

# FLSmidth Real Estate A/S

Vigerslev Allé 77

2500 Valby

CVR no. 60 97 89 13

Annual report for 2023

Adopted at the annual general  
meeting on 15 May 2024

A handwritten signature in blue ink, appearing to read 'M. Grue', positioned above a horizontal line.

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Michael Grue  
chair

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## Company details

### The company

FLSmidth Real Estate A/S  
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2500 Valby

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Website: [www.flsmidth.com](http://www.flsmidth.com)

CVR no.: 60 97 89 13

Reporting period: 1 January - 31 December 2023

Incorporated: 12 May 1981

Domicile: Copenhagen

### Supervisory board

Camilla Winther, chair  
Jakob Grünfeld  
Lisbet Kragelund

### Executive board

Michael Grue, CEO

## Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of FLSmidth Real Estate A/S for the financial year 1 January - 31 December 2023.

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 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

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

The financial statements have not been audited. Management considers the criteria for not auditing the financial statements to be met.

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

Valby, 15 May 2024

### Executive board



Michael Grue  
CEO

### Supervisory board



Camilla Winther  
chair



Jakob Grünfeld



Lisbet Kragelund

## **Management's review**

### **Business review**

FLSmith Real Estate A/S is the owner of premises consisting of an undeveloped piece of land. The purpose with the ownership is to develop the premises in order to be sold.

### **Financial review**

The company's income statement for the year ended 31 December 2023 shows a profit of TDKK 406, and the balance sheet at 31 December 2023 shows equity of TDKK 15.780.

### **Significant events occurring after the end of the financial year**

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 Real Estate A/S for 2023 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.

The annual report for 2023 is presented in TDKK.

### **Basis of recognition and measurement**

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. 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.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

### **Income statement**

#### **Administrative costs**

Administration costs include expenses related to administrative costs.

#### **Other operating costs**

Other operating expenses comprise items of a secondary nature relative to the company's activities, including losses on the sale of intangible assets and items of property, plant and equipment.

## Accounting policies

### Financial income and costs

Financial income and costs are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and costs, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

### Tax on profit/loss 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

### Tangible assets

Items of land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost added revaluations and less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Interest expenses on loans obtained specifically for the purpose of financing the manufacturing of items of property, plant and equipment are included in cost over the manufacturing period. All indirect, attributable borrowing costs are recognised in the income statement.

## Accounting policies

Where individual components of an item of property, plant and equipment have different useful lives, and the individual component is a significant part of the total cost, the cost is divided into separate components, which are depreciated separately.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	<b>Useful life</b>
Land & Buildings	25-70 years

The useful life and residual value of the company's property are reassessed annually.

Gains and losses on the sale of items of property, plant and equipment are calculated as the difference between the selling price, less costs to sell, and the carrying amount at the time of sale. Gains or losses on the sale of items of property, plant and equipment are recognised in the income statement under other operating income or other operating expenses, respectively.

### 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.



## Accounting policies

### Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Mortgage debt is thus measured at amortised cost, which for cash loans corresponds to the outstanding debt. For bond loans, amortised cost corresponds to an outstanding debt calculated as the underlying cash value of the loan at the time of borrowing, adjusted by amortisation of the value adjustment of the loan at the time of borrowing.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

## Income statement 1 January 2023 - 31 December 2023

	<u>Note</u>	<u>2023</u> TDKK	<u>2022</u> TDKK
Administrative costs		-10	-6
<b>Operating profit/loss</b>		<b>-10</b>	<b>-6</b>
Other operating costs		-25	-5
<b>Profit/loss before financial income and expenses</b>		<b>-35</b>	<b>-11</b>
Financial income	2	556	69
<b>Profit/loss from ordinary activities before tax</b>		<b>521</b>	<b>58</b>
<b>Profit/loss before tax</b>		<b>521</b>	<b>58</b>
Tax on profit/loss for the year	3	-115	-20
<b>Net profit/loss for the year</b>		<b><u>406</u></b>	<b><u>38</u></b>
Retained earnings		406	38
		<b><u>406</u></b>	<b><u>38</u></b>

## Balance sheet at 31 December 2023

	<u>Note</u>	<u>2023</u> TDKK	<u>2022</u> TDKK
<b>Assets</b>			
Land and buildings	4	<u>0</u>	<u>0</u>
<b>Tangible assets</b>		<u><b>0</b></u>	<u><b>0</b></u>
Receivables from Group enterprises		16.291	15.783
Deferred tax asset		<u>4</u>	<u>0</u>
<b>Receivables</b>		<u><b>16.295</b></u>	<u><b>15.783</b></u>
<b>Total current assets</b>		<u><b>16.295</b></u>	<u><b>15.783</b></u>
<b>Total assets</b>		<u><b>16.295</b></u>	<u><b>15.783</b></u>

## Balance sheet at 31 December 2023

	<u>Note</u>	<u>2023</u> TDKK	<u>2022</u> TDKK
<b>Equity and liabilities</b>			
Share capital		3.100	3.100
Retained earnings		<u>12.680</u>	<u>12.275</u>
<b>Equity</b>		<u><b>15.780</b></u>	<u><b>15.375</b></u>
Corporation tax		115	8
Other payables		<u>400</u>	<u>400</u>
<b>Total current liabilities</b>		<u><b>515</b></u>	<u><b>408</b></u>
<b>Total liabilities</b>		<u><b>515</b></u>	<u><b>408</b></u>
<b>Total equity and liabilities</b>		<u><u><b>16.295</b></u></u>	<u><u><b>15.783</b></u></u>
Staff	1		
Contingent 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 2023	3.100	12.274	15.374
Net profit/loss for the year	0	406	406
<b>Equity at 31 December 2023</b>	<b>3.100</b>	<b>12.680</b>	<b>15.780</b>

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January 2022	3.100	12.237	15.337
Net profit/loss for the year	0	38	38
<b>Equity at 31 December 2022</b>	<b>3.100</b>	<b>12.275</b>	<b>15.375</b>

	<u>2023</u>	<u>2022</u>
<b>1 Staff</b>		
Number of fulltime employees on average	<u>0</u>	<u>0</u>

	<u>2023</u> TDKK	<u>2022</u> TDKK
<b>2 Financial income</b>		
Interest income from Group enterprises	<u>556</u>	<u>69</u>
	<u><b>556</b></u>	<u><b>69</b></u>

<b>3 Tax on profit/loss for the year</b>		
Current tax for the year	115	8
Adjustment of tax concerning previous years	4	12
Adjustment of deferred tax concerning previous years	<u>-4</u>	<u>0</u>
	<u><b>115</b></u>	<u><b>20</b></u>

<b>4 Tangible assets</b>		
		Land and buildings
		<u>TDKK</u>
Cost at 1 January 2023		<u>300</u>
Cost at 31 December 2023		<u>300</u>
Revaluations at 1 January 2023		<u>-300</u>
Revaluations at 31 December 2023		<u>-300</u>
<b>Carrying amount at 31 December 2023</b>		<u><b>0</b></u>

## **5 Contingent liabilities**

The company is a part of a Danish joint taxation scheme for which FLSmidth & Co A/S is the administrator. As part of the joint taxation, FLSmidth Real Estate A/S is liable with other companies in the joint taxation scheme for Danish corporate taxes on dividend, interest and royalties within the joint taxation group.

## **6 Related parties and ownership structure**

FLSmidth & Co. A/S, Denmark owns 100% of the shares of FLSmidth Real Estate A/S.

FLSmidth Real Estate A/S is a fully consolidated subsidiary in the Parent's (largest group) consolidated financial statement, FLSmidth & Co. A/S, Valby Copenhagen, CVR no. 58180912.

The Group Annual Report 2023 is available on:

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

Transactions with affiliated companies are carried out on market terms following the arms-length principle.

Cash pool accounts are legally owned by FLSmidth & Co. A/S. The accounts are therefore considered balances with related parties. In the balance sheet the cash pool accounts are recognised under receivables and payables to affiliated companies as part of assets and liabilities, respectively.

Other matters of interest in relation to related parties are disclosed in the notes to the financial statements.