company is included in the Group Annual Report of the ultimate Parent Company:

| Name | Place of registered office |
|------------------------|----------------------------|
| K+S Belgium Holding BV | Machelen, Belgium |