Brønnøysundregistrene

# ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

**Enheten**

| | |
|---|---|
| Organisasjonsnummer: | 965 724 737 |
| Organisasjonsform: | Aksjeselskap |
| Foretaksnavn: | SIBELCO NORDIC AS |
| Forretningsadresse: | Løkketangen 20A<br>1337 SANDVIKA |

**Regnskapsår**

| | |
|---|---|
| Årsregnskapets periode: | 01.01.2020 - 31.12.2020 |

**Konsern**

| | |
|---|---|
| Morselskap i konsern: | Ja |
| Konsernregnskap lagt ved: | Ja |

**Regnskapsregler**

| | |
|---|---|
| Regler for små foretak benyttet: | Nei |
| Benyttet ved utarbeidelsen av årsregnskapet til selskapet: | Regnskapslovens alminnelige regler |
| Benyttet ved utarbeidelsen av årsregnskapet til konsernet: | - |

**Årsregnskapet fastsatt av kompetent organ**

| | |
|---|---|
| Bekreftet av representant for selskapet: | Weronica Assernäs |
| Dato for fastsettelse av årsregnskapet: | 26.05.2021 |

**Grunnlag for avgivelse**

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 24.06.2022

# Resultatregnskap

| Beløp i: NOK | Note | 2020 | 2019 |
|---|---|---|---|
| **RESULTATREGNSKAP** | | | |
| **Inntekter** | | | |
| Salgsinntekt | 2,23 | 955 288 000 | 1 036 580 000 |
| Annen driftsinntekt | | 15 085 000 | 5 436 000 |
| **Sum inntekter** | | **970 373 000** | **1 042 016 000** |
| **Kostnader** | | | |
| Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer | | 5 837 000 | 8 761 000 |
| Varekostnad | | 39 060 000 | 55 464 000 |
| logistikkostnader og provisjoner | | 270 459 000 | 291 238 000 |
| Lønnskostnad | 3,12 | 204 759 000 | 214 154 000 |
| Avskrivning på varige driftsmidler og immaterielle eiendeler | 4,5,15 | 66 044 000 | 66 243 000 |
| Annen driftskostnad | 3,20,22 | 266 488 000 | 250 142 000 |
| **Sum kostnader** | | **852 647 000** | **886 002 000** |
| **Driftsresultat** | | **117 726 000** | **156 014 000** |
| **Finansinntekter og finanskostnader** | | | |
| Utbytte fra datterselskaper | | 20 363 000 | 12 204 000 |
| Renteinntekt fra foretak i samme konsern | | 335 000 | 1 556 000 |
| Annen renteinntekt | | 0 | 1 000 |
| Annen finansinntekt | 7 | 54 137 000 | 16 535 000 |
| **Sum finansinntekter** | | **74 835 000** | **30 296 000** |
| Rentekostnad til foretak i samme konsern | 23 | 8 696 000 | 13 161 000 |
| Annen rentekostnad | | 3 573 000 | 4 922 000 |
| Annen finanskostnad | 7 | 52 936 000 | 15 545 000 |
| **Sum finanskostnader** | | **65 205 000** | **33 628 000** |
| **Netto finans** | | **9 630 000** | **-3 332 000** |
| **Ordinært resultat før skattekostnad** | | **127 356 000** | **152 682 000** |
| Skattekostnad på ordinært resultat | 14 | 24 360 000 | 23 538 000 |
| **Ordinært resultat etter skattekostnad** | | **102 996 000** | **129 144 000** |

# Resultatregnskap

| Beløp i: NOK | Note | 2020 | 2019 |
|---|---|---|---|
| **Årsresultat** | | **102 996 000** | **129 144 000** |

# Balanse

| Beløp i: NOK | Note | 2020 | 2019 |
|---|---|---|---|
| **BALANSE - EIENDELER** | | | |
| **Anleggsmidler** | | | |
| **Immaterielle eiendeler** | | | |
| Mineralrettigheter | 4 | 127 560 000 | 129 527 000 |
| Utsatt skattefordel | 14 | 21 310 000 | 15 116 000 |
| **Sum immaterielle eiendeler** | | **148 870 000** | **144 643 000** |
| **Varige driftsmidler** | | | |
| Tomter, bygninger og annen fast eiendom | 5 | 132 474 000 | 148 790 000 |
| Biler og transportmidler | 5 | 6 777 000 | 3 905 000 |
| Driftsløsøre, inventar, verktøy, kontormaskiner o.l. | 5 | 131 471 000 | 145 401 000 |
| Anlegg under utførelse | 5 | 92 230 000 | 53 624 000 |
| Aktivert verdi, avsetning opprydding | 5,15 | 56 956 000 | 39 940 000 |
| **Sum varige driftsmidler** | | **419 908 000** | **391 660 000** |
| **Finansielle anleggsmidler** | | | |
| Investering i datterselskap | 6 | 129 968 000 | 129 968 000 |
| Andre fordringer | 12,13, 17 | 2 638 000 | 3 310 000 |
| **Sum finansielle anleggsmidler** | | **132 606 000** | **133 278 000** |
| **Sum anleggsmidler** | | **701 384 000** | **669 581 000** |
| **Omløpsmidler** | | | |
| **Varer** | | | |
| Varer | 8 | 103 618 000 | 105 337 000 |
| **Sum varer** | | **103 618 000** | **105 337 000** |
| **Fordringer** | | | |
| Kundefordringer | 13 | 87 504 000 | 95 929 000 |
| Andre fordringer | 9,13 | 43 400 000 | 141 149 000 |
| **Sum fordringer** | | **130 904 000** | **237 078 000** |
| **Bankinnskudd, kontanter og lignende** | | | |
| Bankinnskudd, kontanter og lignende | 9 | 8 633 000 | 262 000 |
| **Sum bankinnskudd, kontanter og lignende** | | **8 633 000** | **262 000** |

# Balanse

| Beløp i: NOK | Note | 2020 | 2019 |
|---|---|---|---|
| **Sum omløpsmidler** | | **243 155 000** | **342 677 000** |
| **SUM EIENDELER** | | **944 539 000** | **1 012 258 000** |
| **BALANSE - EGENKAPITAL OG GJELD** | | | |
| **Egenkapital** | | | |
| **Innskutt egenkapital** | | | |
| Selskapskapital | 10,11 | 102 176 000 | 102 176 000 |
| Overkurs | 11 | 23 627 000 | 23 627 000 |
| **Sum innskutt egenkapital** | | **125 803 000** | **125 803 000** |
| **Opptjent egenkapital** | | | |
| Annen egenkapital | 11 | 137 567 000 | 137 575 000 |
| **Sum opptjent egenkapital** | | **137 567 000** | **137 575 000** |
| **Sum egenkapital** | | **263 370 000** | **263 378 000** |
| **Gjeld** | | | |
| **Langsiktig gjeld** | | | |
| **Annen langsiktig gjeld** | | | |
| Gjeld til kredittinstitusjoner | 13,18 | 161 000 000 | 278 000 000 |
| Forpliktelse opprydding | 15 | 150 304 000 | 115 077 000 |
| **Sum annen langsiktig gjeld** | | **311 304 000** | **393 077 000** |
| **Sum langsiktig gjeld** | | **311 304 000** | **393 077 000** |
| **Kortsiktig gjeld** | | | |
| Leverandørgjeld | 13 | 57 397 000 | 131 495 000 |
| Betalbar skatt | 14 | 31 729 000 | 28 353 000 |
| Skyldige offentlige avgifter | | 11 158 000 | 11 066 000 |
| Utbytte | | 102 996 000 | |
| Annen kortsiktig gjeld | 13,15, 18 | 166 585 000 | 184 889 000 |
| **Sum kortsiktig gjeld** | | **369 865 000** | **355 803 000** |

# Balanse

| Beløp i: NOK | Note | 2020 | 2019 |
|---|---|---|---|
| **Sum gjeld** | | **681 169 000** | **748 880 000** |
| | | | |
| **SUM EGENKAPITAL OG GJELD** | | **944 539 000** | **1 012 258 000** |

# ÅRSREGNSKAP
# OG
# ÅRSBERETNING
# 2020

## Sibelco Nordic AS

# Sibelco Nordic AS

## STYRETS ÅRSBERETNING FOR REGNSKAPSÅRET 2020

### SELSKAPETS VIRKSOMHET

Selskapet driver virksomhet med utvinning og foredling av de mineralske råstoffene nefelinsyenitt, sand og olivin fra anleggene på Stjernøy, Lillesand, Spone og Åheim i Norge, samt salg og distribusjon via våre terminaler i Europa og Fjerne Østen. Salg og markedsføring drives gjennom konsernet globalt, samt via agenter og distributører i øvrige markeder.

### KVALITETSLEDELSE – KVALITETSFORBEDRING

Det er etablert og implementert et system for kvalitetsledelse hvor internkontroll med hensyn til helse, miljø og sikkerhet (HMS) samt påvirkning på eksternt miljø er integrert. Virksomheten ved produksjonsanleggene og hovedkontoret i Norge er sertifisert med hensyn til kvalitetsstandarden NS-EN ISO 9001:2015. Anlegget på Åheim er i tillegg sertifisert i henhold til miljøstandarden ISO 14001:2015 og energistandarden ISO 50001:2018 Energiledelse.

Det arbeides kontinuerlig med forbedring av arbeidsforhold, kostnadsstruktur og øvrig virksomhet. De ansattes engasjement i dette arbeidet har vært stort.

### HELSE, MILJØ OG SIKKERHET (HMS)

Styret har et sterkt fokus på det omfattende arbeidet som drives i bedriften med kartlegging og forebyggende tiltak mot skader og sykefravær. Systematisk helse, miljø og sikkerhetsarbeid pågår i alle avdelinger. Sikkerheten har førsteprioritet. Sikkerheten ved anleggene er ivaretatt av den lokale linjeledelse. Ved alle arbeids- og produksjonssteder er det utarbeidet beredskapsplaner og handlingsplaner som følges opp av den lokale ledelsen. Det gjennomføres sikkerhetssamtaler med alle ansatte og eksterne før de går ut i praktisk arbeid i bedriften. Årlige arbeidsmiljøkartlegginger gjennomføres med involvering fra alle ansatte. Styret anser arbeidsmiljøet i selskapet som godt. Selskapet har rutiner for rapportering av hendelser (Helse og Sikkerhet, Ytre miljø & Kvalitet) for kartlegging av potensielt farlige forhold, ulykker, skader og skadetilløp samt andre forhold. Denne informasjonen brukes i kartlegging, oppfølging og forebygging og er også en viktig kilde til forbedringer. Spesielt er det viktig med hensyn til Helse og Sikkerhet å få rapportert inn nestenulykker og farlige forhold, og få fulgt opp disse da vi her kan jobbe aktivt for å forebygge skader. Det ble registrert totalt 150 nestenulykker og farlige forhold i 2020.

I 2020 ble det registrert 5 personskader med fravær; alle disse skjedde på anlegget på Stjernøy.

I selskapets HS-arbeid legges det stor vekt på kartlegging og forbedring av støveksponering. Vi arbeider systematisk for å redusere støveksponering så mye som mulig gjennom målrettede tiltak. Støvmåleprogrammer utarbeides årlig og oppfølging av disse skjer fortløpende. Tjenester fra bedriftshelsetjenesten (BHT), vernerunder og andre internkontrollrutiner er gjennomført i henhold til planer og fastsatte prosedyrer.

Det totale sykefraværet i 2020 var på 6,34 %, dette er en økning sammenlignet med 2019 da totalt sykefravær var på 4,58 %. Selskapet har system for systematisk oppfølging av sykefravær.

Antall ansatte i Sibelco Nordic AS ved utgangen av 2020 var på 274. Selskapet praktiserer likestilling mellom kjønnene. Ved rekruttering oppfordres kvinner til å søke stillinger innenfor områder hvor det i dag er store skjevheter i kjønnsfordelingen.

Det utøves lik praksis ved avansement i selskapet, uavhengig av kjønn, etnisitet og funksjonsevne (sistnevnte såfremt det ikke er til hinder for yrkesevne i det enkelte yrke). Det er felles arbeidstid for menn og kvinner. Det er imidlertid flere kvinner enn menn som arbeider deltid, og det deltar flest menn i overtidsarbeidet blant timelønnede. Blant fastlønnede er overtiden noenlunde likt fordelt.

I 2020 ble det avholdt en HS dag på alle verk og lokasjoner i Norge. Det var ulike temaer rundt om på de ulike lokasjonene, bl.a. ble det lagt stor vekt på en workshop som gikk på Sikkerheten starter med meg, som fokuserer på sikker atferd. I 2020 har det vært stor oppmerksomhet på lukking av HS-tiltak og at disse blir implementert innen fastsatte tidsfrister samt at det har vært lagt vekt på gjennomføring av observasjoner og prosess bekreftelser der ledere er ute og observerer at arbeidet foregår på en sikker og trygg måte og i henhold til prosedyrer og fastsatte tiltak. Det har vært lagt mye arbeid i å observere atferd samt å anerkjenne og gi tydelig og positiv tilbakemelding på sikker atferd som observeres. Ledere har hatt et personlig mål med hensyn på antall prosess bekreftelser.

**AKTIVITETSPLIKT OG REDEGJØRELSESPLIKTEN (ARP)**
Stortinget har besluttet at aktivitets- og redegjørelsesplikten i likestillings- og diskrimineringsloven skal styrkes fra og med 1. januar 2020.
Aktivitetsplikten innebærer at arbeidsgivere med over 50 ansatte (eller 20 ansatte hvis en av arbeidslivets parter ønsker det) skal jobbe etter en konkret arbeidsmetode for å fremme likestilling og hindre diskriminering. Dette gjelder for alle diskrimineringsgrunnlag; kjønn, graviditet, permisjon ved fødsel eller adopsjon, omsorgsoppgaver, etnisitet, religion, livssyn, funksjonsnedsettelse, seksuell orientering, kjønnsidentitet og kjønnsuttrykk.
Redegjørelsesplikten innebærer at det skal redegjøres for den faktiske tilstanden når det gjelder kjønnslikestilling i virksomheten. I tillegg skal arbeidsgivere redegjøre for hva de gjør for å oppfylle aktivitetsplikten.

**KJØNNSBALANSE I VIRKSOMHETEN (ANTALL KVINNER OG MENN)**

**I Sibelco Nordic AS var kjønnsbalansen følgende for 2020:**
Kvinner: 40 (14,6%)
Menn: 234 (85,4%)

**Andel menn og kvinner som var midlertidig ansatt i 2020:**
Kvinner: 4 (17,39%)
Menn: 19 (82,61%)

**Andel menn og kvinner som var ansatt i deltidsstillinger i 2020:**
Kvinner: 14 (48,28%)
Menn: 15 (51,72%)

**Det gjennomsnittlige antall uker foreldrepermisjon for menn og kvinner som har rett til permisjon**
Kvinner: 34 uker
Menn: 15 uker

**UFRIVILLIG DELTID**
*Med ufrivillig deltid menes deltidsarbeid der stillingsinnehaver ønsker og er tilgjengelig for å jobbe mer.*
Kvinner: 2 (100%)
Menn: 0 (0%)
Grunnet driftsmessige hensyn vil det p.t. ikke være mulig å tilby de 2 ansatte en fulltidsstilling.

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**LØNNSFORSKJELLER MELLOM KVINNER OG MENN FOR 2020:**

| Beskrivelse av stillingsnivå/-gruppe | Kvinner | Menn | Andel kvinner | Total | Forskjeller i kontante ytelser (%) kvinner vs. menn | Kommentar |
|---|---|---|---|---|---|---|
| **Total** | 40 | 234 | 15% | 274 | 89.70% | |
| **Nivå/gruppe 1** | N/A | N/A | N/A | N/A | N/A | *Færre enn 5 i utvalg, opplysninger er derfor ikke tillatt publisert.* |
| **Nivå/gruppe 2** | 9 | 41 | 18% | 50 | 102.30% | |
| **Nivå/gruppe 3** | 6 | 13 | 32% | 19 | 98.20% | |
| **Nivå/gruppe 4** | 8 | 7 | 53% | 15 | 93.50% | |
| **Nivå/gruppe 5** | 16 | 167 | 9% | 183 | 100% | |

*Det må være minst fem av hvert kjønn på et stillingsnivå/-gruppe for å kunne fremlegge resultatene i den offentlige redegjørelsen.*

**SELSKAPETS PLIKT TIL Å PRØVE Å HINDRE TRAKASSERING, SEKSUELL TRAKASSERING OG KJØNNSBASERT VOLD**

Vår bedrift aksepterer ingen form for trakassering, diskriminering eller annen utilbørlig adferd overfor kolleger eller andre du forholder deg til som ansatt.
Dette er stadfestet i vår personalhåndbok under avsnittet «Etikk og personlig atferd». Temaet vil være et fokusområde på ledermøter i 2021.

**AKTIVITETSPLIKT**

Som en privat bedrift med over 50 ansatte har Sibelco Nordic AS en utvidet aktivitetsplikt og må derfor følge den 4-stegs arbeidsmetoden fastsatt av Likestillings- og diskrimineringsombudet.
Arbeidsmetoden skal brukes på områdene rekruttering, lønns- og arbeidsvilkår, forfremmelse og utviklingsmuligheter, tilrettelegging og mulighet for å kombinere arbeid og familieliv.

**Rekruttering**

I Sibelco har vi oppmerksomhet på mangfold og kjønnsbalanse. Noen av verktøyene vi benytter for å oppnå dette er:

- I rekrutteringsprosesser aktivt forsøke å finne/plukke ut kandidater uavhengig av kjønn, etnisitet, religion, livssyn, funksjonsnedsettelse og seksuell orientering. Dette sikrer vi ved å involvere flere deltakere fra ulike avdelinger og kjønn i intervjupanelet.
  Dette er nedfelt i retningslinjene for rekruttering av funksjonærer som kom for ca. 2 år siden. Under rekruttering av operatører har vi p.t. ikke samme retningslinjer/krav til rekrutteringsprosessen. Dette da rekruttering primært skjer lokalt på verksnivå. Tiltak for å sikre likestilling og minimere risikoen for diskriminering her vil bl.a. være å foreta opplæring av ledere i rekruttering.

**Ansvarlige i virksomheten som skal påse at dette blir fulgt:**

- Sibelcos interne rekrutteringsteam (Talent & Recruitment)
- Avdelingsleder (Hiring Manager)
- Lokal HR-avdeling

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**Lønns- og arbeidsvilkår**

- For å sikre rettferdig praksis i henhold til lønn er vi en del av tariffavtalen mellom LO og NHO og følger for operatører bergverksoverenskomsten, sammen med lokalt utarbeidet særavtale.
- For funksjonærer baseres lønn på en objektiv utarbeidet lønnsskala utarbeidet av tredjepart på bakgrunn av markedsdata.

Vi har en felles personalhåndbok for alle ansatte som oppgir øvrige arbeidsvilkår. Denne er lett tilgjengelig for ansatte via PC og/eller app på mobil.

På bakgrunn av overnevnte anser selskapet at det er minimal risiko for diskriminering, men at det må jobbes aktivt med mulig skjevfordeling/etterslep fra tidligere.

**Ansvarlige i virksomheten som skal påse at dette blir fulgt:**

- Lokal HR-avdeling
- Global HR-avdeling
- Tillitsvalgte (gjennom avtaleverk)

**Forfremmelse og utviklingsmuligheter**

- Utviklingsmuligheter og potensiell forfremmelse skal være et tema under medarbeidersamtalen. For operatører avholdes dette i utgangspunktet en gang i året.
- For funksjonærer gjennomføres «goal setting» med jevnlige «check-in»- samtaler gjennom året.
- Eventuelle utviklingsmuligheter som kurs og annen opplæring vil bli vurdert individuelt og beslutning vil baseres på bl.a. relevans for stillingen, lovkrav m.m.
- Sibelco tilbyr per i dag opplæring gjennom bl.a. opplæringsportalen «Sibelco Academy».
- Sibelco arbeider med å videreutvikle og rekruttere internt. Det har blitt etablert en global stillingsportal hvor samtlige av selskapets stillinger vil bli utlyst uavhengig av land og lokasjon. Portalen heter «Career Page» og er lett tilgjengelig på selskapets intranettside «ourSibelco». Selskapet ser at det alltid kan være en risiko for diskriminering til tross for gode systemer som skal ivareta prosessene. Selskapet vil derfor legge vekt på opplæring av ledere for å sikre likebehandling av alle ansatte, uavhengig av kjønn, etnisitet, religion, livssyn, funksjonsnedsettelse og seksuell orientering. Noen tiltak (som Team Talk og webinar) er allerede iverksatt for å øke bevisstgjøringen rundt mulige forutinntatte holdninger rundt kjønnsroller, kulturell bakgrunn m.m. Tilbakemeldingene på disse tiltakene har vært gode.

**Ansvarlige i virksomheten som skal påse at dette blir fulgt:**

- Avdelingsleder (Hiring Manager)
- Lokal HR-avdeling
- Global HR-avdeling
- Sibelcos interne rekrutteringsteam (Talent & Recruitment)

**Tilrettelegging**

- Selskapet arbeider kontinuerlig med å tilrettelegge arbeide for ansatte med særskilte behov så langt det er mulig med henhold til driftshensyn. Dette for å forhindre frafall i arbeidslivet. Tiltak i forbindelse med dette er bl.a. nærmere beskrevet i selskapets handlingsplan for sykefravær 2021.

Sykefraværet følges løpende opp av selskapets ledergruppe, styret, HR, samt lokal ledelse. Selskapet anser ikke at det finnes noen nevneverdig risiko for diskriminering eller andre hindre for likestilling med tanke på tilrettelegging. Det vil imidlertid være oppmerksomhet på dette ved opplæring av ledere for å sikre enhetlig praksis.

For å adressere dette har bl.a. følgende tiltak blitt videreført/iverksatt:

- Ny overordnet handlingsplan for oppfølging av sykefravær har blitt utarbeidet
- Kursing av ledere og tillitsvalgte i GIPS (system for oppfølging av fravær)
- Utsending av overordnet sykefraværsstatistikk på månedlig basis til Verkssjefer, avdelingsledere, HR, HMS, Hovedverneombud og Hovedtillitsvalgte
- Tettere samarbeid med hovedverneombud og arbeidsmiljøutvalg
- Målinger av sykefraværet opp mot øvrige bransje
- Fast punkt på styremøte

*Selskapet har således et system for systematisk oppfølging av sykefravær.*

Sikkerhet står i høysetet til enhver tid og vi det er fokus på at de ansatte skal være like friske når de går hjem fra arbeidet som da de kom. Tiltak og sikkerhetsaktiviteter er beskrevet i selskapets målsetning «Going for zero».

**Ansvarlige i virksomheten som skal påse at dette blir fulgt:**

- Selskapets styre (lokalt og globalt)
- Ledere
- Lokal HR-avdeling
- HMS
- Global HR-avdeling
- Tillitsvalgte
- Arbeidsmiljøutvalg
- Hovedverneombud
- Bedriftshelsetjenesten

**Mulighet for å kombinere arbeid og familieliv**

- Så langt det er mulig vil selskapet forsøke å imøtekomme arbeidstakers behov for å kombinere arbeid og familieliv. Ulike tiltak som er gjennomført for å sikre dette er bl.a. muligheten til å benytte velferdspermisjon utover det som er lovfestet. Dette gjelder også i enkelte tilfeller lønnet permisjon. Informasjon om slik permisjon er nærmere beskrevet i personalhåndboka og lokal særavtale.
- Der det er mulig legge til rette for hjemmekontor i henhold til selskapets til enhver tids gjeldende retningslinjer.
- Selskapet legger til rette for at ansatte kan ta ut foreldrepermisjon i forbindelse med svangerskap og fødsel. Selskapet gir full lønn (ikke begrenset oppad til 6G) under permisjon. Selskapet ønsker å minimere risiko for diskriminering ved opplæring av ledere for å sikre likebehandling av alle ansatte. Selskapet arbeider for å øke bevisstgjøringen rundt kjønnsroller i familie- og yrkesliv.

**Ansvarlige i virksomheten som skal påse at dette blir fulgt:**

- Lokal HR-avdeling
- Global HR-avdeling
- Avdelingsleder

**MILJØRAPPORTERING**

Det ble ikke meldt om akutt forurensning fra Sibelco Nordic AS sine anlegg i 2020. Utslipp fra produksjonsanleggene følges opp med hensyn til de krav myndighetene stiller. For Åheim og Stjernøy blir årlig rapportering til Miljødirektoratet/Statsforvalteren gjennomført. En betydelig del av miljøarbeidet konsentrerer seg om etablering av systemer for måling og reduksjon av støv knyttet til produksjonsanleggene. For alle anlegg er miljøarbeidet integrert som en del av det etablerte styringssystemet. Åheim, Fossbekk og Stjernøy har tillatelser til virksomhet etter forurensningsloven utstedt av miljømyndighetene. Selskapet har et løpende samarbeid med offentlige myndigheter.

Sibelco Nordic AS sine anlegg påvirker det ytre miljøet gjennom forbruk av ikke-fornybare ressurser. Vår målsetning er at miljøkrav fra myndigheter og lokalsamfunn skal følges, og Sibelco Nordic føler ansvar for å begrense miljøkonsekvensene i hele verdikjeden. Våre produkter baseres på sikre råvarer og blir produsert med akseptable metoder. Av energikilder brukes elektrisitet samt at en i tillegg bruker olje eller propan til oppvarming av tørker og diesel/bensin til rullende materiell. Alle Sibelco Nordic AS sine anlegg arbeider kontinuerlig med spare- og investeringsprosjekter for å redusere energiforbruket. Generelt arbeider alle anlegg med energireduksjon og reduksjon av CO2; også i samarbeid med Sibelco internasjonalt.

I forhold til ytre miljø er støv og støy viktige miljøaspekter. Miljøvirkningen her er spesielt relatert til sjenanse for lokalmiljø og naboer. Vi arbeider kontinuerlig for å forbedre oss innenfor disse områdene. I tillegg har vi fokus på avfall og avfallshåndtering ved alle anlegg. I forhold til ytre miljø pågår det også en god del prosesser i samarbeid med Sibelco internasjonalt for å sikre samsvar og etterlevelse av eksterne og interne krav.

Vi er opptatt av å utnytte naturressursene på en forsvarlig måte, samt drive virksomheten slik at det gir minimal miljøbelastning og i tråd med aktuelle lovbestemte krav. Det innebærer at et uttak av naturen skal være akseptert av samfunnet, gi optimal verdi ved minst mulig miljøpåvirkning og ikke hindre annen bruk av det berørte området på et senere tidspunkt.

**FORSKNINGS- OG UTVIKLINGSAKTIVITETER**

Det er bygget opp sterk kompetanse innen miljøanvendelser samt på teknisk støtte til våre salgsdivisjoner. Samarbeidet og integrasjon med Europa er implementert. Aktivitetene går først og fremst ut på aktiviteter rettet mot nye applikasjoner, men også bredere bruk av eksisterende produkter i nåværende markeder.

Gjennom flere års testing har avgangen fra Stjernøy nå blitt sertifisert som et produkt til jordforbedring i Belgia og Nederland. Det arbeides nå med tilsvarende sertifisering i Tyskland. Bruken av «Soilfeed» har økt og blir nyttet til jordforbedring i næringsfattige skogområder i Belgia og Nederland. Selskapet ser det som viktig å finne anvendelser for noe av avgangen på Stjernøy siden denne blir deponert i sjødeponi.
For olivin er et større forskningsprosjekt for bruk av olivin som slaggdanner sammen med hematittmalm i pelletsproduksjon. Forskningsprosjektet er et samarbeid med et indisk stålverk der et nytt pelletsverk forventes å igangsettes på nyåret 2021.

**MARKEDET**

Koronapandemien i verden medførte til nedstenging og stans i produksjonen i perioder hos en rekke av våre kunder både for olivin og nefelin.

Selskapets leveranser til glass-, keramikk- og fillersegmentene har vært relativt stabil, men har gitt noe nedgang i salget grunnet pandemien. Salg til kunder som produserer «float glass» har hatt størst nedgang, men har blitt kompensert i økt salg til «container glass». Størst nedgang har vært til keramikk-industrien der nedstenging av verk i Italia og Spania påvirket salget fra Stjernøy. Leveransene av Minex-produkter har vært meget bra, da produsenter av maling fikk et stort oppsving på grunn av pandemien.

Kundene etterspør jevn og god kvalitet som er medvirkende til at selskapet opprettholder et godt salg, til tross for økt tilgang av billig feltspat i markedet. Det er forventet full kapasitetsutnyttelse av verket på Stjernøy i 2021.

Salg til stålmarkedet ble hardt rammet av pandemien i 2020. Europeiske stålverk har hatt lav produksjon da deres største kunder er den europeiske bilindustrien. Det har medført redusert salg av olivin til alle våre stålverkskunder. Salg av tørkede produkter har også vært påvirket av lavere etterspørsel, spesielt til støperiindustrien. Vi ser dog at etterspørselen på slutten av året har økt til en tilnærmet normalt salg. Salg av ildfaste masser har vært stabilt og kontrakt med nye kunder vil gi økt salg i 2021. Konkurransen på dette markedet er stor, men høy kvalitet har gitt våre masser innpass hos nye kunder.

Vi forventer at stålindustrien fortsatt vil ha lavere produksjon enn normalt utover i 2021. Vår nye kunde i India vil starte opp sitt nye pelletsverk i begynnelsen av 2021 og første leveranse vil bli på begynnelsen av året. Salg av tørkede produkter har stor etterspørsel og det er forventet full kapasitetsutnyttelse på disse produktene.

Åheim har sertifisert seg som godkjent leverandør av ballastmasser for havvindmøller. Selskapet er i sluttforhandlinger om leveranser til ett av Equinors prosjekter og disse leveransene er forventet å skje sommeren 2021.
Selskapet satser nå bredt i markedsføringen av olivin som et godt produkt til ballastering for forskjellige applikasjoner.

**FREMTIDSUTSIKTER**

Stålindustrien I Europa sliter fortsatt med sterk konkurranse fra Kina.

Kinas økonomi kom seg raskt tilbake etter lockdown i slutten av februar 2020, og nesten all økonomisk aktivitet unntatt detaljhandel gjenopptok full produktivitet i mai. Etter dette har ikke Kinas økonomiske aktivitet blitt påvirket av pandemien, i motsetning til resten av verden.

Den kinesiske økonomien styrket seg etter regjeringens gjennomføring av ulike stimulerende tiltak, blant annet flere nye infrastrukturprosjekter og gjennomføring av igangsatte prosjekter, færre kontrolltiltak i eiendomssektoren, samt skattereduksjoner for å øke husholdningens forbruk. I tillegg hadde økonomien nytte av sterk eksport ettersom resten av verden ble påvirket av pandemien.

I produksjonssektoren falt bilproduksjonen på det meste med 45% under nedstengingen, men har kommet kraftig tilbake siden mai. I løpet av hele 2020 gikk bilproduksjonen ned kun med 1,4 %. Andre industrielle sektorer har hatt positiv vekst på grunn av sterk eksportetterspørsel.

Som et resultat vil de fleste anvendelsesområder for stål vise moderat vekst, og Kinas ståletterspørsel forventes å vokse med 3,0 % i 2021. Innen 2022 vil etterspørselen etter stål synke til 1,0 % ettersom effekten av stimuleringstiltakene fra 2020 avtar, og regjeringen legger vekt på mer bærekraftig vekst.

**Europa**
Den reduserte aktiviteten i Europa har tvunget fram kostnadsreduksjoner for de fleste europeiske stålprodusenter. Dette gjenspeiles i det faktum at de kjøper jernmalm av lavere kvalitet (Fe). Rimeligere jernmalm har et høyere innhold av silisiumdioksid (SiO2) og fungerer ikke teknisk med vår olivinsand (Oliflux). Det er vanskelig å få kunder til å gå tilbake til jernmalm med lavt innhold av silika. Ettersom kostnaden for jernmalm er betydelig for et stålverk, lages først en strategi for jernmalm og deretter for tilsetningsstoffer (Oliflux). Vi forsøker å ha tekniske diskusjoner med alle kunder for å reversere utviklingen. Vi forsøker å finne alternative løsninger, og det blir derfor viktig å identifisere nye kunder som kjøper jernmalm med lavt innhold av silika.

Vi tar nødvendige grep for å tilpasse kostnadene til en lavere produksjon, men ser man på Åheim, er det nødvendig med økte volumer. Det er ikke mulig kun å redusere kostnader, Åheim trenger høyere produksjons- og salgstall. Vi må erstatte tapte Oliflux-volumer med nye kunder (primært i India), og vi må supplere med Olidense (Ballast).

Salget av nefelin fra Stjernøy har vært stabilt og verket har hatt maksimal kapasitetsutnyttelse over mange år. Verket ble etablert på begynnelsen av 60-tallet og med alder har driftskostnadene øket mer en økt salgspris kan kompensere. Det er derfor igangsatt et forprosjekt for å utrede byggingen av et komplett nytt prosessanlegg på Stjernøy. Et nytt prosessanlegg vil sikre drift i mange tiår fremover, gi mulighet for økt salg og redusere driftskostnadene.

Selskapet vil være eksponert for konkurranse fra både lokale og globale leverandører i 2020, men gjennom godt markedsarbeid har vi synliggjort kvalitetene til våre produkter godt og forventer derfor kontinuerlig god etterspørsel.

Koronakrisen har bare påvirket leveransene fra Åheim siden største kundegruppe er stålverk. Stålverkene har ikke vært klassifisert som «samfunnskritisk» og har derfor vært underlagt strenge tiltak i Europa. De andre verkene i selskapet har ikke blitt påvirket på samme måte som Åheim, og leveransene til kundene går som normalt.

Selskapets beste vurdering er dog at ingen kommer unna en krise av dette slaget. Koronaepidemien kommer med stor sannsynlighet til å påvirke etterspørselen i 2021, men vår basisforretning er stabil.

**FINANSIELL RISIKO**

**Markedsrisiko**
Selskapet er eksponert for endringer i valutakurser, spesielt EUR, GBP og USD. En vesentlig del av selskapets inntekter er i utenlandsk valuta. Selskapet benytter transaksjonsbasert sikring for å redusere valutarisiko, og derigjennom den driftstilknyttede markedsrisiko.

**Kredittrisiko**
Risiko for at kundene ikke har økonomisk evne til å oppfylle sine forpliktelser vurderes fortløpende. Det har historisk sett vært lite tap på kundefordringer. Sibelco sentralt har en systematisk oppfølging av nye og eksisterende kunder med hensyn til kredittstatus. Våre største kunder er inkludert i denne oppfølgingen.

**Likviditetsrisiko**
Styret vurderer likviditeten i selskapet som god. Forfallstidspunkter for kundefordringer ble opprettholdt, og langsiktige fordringer er ikke vurdert reforhandlet eller innløst. Driften genererte en positiv kontantstrøm. Selskapets kontantbeholdning ved årets slutt var 8,63 MNOK mot 0,26 MNOK i 2019, noe som gir en netto økning i kontantstrøm i 2020 på 8,37 MNOK.

**REDEGJØRELSE FOR ÅRSREGNSKAPET**

I samsvar med regnskapsloven § 3-3a bekreftes det at forutsetningene om fortsatt drift er til stede. Til grunn for forutsetningene ligger resultatforventningene for år 2021, og selskapets langsiktige strategiske prognoser for årene fremover. Selskapet er i en sunn økonomisk og finansiell stilling.

Brutto salgsinntekt i selskapet var i 2020 på i alt 955,3 MNOK (1.036,6 MNOK i 2019). Av dette utgjorde eksport fra Norge 873,6 MNOK (946,6 MNOK). Driftsresultatet ble 117,7 MNOK (156,0 MNOK).

Årsresultat etter skatt i 2020 utgjorde 103,0 MNOK (129,1 MNOK).

Selskapets egenkapitalandel var 27,9% (26 %), hvilket styret mener er tilstrekkelig og forsvarlig både med tanke på driften generelt og løpende investeringer, og med tanke på relativt usikre markedsutsikter.

Likviditeten i 2020 har vært tilfredsstillende.

Totale investeringer lå på et noe lavere nivå i 2020 enn i 2019, 61,6 MNOK (70,0 MNOK). Investeringsprogrammet for 2020 var konsentrert om produktivitetsfremmende tiltak i form av nyinvesteringer og utskiftninger i forbindelse med løpende drift ved anleggene. Det er videre gjort investeringer for forbedringer innenfor helse, miljø og sikkerhet.

Styret er av den oppfatning at årsregnskapet gir et rettvisende bilde av Sibelco Nordic AS eiendeler, gjeld, finansielle stilling og resultat.

Det har ikke inntruffet forhold etter regnskapsårets utgang som ikke er hensyntatt eller omtalt i årsoppgjøret og som er viktig for å bedømme selskapets resultat og stilling.

**RESULTATDISPONERING**

Overskuddet på NOK 102.995.633,78 foreslås disponert som følger:

| | | |
|---|---|---|
| Avsatt til utbytte | NOK | 102.995.633,78 |
| Overført til annen egenkapital | NOK | 0,00 |
| Sum disponert | NOK | 102.995.633,78 |

Styret retter en takk til samtlige ansatte for god innsats gjennom et vanskelig år i 2020 og sier seg godt fornøyd med oppnådd resultat.

Sandvika, 26. mai 2021

Ragnar Hagen, formann

Martin Leman

Ove Sollid
(Adm. Dir., styremedlem)

Øystein S. Pedersen

Arve Larsen

PENNEO

*Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.*

*"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."*

**Ragnar Hagen**
**Styreleder**
På vegne av: Sibelco Nordic AS
*Serienummer: 9578-5993-4-2764473*
*IP: 185.253.xxx.xxx*
*2021-05-27 06:43:28Z*

**Arve Larsen**
**Styremedlem**
På vegne av: Sibelco Nordic AS
*Serienummer: 9578-5999-4-1490505*
*IP: 81.188.xxx.xxx*
*2021-05-27 07:36:54Z*

**Ove Magne Sollid**
**Styremedlem**
På vegne av: Sibelco Nordic AS
*Serienummer: 9578-5998-4-1116877*
*IP: 81.188.xxx.xxx*
*2021-05-27 09:53:51Z*

**Ove Magne Sollid**
**Administrende direktør**
På vegne av: Sibelco Nordic AS
*Serienummer: 9578-5998-4-1116877*
*IP: 81.188.xxx.xxx*
*2021-05-27 09:53:51Z*

**Martin Leman**
**Styremedlem**
På vegne av: Sibelco Nordic AS
*Serienummer: 19710402xxxx*
*IP: 81.188.xxx.xxx*
*2021-05-27 11:40:04Z*

**Øystein Sedolf Pedersen**
**Styremedlem**
På vegne av: Sibelco Nordic AS
*Serienummer: 9578-5997-4-324909*
*IP: 77.222.xxx.xxx*
*2021-05-27 13:45:01Z*

*Penneo Dokumentnøkkel: EAF51-YYFL7-6NCK3-IE6CL-08ZSM-3DT3Z*

SIBELCO

# FINANCIAL REPORT 2020

# CONSOLIDATED FINANCIAL STATEMENTS

# MANAGEMENT KEY FIGURES

| *In thousands of euro* | Sibelco Group Excluding Covia | Covia | 2020* | Sibelco Group Excluding Covia | Covia | 2019* | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|
| **Consolidated results** | | | | | | | | | |
| Revenue | 1 489 440 | 492 086 | 1 975 529 | 1 878 556 | 1 425 738 | 3 295 130 | 3 521 130 | 3 083 004 | 2 725 702 |
| EBITDA | 244 698 | 49 657 | 294 316 | 328 025 | 226 470 | 554 463 | 651 687 | 541 429 | 428 146 |
| EBITDA % of Revenue | 16% | 10% | 15% | 17% | 16% | 17% | 19% | 18% | 16% |
| EBIT | 125 770 | (33 708) | 92 022 | 118 438 | (1 388 004) | (1 269 599) | (67 522) | 157 449 | (152 675) |
| Adjusted EBIT | 122 302 | (17 771) | 104 491 | 178 207 | (51 026) | 127 148 | 328 878 | 282 690 | 145 000 |
| Net Result (share of the Group) | 126 098 | (47 823) | 78 262 | 74 568 | (746 335) | (671 754) | (126 079) | 95 818 | (247 189) |
| Net Result | 125 461 | (73 602) | 51 847 | 75 063 | (1 148 098) | (1 073 022) | (176 911) | 99 211 | (274 355) |
| **Cash flows** | | | | | | | | | |
| Free operating cash flow ** | 78 667 | 27 132 | 105 799 | 45 044 | 177 227 | 222 269 | 116 934 | 290 753 | 182 884 |
| Acquisitions / disposals and land & reserves | 67 583 | 1 776 | 69 358 | 251 727 | 212 064 | 463 792 | (522 825) | 24 143 | 14 523 |
| Free cash flow before dividends | 137 473 | (14 549) | 122 924 | 318 594 | 334 386 | 652 980 | (654 006) | 279 656 | 68 056 |
| Free cash flow | 105 967 | (14 549) | 91 418 | 248 384 | 334 386 | 582 770 | (727 911) | 215 677 | 4 747 |
| **Funding (at year end)** | | | | | | | | | |
| Net cash / (debt) | 168 163 | - | 168 163 | 78 001 | (1 419 774) | (1 341 773) | (1 390 721) | (646 620) | (891 174) |
| Shareholder's equity | 1 047 112 | - | 1 047 112 | 1 076 568 | 21 385 | 1 097 953 | 1 787 130 | 1 479 538 | 1 643 723 |
| **Data / share** | | | | | | | | | |
| Earnings per share | - | - | 183.97 | - | - | (1 544.77) | (289.83) | 220.18 | (568.18) |
| Dividend (gross) | - | - | 106.00 | - | - | 142.86 | 162.86 | 157.14 | 140.51 |
| Total shares | - | - | 470 170 | - | - | 470 170 | 470 170 | 470 170 | 470 170 |
| Own shares | - | - | 35 314 | - | - | 35 314 | 35 314 | 35 164 | 34 994 |
| **Return on Capital Employed** | | | | | | | | | |
| Average Capital Employed | 1 536 271 | 915 122 | 2 451 400 | 1 551 166 | 2 412 871 | 3 945 287 | 3 687 556 | 3 014 290 | 3 308 848 |
| ROCE (EBIT / Avg Capital Employed) | 8.2% | (3.7%) | 3.8% | 7.6% | (57.5%) | (32.2%) | (1.8%) | 5.2% | (4.6%) |
| Adjusted ROCE (Adjusted EBIT / Avg Capital Employed) | 8.0% | (1.9%) | 4.3% | 11.5% | (2.1%) | 3.2% | 8.9% | 9.4% | 4.4% |

* *The Group figures also include intercompany eliminations between Covia and Sibelco Excluding Covia.*

** *For FOCF a new definition is applied that excludes the proceeds from sale of assets and the acquisitions of land and reserves. For 2020, FOCF following this new definition is € 105.8 million, compared to the € 162.3 million according to the old definition.*

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

| *In thousands of euro* | Note | 2020 | 2019 |
|---|---|---|---|
| **Revenue** | 8 | **1 975 529** | **3 295 130** |
| **Cost of sales (-)** | 8 | **(1 620 952)** | **(2 819 250)** |
| **Gross profit** | | **354 577** | **475 879** |
| Other operating income | 9 | 62 338 | 41 900 |
| SG&A expenses (-) | 8 | (265 861) | (371 556) |
| Other operating expenses (-) | 10 | (59 032) | (1 415 822) |
| **EBIT** | | **92 022** | **(1 269 599)** |
| Financial income | 13 | 50 108 | 205 137 |
| Financial expenses (-) | 13 | (81 033) | (164 852) |
| Share of profit of equity-accounted investees (net of tax) | 18 | 3 869 | 3 684 |
| **Profit (loss) before income taxes** | | **64 965** | **(1 225 630)** |
| Income taxes | 14 | (13 118) | 152 609 |
| **Profit (loss) for the period** | | **51 847** | **(1 073 022)** |
| Attributable to: | | | |
| Owners of the Company | | 78 262 | (671 754) |
| Non-controlling interests | 5 | (26 414) | (401 268) |
| | | **51 847** | **(1 073 022)** |

The accompanying notes 1-39 are an integral part of these consolidated financial statements

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| *In thousands of euro* | For the year ended 31 December **2020** | For the year ended 31 December **2019** |
|---|---|---|
| **Profit (loss) for the period** | **52 425** | **(1 073 022)** |
| **Other comprehensive income:** | | |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods | | |
| Foreign currency translation differences | (103 569) | 142 565 |
| Hyperinflation adjustment 2019 (net of tax) | - | 9 091 |
| Recycling hyperinflation due to loss control Lime | - | (28 972) |
| Release OCI due to loss of control Lime | - | (28 805) |
| Release OCI due to loss of control Covia | 21 495 | - |
| Release OCI due to disposal of QMAG | 11 564 | - |
| Release OCI due to disposal of subsidiaries | (1 642) | - |
| Effective portion of changes in fair value of cash flow hedges, net of tax | (11 902) | (6 562) |
| Equity-settled share-based payment | - | 9 077 |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods | | |
| Remeasurements employee benefits, net of tax | (8 807) | (34 386) |
| | **(92 861)** | **62 008** |
| **Total comprehensive income for the period** | **(40 435)** | **(1 011 014)** |
| Attributable to: | | |
| Owners of the Company | (101 682) | (619 590) |
| Non-controlling interests | 8 821 | (391 424) |
| | **(92 861)** | **(1 011 014)** |

The accompanying notes 1-39 are an integral part of these consolidated financial statements

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| *In thousands of euro* | Note | 2020 | 2019 |
|---|---|---|---|
| **Assets** | | **1 913 419** | **4 160 400** |
| | | | |
| **Non-current assets** | | **1 076 474** | **2 592 698** |
| Property, plant and equipment | 16 | 793 405 | 2 082 922 |
| Intangible assets other than goodwill | 17 | 83 341 | 129 849 |
| Right-of-use assets | 32 | 63 924 | 204 956 |
| Goodwill | 17 | 14 564 | 14 827 |
| Equity-accounted investees | 18 | 30 295 | 29 777 |
| Deferred tax assets | 20 | 84 219 | 104 358 |
| Non-current financial assets | 19 | 3 756 | 4 783 |
| Other non-current assets | 21 | 2 971 | 21 226 |
| | | | |
| **Current assets** | | **836 945** | **1 567 701** |
| Inventories | 22 | 195 259 | 376 299 |
| Current financial assets | 19 | 1 834 | 1 978 |
| Trade receivables | 23 | 188 132 | 372 360 |
| Other receivables | 23 | 76 819 | 94 595 |
| Current tax assets | 15 | 19 204 | 34 095 |
| Cash and cash equivalents | 24 | 348 901 | 580 692 |
| Assets classified as held for sale | 11 | 6 796 | 107 682 |
| | | | |
| **Equity and liabilities** | | **1 913 419** | **4 160 400** |
| | | | |
| **Total equity** | | **1 052 713** | **1 113 763** |
| **Equity attributable to equity holders** | | **1 047 112** | **1 097 953** |
| Share capital | 25 | 25 000 | 25 000 |
| Share premium | | 12 | 12 |
| Retained earnings and reserves | | 1 022 100 | 1 072 941 |
| **Non-controlling interests** | 5 | **5 601** | **15 810** |
| | | | |
| **Non-current liabilities** | | **477 865** | **2 258 457** |
| Interest bearing loans & borrowings | 26 | 72 333 | 1 466 390 |
| Lease obligations | 32 | 46 281 | 289 705 |
| Non-current provisions | 28 | 262 866 | 308 217 |
| Employee benefits | 27 | 73 189 | 132 034 |
| Deferred tax liabilities | 20 | 19 905 | 26 717 |
| Trade and other payables | 29 | 562 | 4 965 |
| Other non-current liabilities | 30 | 2 729 | 30 428 |
| | | | |
| **Current liabilities** | | **382 840** | **788 179** |
| Bank overdrafts | 26 | 2 415 | 10 971 |
| Interest bearing loans & borrowings | 26 | 41 985 | 58 700 |
| Lease obligations | 32 | 17 738 | 76 568 |
| Current provisions | 28 | 41 220 | 88 389 |
| Trade and other payables | 29 | 260 328 | 498 949 |
| Current tax liabilities | 15 | 10 287 | 11 596 |
| Other current liabilities | 30 | 2 028 | 3 471 |
| Liabilities classified as held for sale | 11 | 6 838 | 39 536 |

The accompanying notes 1-39 are an integral part of these consolidated financial statements

## CONSOLIDATED STATEMENT OF EQUITY

| *In thousands of euro* | Share capital | Share premium | Translation reserve | Hedging reserve | Fair value | Reserve for own shares | Retained earnings | Total | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance as at 1 January 2020** | **25 000** | **12** | **(69 906)** | **(10 744)** | **(2 863)** | **(68 032)** | **1 224 485** | **1 097 952** | **15 811** | **1 113 762** |
| **Profit/(loss) for the period** | | | | | | | **78 262** | **78 262** | **(25 837)** | **52 425** |
| Foreign currency translation differences | - | - | (97 474) | - | - | - | - | (97 474) | (6 095) | (103 569) |
| Release OCI due to loss of control Covia | - | - | (15 152) | 18 045 | (10) | - | - | 2 884 | 18 611 | 21 495 |
| Release OCI due to disposal of QMAG | - | - | 11 551 | 13 | - | - | - | 11 564 | - | 11 564 |
| Release OCI due to disposal of subsidiaries | - | - | (1 642) | - | - | - | - | (1 642) | - | (1 642) |
| Cash flow hedges, net of tax | - | - | - | (7 671) | - | - | - | (7 671) | (4 230) | (11 902) |
| Fair value changes, net of tax | - | - | - | - | (368) | - | 368 | - | - | - |
| Remeasurements employee benefits, net of tax | - | - | - | - | - | - | (9 343) | (9 343) | 535 | (8 807) |
| **Total other comprehensive income** | **-** | **-** | **(102 717)** | **10 387** | **(378)** | **-** | **(8 975)** | **(101 682)** | **8 821** | **(92 861)** |
| **Total comprehensive income for the period** | **-** | **-** | **(102 717)** | **10 387** | **(378)** | **-** | **69 287** | **(23 420)** | **(17 015)** | **(40 435)** |
| Own shares acquired | - | - | - | - | - | - | - | - | - | - |
| Equity-settled share-based payment | - | - | - | - | - | - | 1 073 | 1 073 | - | 1 073 |
| Dividends to equity holders | - | - | - | - | - | - | (35 621) | (35 621) | (193) | (35 814) |
| NCI arising on a business combination | - | - | - | - | - | - | - | - | 3 177 | 3 177 |
| **Total contributions by and distributions to owners** | - | - | - | - | - | - | **(34 548)** | **(34 548)** | **2 984** | **(31 564)** |
| Other movements | - | - | (468) | (106) | 10 | - | 7 692 | 7 127 | 3 822 | 10 950 |
| **Total transactions with owners** | - | - | **(468)** | **(106)** | **10** | - | **(26 856)** | **(27 420)** | **6 806** | **(20 614)** |
| **Balance as at 31 December 2020** | **25 000** | **12** | **(173 091)** | **(463)** | **(3 231)** | **(68 032)** | **1 266 916** | **1 047 112** | **5 602** | **1 052 713** |

| *In thousands of euro* | Share capital | Share premium | Translation reserve | Hedging reserve | Fair value | Reserve for own shares | Retained earnings | Total | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance as at 1 January 2019** | **25 000** | **12** | **(179 084)** | **(3 213)** | **(3 289)** | **(66 831)** | **2 014 534** | **1 787 129** | **411 105** | **2 198 233** |
| **Profit/(loss) for the period** | | | | | | | **(671 754)** | **(671 754)** | **(401 268)** | **(1 073 022)** |
| Foreign currency translation differences | - | - | 128 217 | - | - | - | - | 128 217 | 14 348 | 142 565 |
| Hyperinflation adjustment | - | - | 9 091 | - | - | - | - | 9 091 | - | 9 091 |
| Recycling hyperinflation due to loss control Lime | - | - | (28 972) | - | - | - | - | (28 972) | - | (28 972) |
| Release OCI due to loss of control Lime | - | - | 2 499 | 424 | 491 | - | (32 218) | (28 805) | - | (28 805) |
| Cash flow hedges, net of tax | - | - | - | (8 044) | - | - | - | (8 044) | 1 481 | (6 563) |
| Fair value changes, net of tax | - | - | - | - | - | - | - | - | - | - |
| Remeasurements employee benefits, net of tax | - | - | - | - | - | - | (25 224) | (25 224) | (9 162) | (34 386) |
| Equity-settled share-based payment | - | - | - | - | - | - | 5 900 | 5 900 | 3 177 | 9 077 |
| **Total other comprehensive income** | - | - | **110 835** | **(7 620)** | **491** | - | **(51 542)** | **52 164** | **9 844** | **62 008** |
| **Total comprehensive income for the period** | - | - | **110 835** | **(7 620)** | **491** | - | **(723 296)** | **(619 590)** | **(391 424)** | **(1 011 014)** |
| Own shares acquired | - | - | - | - | - | (1 152) | - | (1 152) | - | (1 152) |
| Dividends to equity holders | - | - | - | - | - | - | (70 411) | (70 411) | (454) | (70 865) |
| **Total contributions by and distributions to owners** | - | - | - | - | - | **(1 152)** | **(70 411)** | **(71 563)** | **(454)** | **(72 017)** |
| Other movements | - | - | (1 657) | 89 | (65) | (49) | 3 658 | 1 976 | (3 416) | (1 440) |
| **Total transactions with owners** | - | - | **(1 657)** | **89** | **(65)** | **(1 201)** | **(66 753)** | **(69 587)** | **(3 870)** | **(73 457)** |
| **Balance as at 31 December 2019** | **25 000** | **12** | **(69 906)** | **(10 744)** | **(2 863)** | **(68 032)** | **1 224 485** | **1 097 952** | **15 811** | **1 113 762** |

For more information on Capital and reserves – see note 25 *Capital and Reserves.*
The accompanying notes 1-39 are an integral part of these consolidated financial statements

## CONSOLIDATED STATEMENT OF CASH FLOWS

| *In thousands of euro* | Note | 2020 | 2019 |
|---|---|---|---|
| **Profit for the period** | | **51 847** | **(1 073 021)** |
| **Adjustments for:** | | | |
| Amortisation, depreciation and impairment | 16, 17, 32 | 195 663 | 1 735 573 |
| Provisions and employee benefits | 27, 28 | 8 791 | 58 258 |
| Loss/(gain) on sale of property, plant and equipment | | (24 895) | (15 316) |
| Changes in non-current assets classified as held for sale | | (2 979) | - |
| Share of profit of equity accounted investees | 18 | (3 869) | (3 684) |
| Financial result | 13 | 30 925 | (40 285) |
| Income taxes | 14 | 13 118 | (152 609) |
| Share-based payment expense | | 1 651 | 9 076 |
| Other non-cash items (allowances trade receivables/write down inventories) | | 13 548 | 17 382 |
| **Operating cash flow before working capital changes** | | **283 801** | **535 374** |
| Changes in inventories | | 54 799 | 13 787 |
| Changes in trade and other receivables | | 29 347 | 116 992 |
| Changes in trade and other payables | | (66 433) | (131 306) |
| Proceeds/payments forex risk hedges | | 587 | 31 |
| **Working capital changes** | | **18 300** | **(496)** |
| Use of provisions | 28 | (45 424) | (67 226) |
| Contributions pensions | 27 | (18 481) | (25 048) |
| **Operating cash flow** | | **238 197** | **442 604** |
| Income taxes (paid)/received | | (13 438) | (29 378) |
| Interest received | | 2 314 | 17 727 |
| **Net cash from operating activities** | | **227 073** | **430 953** |
| Proceeds from sale of property, plant and equipment | | 63 846 | 36 160 |
| Proceeds from sale of intangible assets | | 83 | 789 |
| Sale of subsidiaries, net of cash disposed of | 4 | (188 819) | 456 132 |
| Sale of associates | | 3 | - |
| Repayment of granted loans | | 1 793 | 33 465 |
| Other proceeds | | 458 | 692 |
| Dividends received | | 3 936 | 2 222 |
| **Investing cash inflows** | | **(118 700)** | **529 460** |

| *In thousands of euro* | Note | 2020 | 2019 |
|---|---|---|---|
| Business combinations | 3 | (22 633) | (11 192) |
| Acquisition of associates | | (1 470) | - |
| Acquisition of property, plant and equipment | 16 | (117 794) | (190 105) |
| Acquisition of intangible assets | 17 | (8 580) | (21 948) |
| Granting of loans | | (1 693) | (295) |
| Changes in other non-current assets | | (730) | (1 830) |
| **Investing cash outflows** | | **(152 900)** | **(225 370)** |
| **Net cash used in investing activities** | | **(271 601)** | **304 090** |
| Drawing of borrowings | 26 | 110 850 | 7 331 |
| Repayment of borrowings | 26 | (152 060) | (165 863) |
| Increase (decrease) of finance lease liabilities | 32 | (59 329) | (111 432) |
| Interest paid | | (53 427) | (84 181) |
| Purchase of non-controlling interests | | - | (9) |
| Purchase of treasury shares | | - | (1 152) |
| Dividends paid to shareholders | 25 | (35 442) | (72 432) |
| Changes in other financing activities | | 1 722 | 4 880 |
| **Net cash used in financing activities** | | **(187 685)** | **(422 858)** |
| **Net increase/(decrease) in cash and cash equivalents** | | **(232 212)** | **312 185** |

| | | | |
|---|---|---|---|
| **Cash and cash equivalents at beginning of the period** | | **580 692** | **267 833** |
| Net increase / (decrease) in cash and cash equivalents | | (232 212) | 312 185 |
| Effect on exchange rates fluctuations on cash held | | (3 562) | (6 038) |
| Other | | 3 983 | 6 712 |
| **Cash and cash equivalents at end of period** | 24 | **348 901** | **580 692** |

The accompanying notes 1-39 are an integral part of these consolidated financial statements

# 1. SIGNIFICANT ACCOUNTING POLICIES

SCR-Sibelco N.V. ("the Company") is a company registered in Belgium, Plantin en Moretuslei 1a, BE-2018 Antwerp, Belgium. The consolidated financial statements of the Company comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associated entities and jointly controlled entities. The consolidated financial statements as at and for the year ended December 31, 2020 were authorized for issue by the Board of Directors on 11 March 2021.

The Group is principally engaged in the exploration for, development of and production of industrial minerals and serves its customers in the glass, ceramics, metal & casting, construction & engineering, chemical, electronics and other industries.

## A. STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union.

## B. BASIS OF PREPARATION

### I. Basis of measurement

The consolidated financial statements are presented in euro, which is the Company's functional currency, and are rounded to the nearest thousands, except when otherwise indicated. They are prepared on the historical cost basis except for derivative financial instruments, financial liabilities at fair value through profit or loss and greenhouse gas emissions rights that have been measured at fair value – see note 13 *Net financing costs*.

### II. Judgements, estimates and assumptions

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in each note whenever relevant.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- note 17 – key assumptions used in the impairment test for cash generating units;
- note 20 – utilisation of tax losses;
- note 27 – employee benefits;
- note 31 – financial instruments;
- note 28 – provisions for site restoration and plant demolition.

Non-recurring items are those that in management's judgement need to be disclosed and are determined by the nature of the item or their incidence. Such items are disclosed separately in the notes to the financial statements – see note 9 *Other operating income* and note 10 *Other operating expenses*.

Non-recurring items are income or expense that arise from events that are clearly distinct from ordinary activities, not expected to recur frequently and that are unpredictable and unusual. Events which may give rise to non-recurring items are principally:

- Natural disasters and fire;
- Decisions taken by local authorities which reduce or restrict the Group's rights on assets and which are out of the Group's control;
- Decisions to discontinue operations;
- Disposal of legal entities, cash-generating units or major parts of a cash-generating unit; and
- Restructuring programmes.

The accounting policies have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by Group entities.

### III. Changes in accounting policies and disclosures

#### New and amended standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments were considered in the business combinations that occurred in 2020 but had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any new business combinations.

#### Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships anymore since the deconsolidation of its subsidiary Covia.

#### Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

#### Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

#### Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted, however the Group did not early adopt this amendment. This amendment had no impact on the consolidated financial statements of the Group as no rent concessions were requested to lessors since the start of the Covid-19 pandemic.

#### IV. Presentation current and non-current assets and liabilities

The Group has presented current and non-current assets, and current and non-current liabilities, as separate classifications in the statement of financial position. The Group has elected to present non-current assets and liabilities before current assets and liabilities.

An asset is current when it is either:
- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after the reporting period;
- Cash or cash equivalent, unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when either:
- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### C. BASIS OF CONSOLIDATION

#### I. Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has all of the following:
- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting, or similar, rights of an investee, it considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Where the Group's interest is less than 100 percent, the profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if doing so causes the non-controlling interests to have a deficit balance. When preparing the consolidated financial statements, adjustments to the financial statements of the subsidiaries might be necessary in order to bring their accounting policies in line with the Group's accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

### II. Joint operations

The Group undertakes a number of business activities through joint arrangements. A joint arrangement is an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control over an arrangement, which exists only when the decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control.

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement.

In relation to its interests in joint operations, the Group recognises its:

- Assets, including its share of any assets held jointly;
- Liabilities, including its share of any liabilities incurred jointly;
- Revenue from the sale of its share of the output arising from the joint operation;
- Share of the revenue from the sale of the output by the joint operation;
- Expenses, including its share of any expenses incurred jointly.

### III. Equity accounted investees

Equity-accounted investees include associates and joint ventures. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds, directly or indirectly through subsidiaries, twenty percent or more of the voting power. Conversely, joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. The consideration made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

Associates and joint ventures are both accounted for by the Group using the equity method of accounting. Under this method, the investment is initially recorded at cost and adjusted thereafter for the changes in the Group's share of the net assets of the associate or joint venture after the acquisition date. The Group's investments in associates or joint venture include goodwill (net of impairment) on acquisition which is presented in the carrying amount of the investments. The consolidated financial statements of the Group include the Group's share of the profit or loss, OCI and movements directly recognised in equity of the equity accounted investees. The consolidated financial statements include the associates or joint venture from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

The aggregate of the Group's share of profit or loss of an equity-accounted investees is shown on the face of the statement of profit or loss outside EBIT and represents profit or loss after tax and non-controlling interests (if any) in the subsidiaries of the equity-accounted investees.

After the application of the equity method, the Group determines whether there is objective evidence that the investment in the equity-accounted investees is impaired. If there is such evidence then the Group estimates the recoverable amount of the investment and recognises an impairment loss representing the difference between the recoverable amount of the equity-accounted investee and its carrying amount. Such impairment loss is recognised within 'Share of profit of equity-accounted investees (net of tax)'.

When the Group's share of losses exceeds the carrying amount of the equity accounted investee, the carrying amount of the Group's interest (including any long-term investments) is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee.

### IV. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## D. FOREIGN CURRENCY TRANSLATION

For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

### I. Foreign currency transactions

Group's entities recognise transactions in foreign currencies in their respective functional currency at the spot rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are converted to the functional currency using the closing rate at the balance sheet date. Foreign exchange differences arising on translation are recognised in profit or loss (as finance income or expense), except for differences arising on non-monetary items that are measured at fair value, for example, financial assets measured at fair value through OCI or a financial liability designated as a hedge of the net investment in a foreign operation (see i) Derivative financial instruments and hedge accounting below). The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e.: translation differences on items whose fair value gain or loss is recognised in OCI are also recognised in OCI).

Non-monetary items which are carried at fair value are converted using the exchange rates existing when the values were determined.

Non-monetary items which result from transactions which took place in a foreign currency, but which are carried at historical cost, are reported using the exchange rate at the date of the transaction.

### II. Foreign operations

The income and expenses of foreign operations are translated to euro at average exchange rates. The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on the acquisition of a foreign entity, are translated to euro at exchange rates at the reporting date.

Foreign exchange differences arising on translation are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. When a foreign operation is disposed of, in part or in full, the cumulative amount in the translation reserve is reclassified to profit or loss as part of the gain or loss on disposal.

## E. INTANGIBLE ASSETS

### I. Recognition and measurement

Intangible assets are recognised when the asset is identifiable, controlled by the Group, it is probable that future economic benefits specifically attributable to the asset will flow to the Group and when the cost of the asset can be measured reliably.
All costs related to intangible resources which do not meet the recognition criteria are recognised as expenses and are not subsequently reinstated as an asset.
Intangible assets which have been recognised as assets are not subsequently revalued.
The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable (see accounting policy m) Impairment).
Subsequent expenditure on capitalised intangible assets is capitalised only when it meets the recognition criteria of intangible assets (see above). All other expenditure is expensed as incurred.
Intangible assets are initially measured at cost. The cost of intangible assets acquired in a business combination are initially recognised at fair value on the date of acquisition.

### II. Intangible assets in respect of mining activities

Pre-acquisition prospecting, evaluation and exploration costs are charged to expense when incurred.
Acquisition of mineral rights includes legal rights to explore for, develop, and produce wasting resources on a mineral property. Direct costs, license costs and all costs which are incurred in acquiring legal rights to undeveloped mineral properties are capitalised as intangible assets.
Mineral rights and mineral properties shall be recognised as identifiable assets provided that the carrying value is expected to be recovered through successful development and exploitation or exploration and evaluation activities have, at balance sheet date, reached a stage which permits a reasonable assessment of the existence of reserves and resources and active significant operations are continuing.
Other potential reserves and resources and mineral rights, for which, in the Executive Committee's opinion, values cannot reliably be determined, are recognised as expense in profit or loss.
Post-acquisition exploration and evaluation (E&E) costs are initially recognised as an intangible asset pending the determination of whether commercially recoverable reserves have been found.

Post-acquisition E&E comprises following activities:

- Researching and analysing historical exploration data;
- Gathering exploration data through geophysical studies;
- Exploratory drilling and sampling;
- Determining and examining the volume and grade of the resource;
- Surveying transportation and infrastructure requirements;
- Conducting market and finance studies.

To justify a continuing presumption of future economic benefits of deferred post-acquisition exploration and evaluation costs, costs can only be deferred while further activity in the mineral deposit is planned and the post-acquisition exploration and evaluation activities are expected to result in commercial reserves within two years.
Amortisation of capitalised acquisition costs of mineral rights commences as soon as the first unit in a saleable form is produced and are amortised on a units of production basis.
Capitalised post-acquisition exploration and evaluation costs remain unamortized until commercially recoverable reserves are found. At the time of assessment of insufficient potential for commercial exploitation, capitalised costs are expensed (no reinstatement when subsequently reserves are found).
Once exploitation starts and the proven reserves are estimated the capitalised amounts are amortised using the unit-of-production method, except for capitalised construction costs for which a straight-line depreciation over useful live is applied.

### III. Research and development costs

Costs relating to research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are expensed to the statement of profit or loss as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in profit or loss as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation (see below) and impairment losses (see accounting policy m) Impairment).

### IV. Computer software

Expenditure on development activities within an ICT project are capitalised if the criteria for capitalisation of research and development costs (see research and development costs) are met.

### V. Amortisation

Intangible assets which have an indefinite useful life are not amortised but are subject to annual impairment testing.
Intangible assets which have a finite useful life are amortised from the date they are available for use using the straight-line method over their useful lives. The estimated useful lives are as follows:

| | |
|---|---|
| Mineral rights and post-acquisition exploration and evaluation costs | Physical unit-of-production method |
| Development expenses | 5 years |
| Marketing related intangible assets | 5 years |
| Customer related intangible assets | 5 years or if acquired through a business combination over the DCF model horizon up to a maximum of 10 years |
| Contract-based intangible assets | Over estimated economic or legal life (contract terms), whichever is shorter, up to a maximum of 10 years |
| Computer software | 3 years |

## F. EMISSION RIGHTS

Sibelco recognises a provision for emission in case it has caused emissions in excess of emission rights granted. The provision is measured at the fair value (market price) of emission rights necessary to compensate for that shortfall.
Emission rights held are accounted for as follows:

- Emission rights allocated for free by national authorities are accounted for as non-monetary government grants at its nominal value of nil;
- Emission rights purchased from other parties are accounted for at cost. If they are dedicated to offset a provision for in excess emission, they are deemed to be "reimbursement rights" and are accounted for at fair value;
- Proceeds from disposal of excess rights are recognised when incurred in other operating income at the sales price.

Deficits are measured based on an allocation that covers the entire period of the scheme provided that the entity is unconditionally entitled to all the allowances for the period concerned.

## G. GOODWILL

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- The fair value of consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree (for each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets); plus
- If the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase price is immediately recognised in profit or loss.
Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.
Any contingent consideration payable is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.
Goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised, but instead the Group tests it for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired (see accounting policy m) Impairment).
The carrying amount of goodwill is allocated to a plant or mineral deposit or groups of plants and mineral deposits (cash-generating unit) that are expected to benefit from the synergies of the combination.
The manner in which the goodwill is allocated to each plant or mineral deposit or groups of plants and mineral deposits represents the lowest level within a Group's entity at which the goodwill is monitored for internal management purposes.

## H. FINANCIAL INSTRUMENTS – INITIAL RECOGNITION & SUBSEQUENT MEASUREMENT

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### I. Financial assets

#### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss. The classification is different for financial asset – debt instruments and financial asset – equity instrument. The most relevant financial assets – dent instruments that are held by the Group are trade receivables and other receivables (e.g.: VAT or cash deposits). The Group may enter into derivative instruments in order to manage certain financial risks.

The classification of debt instruments at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed in section u) Revenue from contracts with customers.

In order for a debt instrument to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model. The financial assets acquired and held by the Group, in general, contains plain vanilla features therefore pass the SPPI test. The Group does not invest or acquire debt instruments with complex features such as termination options with significant fair value at initial recognition, interest leveraged to on commodity price or principal amounts pegged to commodity price.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling. The most relevant type of debt instruments are trade receivables which are typically held for collecting cash flows and consequently, resulting in a classification as financial asset at amortised cost. The Group has limited number of non-recourse factoring arrangements in order to manage its liquidity risk which result in derecognising those receivables before their due date. The trade receivables that are susceptible to be factored are managed in a business model with the objective of both collecting and selling the financial assets therefore are classified as financial assets at FVOCI. The typical payment terms of the trade receivables range between 30 and 90 days, consequently, their fair value approximates the nominal amount therefore the classification as FVOCI has no significant impact on the carrying amount of these receivables.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equit instruments)
- Financial assets at fair value through profit or loss

**Financial assets at amortised cost (debt instruments)**

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, and loan to an associate and loan to a director included under other non-current financial assets.

**Financial assets at fair value through OCI (debt instruments)**

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group's debt instruments at fair value through OCI includes mainly trade receivables that are managed in business model with the objective of both holding to collect contractual cash flows and selling, as in certain countries the Group has non-recourse factoring agreements and decides on case-by-case basis to make use of those factoring facilities.

**Financial assets designated at fair value through OCI (equity instruments)**

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments. Dividends on listed equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

The rights to receive cash flows from the asset have expired

Or

The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### Impairment

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Group applies the simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due and the reason of non-payment is linked to the financial situation and health of the debtor. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## II. Financial liabilities

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

### Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss (FVPL)
- Financial liabilities at amortised cost (loans and borrowings)

### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also financial liabilities at fair value through profit or loss unless they are designated as effective hedging instruments.

Gains or losses on financial liabilities FVPL are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at FVPL are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

**Financial liabilities at amortised cost (loans and borrowings)**
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 26 *Interest-bearing loans and borrowings.*

**Derecognition**
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### III. Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## I. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

**Initial recognition and subsequent measurement**
The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:
- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:
- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

**Fair value hedges**
The change in the fair value of a hedging instrument is recognised in the statement of profit or loss as other operating expense or financial expense depending on the hedged risk. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit or loss as other operating expense or financial expense depending on the hedged risk.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

**Cash flow hedges**
The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised as other operating expense and the ineffective portion relating to commodity contracts is recognised in other operating expense or financial expense depending on the hedged risk.

The Group designates only the spot element of forward contracts as a hedging instrument. The forward element is recognised in other operating expense or financial expense depending on the hedged risk.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a nonfinancial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

**Hedges of a net investment**
Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the statement of profit or loss.

## J. CASH AND CASH EQUIVALENTS
Cash and cash equivalents comprises cash balances and call deposits with maturities of three months or less that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short term commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

## K. PROPERTY, PLANT AND EQUIPMENT

### I. Recognition and measurement
All property, plant and equipment are recorded at historical cost less accumulated depreciation (see below) and impairment losses (see accounting policy m) Impairment).
Safety and environmental expenditure is capitalised when the item is needed to obtain future economic benefits from other assets.
Items such as spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are expected to be used during more than one reporting period, their cost can be measured reliably and it is probable that future economic benefits associated with the item will flow to the Group.
The cost of an item of property, plant and equipment includes expenditures that are directly attributable to the acquisition of the asset and where relevant, the costs of dismantling and removing the asset and restoring the site on which that asset is located, and capitalised borrowing costs.
Property, plant and equipment are not subsequently revalued.
Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.
The Group recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, if it is probable that the future economic benefits embodied with the item will flow to the Group and when the cost of the item can be measured reliably. All other costs are recognised in profit or loss as an expense as incurred.
Property, plant and equipment acquired in a business combination is recognised at fair value at the acquisition date.

### II. Property, plant and equipment in respect of mining activities
Acquisition of mineral property includes the costs incurred to purchase or lease mineral properties to explore for, develop, and produce wasting resources.
Development activities include costs for the establishment of access to the mineral reserves and for other preparations before commercial production. In general all development costs are capitalised and amortised on a units of production basis.
Initial stripping costs at new mines and at operating mines outside existing pit limits, that are expected to benefit future production beyond a minimum of one year, are capitalised as part of the costs of developing and amortised on a units of production basis.
Ongoing stripping costs to maintain production of operating mines are expensed to the statement of profit or loss when the stripping ratio (ratio

of minerals extracted to overburden or waste material) over the life of the mine is expected to be relatively even.
Ongoing stripping costs are deferred using a life-of-mine based accounting model when the stripping ratio varies substantially during the life of a mine. It involves deferring costs when the actual stripping ratio incurred exceeds the expected average life-of-mine stripping ratio or recording a liability when the actual stripping ratio is less than the expected average life-of-mine ratio.

**III. Depreciation**

Items of property, plant and equipment, other than mineral properties and mining development costs, are depreciated in profit or loss as from the date the asset is available for use using the straight-line method over the estimated useful life of the asset.
Mineral properties are depreciated as from the start of production by the proportion that the mineral reserves extracted in a period, correspond to total mineral reserves (physical unit-of-production method). Under the unit-of-production method the mineral reserves base used to depreciate includes the proven (both developed and undeveloped) and probable reserves. Mineral properties remain undepreciated until commercially recoverable reserves are extracted.
The Group assesses the stage of each mine under development/ construction to determine when a mine moves into the production phase, this being when the mine is substantially complete and ready for its intended use. The criteria used to assess the start date are determined based on the unique nature of each mine development/ construction project, such as the complexity of the project and its location. At this point, all related amounts are reclassified from 'Assets under construction' to 'Mineral Properties'.
Capitalised development costs are also depreciated on a unit-of-production basis.
At the time of assessment of insufficient potential for commercial exploitation, capitalised costs are expensed (no reinstatement when subsequently reserves are found).
Estimated residual salvage values are taken into account in determining depreciation.
The estimated useful lives are as follows:

| | |
|---|---|
| Mineral property | Physical unit-of-production method |
| Mining development costs | Physical unit-of-production method |
| Administrative buildings | 30 years |
| Plant and processing equipment | 5 and 12 years |
| Mobile equipment | 5 years |
| Laboratory equipment | 7 years |
| Railroad equipment | 10 – 25 years |

Land which is not intended for mining activities is not depreciated.

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

## L. LEASES

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Group as a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**I. Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section m) Impairment.

**II. Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease term is determined as the non-cancellable period of a lease together with both (a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and (b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The Group considers all relevant facts and circumstances in the assessment whether an option is reasonably certain to be exercised such as significant leasehold improvements undertaken (or expected to be undertaken) over the term of the contract and costs relating to the termination of the lease, such as negotiation costs, relocation costs, costs of identifying another underlying asset suitable for the Group's needs.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is usually not readily determinable. The Group determines the incremental borrowing rate based on an applicable reference rate and a specific margin. The reference rate is based on the specific lessee's country reflecting the currency and country risk and taking into account the lease term of the contract. The margin reflects the incremental spread applicable to the Group based on market data and available funding contracts. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings – see Note 26 *Interest-bearing loans and borrowings.*

### III. Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value which is defined as EUR 10 000 for the whole Group. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## M. IMPAIRMENT

At each reporting date, the Group assesses the carrying amount of its assets, other than inventories (see accounting policy n) Inventories), financial assets (see accounting policy h) and deferred tax assets (see accounting policy t) Income taxes), to determine whether there is any external or internal indication that those assets have been impaired.

If any such indication exists, the recoverable amount of the asset is estimated and compared to its carrying value in order to determine the extent of the impairment loss (if any). For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time in December.

### I. Determination of recoverable amount

The recoverable amount of the assets tested for impairment is the greater of their fair value less costs of disposal and value in use.

For the fair value less costs of disposal, the fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The costs of disposal is deducted from the fair value and includes costs other than those that have been recognised as liabilities, for example, legal costs, stamp duty and similar transaction taxes.

In assessing value in use, the estimated future cash flows generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit or a cluster of cash generating units to which the asset belongs.

Estimated future cash flows are based on proven and probable reserve quantities as per the most recent life of the mine plan in determining the value in use of mineral properties. The Group uses a time horizon of maximum 10 years and in case the reserves are estimated to remain available after the maximum period, then it estimates a terminal value. Future cash flows of mineral properties include estimates of recoverable minerals, mineral prices (considering current and historical prices and price trends), production levels, capital and reclamation costs, all based on detailed engineering life of mine plans.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount (impairment loss). Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (cluster of cash generating units) and then, to reduce the carrying amount of the other assets in the unit (cluster of cash generating units) on a pro rata basis. Impairment losses are immediately recognised in profit or loss.

After the recognition of an impairment loss, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

### II. Reversal of impairment

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, where an impairment loss subsequently reverses as a result of a change in the estimates used to determine the recoverable amount, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) if no impairment loss had been recognised for the asset (cash-generating unit) in prior years.

## N. INVENTORIES

### I. Recognition and measurement

Inventories are measured at the lower of cost and net realisable value. Cost of raw materials comprises the purchase price (less discounts and rebates), import and other duties, non-refundable purchase taxes, transport and handling costs and other costs directly attributable to the acquisition of the inventories.
Cost of finished goods and work-in-progress comprises costs directly related to the units of production, such as labour and an appropriate proportion of variable and fixed production overheads.
Cost is determined on the weighted average cost basis for mining inventories and a first-in, first-out (FIFO) basis for trading inventories. Inventories are written down to net realisable value when the cost of the inventories exceeds that value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling costs.

### II. Inventories in respect of mining activities

The cost of finished products comprises all costs related to the mineral reserves extracted and made ready for use or sale during the period. The conversion costs include costs of direct labour in the mine and at the plant, both variable and fixed production costs and an appropriate portion of fixed and variable overhead costs.
Joint products are products having significant relative values emerging from a common production process. The cost of conversion is allocated between the joint products on the basis of physical measures such as weight, volume and energy content.
Ordinary spare parts (that are regularly replaced) and consumables are stated at cost less any write-down for obsolescence.

## O. HEDGE ACCOUNTING

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.
Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.
The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.
At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

### I. Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve.
The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.
The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is separately accounted for as a cost of hedging and recognised in a costs of hedging reserve within equity.

### II. Fair value hedges

For fair values hedges, in which derivative financial instruments hedge the change in fair value of assets and liabilities or an unrecognised firm commitment, changes in the fair value of derivative financial instruments are recognised in profit or loss, together with changes in the fair value of the related hedged item in respect of the risk that is hedged.

### III. Hedge of net investment in foreign operation

Where a foreign currency liability hedges a net investment in a foreign operation, foreign exchange differences arising on translation of the liability to euro are recognised directly in other comprehensive income. Where a derivative financial instrument hedges a net investment in a foreign operation, the portion of the gain or the loss on the hedging instrument that is determined to be an effective hedge is recognised directly in other comprehensive income and presented within equity in the translation reserve, the ineffective portion is reported in the statement of profit or loss. When the hedged net investment is disposed of, in part or in full, the cumulative amount in the translation reserve is transferred to the statement of profit or loss as an adjustment to the gain or loss on disposal.

## P. SHARE CAPITAL

### I. Repurchase of share capital (treasury shares)

The Group's ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares are recognised as a deduction from equity, net of any tax effects.

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a change in equity. Repurchased shares are classified as treasury shares and presented as a deduction from total equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/from retained earnings.

### II. Dividends

Dividends are recognised as a liability in the period in which they are declared.

## Q. PROVISIONS

### I. Recognition and measurement

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.
The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the reporting date. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.
Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money. The discount rate is based on long term market interest rate for a risk similar to the risk of the Group. When discounting is used, the increase of the carrying amount of the provision in each period to reflect the unwinding of the discount by the passage of time is recognised as an interest expense.

### II. Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced before the reporting date or has been announced to those affected by it (constructive obligation). Costs relating to the on-going activities of the Group are not provided for.

### III. Provisions for dismantling and removing assets

A provision for the full cost expected to be incurred at the end of the life of the asset on a discounted net present value basis is recognised at the beginning of each project and is capitalised as part of the cost of the asset.
Where discounting is used, the increase in the provision due to the passage of time is recognised as part of finance costs in the statement of profit or loss.
Initial measurement is determined based on the best estimate of the obligation taken into account advances in technology, productivity improvement and the particular circumstances faced by the operations or mines.
Subsequently the amount capitalised as part of the asset is depreciated over the useful life of that particular asset based on the straight-line method (see accounting policy k) Property, plant and equipment).
The effect of a change in the discount and inflation rate is allocated to the remaining asset component. In case the asset component is fully depreciated the effect of a change in the discount and inflation rate is recognised as a finance income/expense.

### IV. Provisions for site restoration that results from mineral extraction

The Group provides for site restoration costs resulting from mining activities where a legal or constructive obligation exists.
A provision for the full cost expected to be incurred at the end of the life of the mine on a discounted net present value basis is recognised when post-acquisition exploration and appraisal activities commence and is capitalised as part of the cost of the asset. The full provision for site restoration costs does not exceed the period of the mining permission.
Initial measurement is determined based on the best estimate of the site restoration obligation taken into account advances in technology, productivity improvement and the particular circumstances faced by the operations or mines.
Subsequently the amount capitalised as part of the asset is depreciated over the time of the concession or permit, adopting a straight-line method not exceeding twelve years (see accounting policy k) Property, plant and equipment). The effect of a change in the discount and inflation rate is allocated to the remaining asset component. In case the asset component is fully depreciated the effect of a change in the discount and inflation rate is recognised as a finance income/expense.

## R. INCOME TAXES

Income tax expense represents the sum of current tax and deferred tax. Current tax and deferred tax expense is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.
Current tax expense is recognised as an expense in the same period as the related accounting profit.
Current tax asset is recognised when the Group expects recovering income taxes paid in respect of the current or previous period. The Group's current tax liabilities (assets) for the current and prior periods is measured at the amount expected to be paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.
Deferred tax is recognised in respect of all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.
Deferred tax liabilities and assets are not recognised if the temporary differences arise from the initial recognition of goodwill and from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit. The Group does not use this initial recognition exemption for provisions for dismantling and removing assets, Provisions for site restoration that results from mineral extraction and lease contracts.
Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.
Deferred tax assets are recognised for all deductible temporary differences, the carry-forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized.
Subsequently, the carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.
Deferred tax is calculated at the tax rate that is expected to apply in the period when the asset is realised or the liability is settled, using tax rates enacted or substantively enacted at the reporting date.
Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

## S. EMPLOYEE BENEFITS

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability for short-term employee benefits is recognised for the amount expected to be settled wholly within 12 months after the end of the reporting period under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.
Termination benefits are recognised as an expense when the Group is demonstrably committed to either terminate the employment of employees before the normal retirement date or when an employee decides accepting an offer of benefits from the Group in exchange for the termination of employment. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, there is a restriction on the Group's ability to withdraw the offer, and the number of acceptances can be estimated reliably.

Post-employment benefits are formal or informal arrangements under which the Group provides post-employment benefits for one or more employees and which are payable after the completion of employment.

The Group operates defined contribution and defined benefit plans. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Contributions to defined contribution plans are recognised as an expense as incurred. Any amount unpaid at the end of the period is recognised as a liability. The liability is discounted using the discount rate specified for defined benefit plans when the contributions are not expected to be settled wholly within 12 months after the end of the period. Contributions already paid exceeding contributions due for service before the reporting date are recognised as an asset to the extent that the prepayments are recoverable.

Following IAS 19R, defined contribution plans with a minimum funding guarantee are accounted for as defined benefit pension plans.

Under a defined benefit plan, actuarial risks and investment risks are borne by the Group. The determination of the defined benefit liability is based on demographic and financial assumptions which are unbiased and mutually compatible. The discount rate is determined by reference at the balance sheet date to high quality corporate bonds that have maturity dates approximating to the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The Projected Unit Credit Method is used to determine the present value of the defined benefit obligation, the related current service cost and any past service cost. The valuations are carried out with sufficient regularity by a qualified actuary.

Plan assets held by a long-term employee benefit fund including qualifying insurance policies are measured at fair value.

Current service cost which is the actuarial cost of providing benefits in respect of service rendered is recognised as an expense in profit or loss for the current period.

Interest cost which arises as a result of the unwinding of the discount in the present value calculation is recognised in net finance cost in profit or loss for the current period (see accounting policy v) Finance income / expense). It is determined by multiplying the net defined benefit liability (asset) with the discount rate, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Re-measurements, comprising of actuarial gains and losses and the return on plan assets (excluding net interest), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

All past service costs are recognised at the earlier of when the amendment/curtailment occurs or when the related restructuring or termination costs are recognised.

## T. GOVERNMENT GRANTS

Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.
When the government grant relates to an expense item, it is recognised as income on a systematic basis in the same periods in which the expenses are incurred.
Where the grant relates to a depreciable asset, the grant is credited to a deferred income account and is recognised as other operating income over the periods and in the proportions in which depreciation on those assets is charged.

## U. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group is in the business of providing industrial minerals to serve its customers in the glass, ceramics, energy, metal & casting, construction & engineering, chemical, electronics and other industries. Revenues are primarily derived from contracts with customers with terms typically ranging from one to eight years in length. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.
The Group has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it

typically controls the goods or services before transferring them to the customer.

### I. Sale of goods

Revenue from sale of industrial minerals is recognised at the point in time when control of the asset is transferred to the customer, in accordance with delivery methods as stipulated in the underlying contract. Transfer of control to customers generally occurs when products leave the production facilities of the Group or at other predetermined control transfer points. The normal credit term is 30 to 90 days upon delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated but this happens only occasionally.

The transaction price is typically fixed, however, the Group considers the effects of variable consideration. The transaction price is not adjusted for the effects of a significant financing component, as the time period between transfer of control of the goods and expected payment is in general one year or less. Sales, value-added, and other similar taxes collected are excluded from revenue.

The main elements impacting the consideration to be received is based on the volumes and price of the product per ton as defined in the underlying contract. The price per ton is based on the market value for similar products plus costs associated with transportation and transloading, as applicable.

A part of the transaction price can be variable because the Group can sell goods to certain customers with rebates, discounts, take-or-pay provisions, or other features which are accounted for as variable consideration. Rebates and discounts are not material and have not been separately disclosed. Contracts that contain take-or-pay provisions obligate customers to pay shortfall payments if the required volumes, as defined in the contracts, are not purchased. Shortfall payments are recognized as revenues when the likelihood of the customer purchasing the minimum volume becomes remote subject to renegotiation of the contract and collectability.

By-products are ignored until they are sold, at which time revenues are recognised in profit or loss and classified as other income.

#### (i) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts provide customers with volume rebates. The volume rebates give rise to variable consideration.

#### (ii) Significant financing component

Generally, the Group receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

In case the Group receives long-term advances from customers the transaction price for such contracts is discounted, using the rate that would be reflected in a separate financing transaction between the Group and its customers at contract inception, to take into consideration the significant financing component.

### II. Contract balances

#### (i) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

#### (ii) Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

#### (iii) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

### III. Rendering of services

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at the reporting date.

## V. FINANCE INCOME / EXPENSE

### I. Interest

Interest revenue and expense is recognised on a time proportion basis that takes into account the effective yield on the asset and liability. The effective yield is the rate of interest required to discount the stream of future cash receipts or future cash payments expected over the asset's or liability life to equate to the initial carrying amount of the asset or the liability.

### II. Dividend income

Dividends are recognised on a cash basis or when they are declared, which is usually the earliest time at which it is probable that they will flow to the holder of the investment.

### III. Finance expense

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, the interest cost of employee benefits, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets, and losses on hedging instruments that are recognised in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

## W. NON-CURRENT ASSETS HELD-FOR-SALE AND DISCONTINUED OPERATIONS

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Immediately before classification as held for sale, the measurement of the assets (and all assets and liabilities in a disposal group) is brought up-to-date in accordance with the applicable Group accounting policies. Then, on initial classification as held-for-sale, non-current assets and disposal groups are recognised at the lower of carrying amount and fair value less costs of disposal.

A disposal group is a group of assets, possibly with some associated liabilities, which the Group intends to dispose of in a single transaction. The measurement basis required for non-current assets classified as held for sale is applied to the group as a whole, and any resulting impairment loss reduces the carrying amount of the non-current assets in the disposal group in the order of allocation required by IAS 36. Impairment losses on initial classification as held-for-sale are included in profit or loss. The same applies to gains and losses on subsequent remeasurement, but gains are not recognised in excess of any cumulative impairment loss.
A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale.
Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held-for-sale, if earlier. A disposal group that is to be abandoned may also qualify. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparativ period.

## X. SHARE BASED PAYMENTS

The Company (through its subsidiary Covia Inc.) operated till the 29th of June 2020 several equity-settled share-based compensation plans that allowed for granting of non-qualified stock options, restricted stock units, and performance restricted stock units to employees. Although the award is not issued by the Company but a subsidiary within the Group, IFRS 2 requires classifying these plans as equity-settled share-based plans and therefore are accounted for using the general guidance. Since this subsidiary Covia was deconsolidated on the 29th of June 2020 following its filing for "Chapter 11", the Group has no remaining balances or risks associated with such share based payment plans per 31st of December 2020.

The fair value of the employee services received in exchange for the grant of the share-based awards is recognized at grant date fair value in employee benefits expense (refer to note 12), together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period).

The cumulative expense recognized for equity-settled awards at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest, while no expense is recognized for awards that do not ultimately vest. The Group recognises stock based compensation expense using the Black-Scholes-Merton option-pricing model, using the input of certain variables that are dependent on future expectations, including the expected lives of the options from grant date to exercise date, the volatility of the shares, and the expected dividend rate. The estimates of these variables are made for the purpose of using the valuation model to determine an expense for each reporting period and are not subsequently adjusted. The Group also estimates a forfeiture rate based on our historical experience, which could change over time. The fair value of the restricted stock units is measured at the closing price of the shares as of the date of issuance of the award.

In the event of modification to the terms of an equity-settled award, the expense recognized is the expense as if the terms had not been modified at all. However, additional expense is recognized for any modification which increases the fair value of the share-based payment award or is otherwise beneficial to the employee as measured as of the date of modification. If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is immediately recognized. However, if a new award is substituted for a cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award. Any proceeds received, net of any directly attributable transaction costs, are credited to share capital and share premium when options are exercised.

## Y. NEW STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group considered to only list and address the ones expected to have an impact on the Group's financial position, performance, and/or disclosures. The Group intends to adopt these standards, if applicable, when they become effective.

**Amendments to IAS 1: Classification of Liabilities as Current or Non-current**

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice.

**Reference to the Conceptual Framework – Amendments to IFRS 3**
In May 2020, the IASB issued Amendments to IFRS 3 *Business Combinations - Reference to the Conceptual Framework.* These amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

**Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16**
In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

**Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37**
In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

**IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities**
As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.
The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

## 2. FINANCIAL RISK MANAGEMENT

### A. OVERVIEW
The Group has exposure to the following risks from its use of financial instruments:
- credit risk
- currency risk
- interest rate risk
- liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

### B. CREDIT RISK
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

No material exposure is considered to exist by virtue of the possible non-performance of the counterparties to financial instruments, other than trade and other receivables held by the Group.
Given the large number of internationally dispersed customers, the Group has limited concentration of credit risk with regard to its trade and other receivables.
This kind of financial risk is managed in a decentralised way.
The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables (see accounting policy h) Financial instruments & note 31 *Financial instruments*).

### C. CURRENCY RISK
The Group is exposed to different types of currency risks:
- translation
- economical
- transactional

The Group has currently no documented hedges in a net investment in a foreign operation.
Economical exposure is the risk that the company's competitive position is affected by foreign exchange rate movements.
Transactional exposure refers to contractual obligations in foreign currencies other than the functional currency.
The Group adopted in 2007 a policy with regard to the management of these risks.
Economical exposure can be hedged at entity level under strict conditions and within a limited time frame. Cash flow hedge accounting is then applied.
Transactional exposures are systematically hedged when material.

### D. INTEREST RATE RISK

Interest rate risk is managed for the Group's consolidated net financial debt with the primary objective of guaranteeing medium-term cost.

To do so, the Group manages this risk centrally, based on trends in the Group's consolidated net financial debt. Knowledge of this debt is provided by a regular reporting, that describes the financial debt of each entity and indicates its various components and characteristics.

The Group Treasury department issues regular advices to the Executive Committee in this respect.

Since the deconsolidation of Covia in 2020 no more Interest Rate Swaps are used per end December 2020. The interest rate risk was mainly concentrated within Covia as the main part of our financial debt was attributable to this subsidiary. Therefore this hedging instrument is no longer needed within the interest rate risk management strategy of the Group. In 2019 interest rate swaps were accounted for using a market value approach.

### E. LIQUIDITY RISK

To ensure liquidity and financial flexibility at all times, the Group, in addition to its available cash, has several uncommitted and committed credit lines at its disposal in several currencies and in amounts considered adequate for current and near-future financing needs. Further the Group has the option to use factoring as a supplementary source of liquidity.

## 3. BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTERESTS

### A. BUSINESS COMBINATIONS

**Acquisition of Act&Sorb BVBA per 18 December 2019**

On the 18th of December 2019, the Group obtained control of Act&Sorb BVBA, a Belgian based promising start-up company, developing a proprietary process to produce highly performant nitrogen-enriched activated carbon from an abundant waste stream.

SCR-Sibelco NV has paid a total consideration of €1.0 million in cash in December 2019 (the acquisition date) to InnoEnergy, acquiring 75 percent of voting rights through the acquisition of 24 percent of the shares of this company. No material transaction costs were incurred for this acquisition.

The original book value of the total net assets of the company acquired at the acquisition date amounts to €0.1 million. The Group elected to measure the non-controlling interest at fair value at the date of acquisition and this resulted in the recognition of non-controlling interests for an amount of €3.2 million. As a result a provisional goodwill of €4.1 million had to be further allocated to identifiable tangible or intangible assets. Based on a "relief-from-royalty-method a total fair value of €4.1 million has been allocated to the technology being developed by Act&Sorb.

Below table provides an overview of the fair value of identifiable assets acquired and liabilities assumed at acquisition date related to the acquisition of Act&Sorb, following the final purchase price allocation.

| *In thousands of euro* | Note | Pre-acquisition carrying amounts | Fair value adjustments | Recognised values on acquisition |
|---|---|---|---|---|
| Property, plant and equipment | 16 | 39 | - | 39 |
| Intangible assets | 17 | 71 | 4 059 | 4 130 |
| Trade receivables | | 28 | - | 28 |
| Other receivables | | (23) | - | (23) |
| Cash and cash equivalents | | 112 | - | 112 |
| **Total identifiable assets acquired** | | **226** | **4 059** | **4 285** |
| Interest-bearing loans and borrowings | | (7) | - | (7) |
| Trade payables | | (33) | - | (33) |
| Other payables | | (78) | - | (78) |
| **Total liabilities assumed** | | **(118)** | **-** | **(118)** |
| **Net identifiable assets and liabilities** | | **108** | **4 059** | **4 167** |
| | | | | |
| Goodwill on acquisition at closing date | 17 | - | - | - |
| **Net assets acquired** | | **-** | **-** | **4 167** |
| Consideration paid, satisfied in cash for acquiring 24% of the shares | | - | - | 1 000 |
| Cash (acquired) | | - | - | (112) |
| **Total net purchase consideration** | | **-** | **-** | **888** |
| **Non-Controlling Interest measured at fair value (representing 76% of the shares)** | | **-** | **-** | **3 167** |

As Act&Sorb is a start-up company that is still building its production plant, the company did not yet contribute to the revenues of the Group since its acquisition. The company did however already incur some administrative and financing costs and thus contributed for €-0.7 million to the net earnings of the Group in the period ended 31 December 2020.

**Acquisition of Euromineral LLC and Kurdyumovsky Plant of Acid-Proofed Products PJSC per 30 April 2020**

On the 12th of December 2019, the Sibelco Group (through its holding company "Watts Blake Bearne International Holdings BV" – further referred to as "WBB") signed an agreement to acquire 100% of the shares of two new legal entities located in Ukraine, active in the clay business:

- Eurominerall LLC (a Limited Liability Company)
- Kurdyumovsky Plant of Acid-Proofed Products PJSC (a Private Joint-Stock Company), further in the document called "Kurdyumovsky"

After having received the merger clearance by the Ukrainian authorities, the acquisition was formally closed on the 30th of April 2020 (acquisition date). These companies are since that moment officially part of the Group and will add 8 million tons of Ukrainian clay to the Group.

At closing, WBB did pay a total cash consideration of €20.5 million, and from May to September a total additional consideration of €3.0 million. As of December 2020 a contingent consideration is still outstanding for an estimated amount of €0.4 million.

The acquisition of both companies took place in one single transaction and one single SPA (Sales Purchase Agreement). The acquisition of only one of both entities would not have been possible, hence the acquisition of both entities is considered as the acquisition of only one business (production of Ukrainian ball clay) and a purchase price allocation as stipulated under IFRS 3 will be performed on both companies – acting as one – together.

The original book value of the total net assets of the companies acquired at the acquisition date amounts to €5.3 million. As a result a provisional goodwill of €18.6 million had to be further allocated to identifiable tangible or intangible assets. A detailed purchase price allocation has been conducted as follows:

- Plant, Property and Equipment has been valued following a cost approach and using the DRC (Depreciated Replacement Cost) method. This resulted in a fair value of €0.8 million for Plant, Property and Equipment.
- For mineral properties an income approach has been used, more specifically the Multi-Period Excess Earnings Method (MEEM). This is a discounted cash flow method in which the future cash flows of the quarries are discounted over their useful economic life and deducting also Capital Asset Charges (CAC's) for Plant, Property and Equipment, working capital, workforce and customer relations. This valuation resulted in a fair value for mineral properties of €21.8 million.
- For Customer Relations an income approach has been used, more specifically the Multi-Period Excess Earnings Method (MEEM). This is a discounted cash flow method in which the future cash flows of the entities are discounted and considering also Capital Asset Charges (CAC's) for Plant, Property and Equipment, working capital and workforce. This valuation resulted in a fair value for Customer Relations of €0.6 million.
- Deferred taxes were recognised on all fair value adjustments, resulting in a net deferred tax liability of €4.1 million.

Based on the above the provisional purchase price allocation resulted in the following effect on the Group's assets and liabilities:

| *In thousands of euro* | Note | Pre-acquisition carrying amounts | Fair value adjustments | Recognised values on acquisition |
|---|---|---|---|---|
| Property, plant and equipment | 16 | 1 479 | 22 130 | 23 609 |
| Intangible assets | 17 | 42 | 581 | 624 |
| Other non-current assets | | 3 | - | 3 |
| Inventories | | 1 552 | - | 1 552 |
| Trade receivables | | 683 | - | 683 |
| Other receivables | | 910 | - | 910 |
| Cash and cash equivalents | | 934 | - | 934 |
| **Total identifiable assets acquired** | | **5 602** | **22 711** | **28 313** |
| Provisions | 28 | (114) | - | (114) |
| Trade payables | | (13) | - | (13) |
| Other payables | | (129) | - | (129) |
| Deferred tax liabilities | 20 | - | (4 088) | (4 088) |
| **Total liabilities assumed** | | **(256)** | **(4 088)** | **(4 344)** |
| **Net identifiable assets and liabilities** | | **5 346** | **18 623** | **23 970** |
| | | | | |
| Goodwill on acquisition at closing rate | 17 | - | - | - |
| **Net assets acquired** | | **-** | **-** | **23 970** |
| Consideration paid, satisfied in cash | | - | - | 23 585 |
| Contingent consideration | | - | - | 385 |
| Cash (acquired) | | - | - | (934) |
| **Total net purchase consideration** | | **-** | **-** | **23 036** |

The Group incurred €0.3 million transaction costs to complete this acquisition.

The two acquired entities in Ukraine contributed since their acquisition on the 30th of April 2020 to the Group's revenue for an amount of €8.2 million and to the net results of the Group for an amount of €2.0 million.

If the acquisition would have taken place at the start of 2020, the impact on the Group's revenue and net results would have been respectively €11.1 million and €2.9 million.

## B. FINAL PURCHASE PRICE ALLOCATIONS IN 2020 OF ACQUISITIONS MADE IN 2019

On July 10, 2019, the Group acquired 100 percent of the voting shares of Macoglass S.r.l., a company based in Italy and specialised in glass recycling, for a consideration of €13.4 million in cash.

By the end of 2019 a provisional purchase price allocation has been conducted in line with IFRS 3. In the course of 2020 and within the measurement period, no further changes have been made to this provisional purchase price allocation that thus became the final purchase price allocation for this business combination. The Group did not recognise any remaining goodwill.

Based on the above the final purchase price allocation resulted in the following effect on the Group's assets and liabilities:

| *In thousands of EUR* | Note | Pre-acquisition carrying amounts | Fair value adjustments | Recognised values on acquisition |
|---|---|---|---|---|
| Property, plant and equipment | 16 | 1 167 | 4 156 | 5 323 |
| Intangible assets | 17 | 815 | 7 021 | 7 836 |
| Inventories | | 556 | - | 556 |
| Trade receivables | | 1 848 | - | 1 848 |
| Other receivables | | 478 | - | 478 |
| Cash and cash equivalents | | 2 203 | - | 2 203 |
| **Total identifiable assets acquired** | | **7 067** | **11 177** | **18 244** |
| Employee benefits | 27 | (293) | - | (293) |
| Trade payables | | (1 241) | - | (1 241) |
| Other payables | | (193) | - | (193) |
| Deferred tax liabilities | 20 | - | (3 117) | (3 117) |
| **Total liabilities assumed** | | **(1 727)** | **(3 117)** | **(4 844)** |
| **Net identifiable assets and liabilities** | | **5 340** | **8 060** | **13 400** |
| Goodwill on acquisition at closing rate | 17 | - | - | - |
| **Net assets acquired** | | **-** | **-** | **13 400** |
| Consideration paid, satisfied in cash | | - | - | 13 400 |
| Cash (acquired) | | - | - | (2 203) |
| **Total net purchase consideration** | | **-** | **-** | **11 197** |

## C. ACQUISITION OF NON-CONTROLLING INTERESTS

No material acquisitions of non-controlling interests occurred during 2020.

## 4. DISPOSAL OR DECONSOLIDATION OF SUBSIDIARIES OR OTHER BUSINESS

### Disposals of subsidiaries

On 27 March 2020, the Group has sold its interest in QMAG Pty Ltd, the magnesia business in Australia, to Refratechnik Holding Gmbh. All related assets and liabilities – including €3 million cash and cash equivalents were deconsolidated from the Group as of this moment. These were already classified as held for sale in 2019. Following schedule reflects the effect of this disposal:

| *In thousands of euros* | Note | 2020 |
|---|---|---|
| Cash consideration received from buyers | | 36 517 |
| Carrying value of the disposed interest in QMAG Pty Ltd | | 22 139 |
| **Gain recognised in net financing costs** | 13 | **14 378** |

In December 2020, the Group has liquidated company Sibelco Shanghai Minerals Co Ltd (CH) resulting in a liquidation gain of €1.3 million – see note 13 *Net financing costs under Gain on disposal/liquidation of financial assets.*

During 2020 the Group has liquidated several companies, all liquidation results were insignificant in nature and did sum up to a total loss of €0.4 million.

### Deconsolidation of Covia Holdings Corporation on 29th of June 2020

On the 29th of June, the Board of Directors of Covia Holdings Corporation, decided to file for Chapter 11 in the United States of America. Structural changes in the proppant industry, Covid 19 impact (leading to lower revenues and to a significant decline in oil prices) and onerous contracts on rail cars finally leaded to this decision. Filing for Chapter 11 means that the different rights of ownership (voting rights, dividend rights) of the shares that SCR-Sibelco NV was holding in Covia were suspended until final decision of the court. As such, the Group lost control over the parent company (Covia Holdings Corporation) in the US and as a result also lost control over its subsidiaries in Canada, Mexico and Europe. Therefore the Group was required to deconsolidate the Covia Group from its consolidated financial statements as of June 29th, 2020.

In December 2020 the court decided on the Chapter 11 and since that moment the creditors of Covia became owners of the reorganized Covia and the Group lost its shares in Covia Holdings Corporation.

Following the deconsolidation of Covia in June 2020 and the subsequent emerging from Chapter 11 of Covia in December 2020 the Group also has no further legal obligations with regards to the financial debt of Covia and therefore could derecognize the full bank borrowing for €1.4 billion and the leasing debts for €0.3 billion.
Following schedule reflects the effect of the deconsolidation of Covia.

| *In thousands of euros* | Note | 2020 |
|---|---|---|
| Cash consideration received from buyers | | |
| Carrying value of the disposed interest in Covia Holdings Corporation | | 31 893 |
| **Gain recognised in net financing costs** | 13 | **31 893** |

Below table represents the closing balance sheet of Covia at the date of the deconsolidation. Please note that the Group owned only 65% of the shares of Covia but applied full consolidation.

| *In thousands of euro* | Note | Closing Balance Sheet Covia per 29 June 2020 |
|---|---|---|
| Property, plant and equipment | 16 | 1 386 819 |
| Intangible assets | 17 | 34 327 |
| Other non-current assets | | 306 |
| Inventories | | 101 299 |
| Trade receivables | | 113 156 |
| Other receivables | | 45 178 |
| Cash and cash equivalents | | 223 487 |
| Deferred tax assets | 20 | 33 109 |
| **Total assets deconsolidated** | | **1 937 680** |
| Interest-bearing loans and borrowings | | (1 410 896) |
| Lease obligations | 32 | (275 416) |
| Provisions | 28 | (144 146) |
| Employee benefits | 27 | (1 375) |
| Trade payables | | (97 367) |
| Other payables | | (62 784) |
| **Total liabilities deconsolidated** | | **(1 991 984)** |
| **Net deconsolidated assets and liabilities** | | **(54 304)** |
| | | |
| Gain from the relief from the net liability position of Covia: | | 54 304 |
| Loss from relief of non-controlling interests: | | (18 728) |
| **Gain from the relief from the net liability position of Covia at 65% ownerhip interest:** | | **35 576** |
| | | |
| Loss from recycling of hedge reserve and currency translation reserve | | (2 884) |
| | | |
| Other | | (799) |
| | | |
| **Gain from deconsolidation Covia** | | **31 893** |

Covia contributed in 2020 (and in 2019) to the Group's results as shown in below table:

| *In thousands of euro* | Note | 2020 | 2019 |
|---|---|---|---|
| **Revenue** | 8 | **492 086** | **1 425 738** |
| **Cost of sales (-)** | 8 | **(442 210)** | **(1 341 857)** |
| **Gross profit** | | **49 876** | **83 880** |
| Other operating income | 9 | 1 146 | 9 257 |
| SG&A expenses (-) | 8 | (69 675) | (144 576) |
| Other operating expenses (-) | 10 | (15 052) | (1 336 566) |
| **EBIT** | | **(33 705)** | **(1 388 004)** |
| Financial income | 13 | 520 | 140 179 |
| Financial expenses (-) | 13 | (54 252) | (123 458) |
| **Profit (loss) before income taxes** | | **(87 437)** | **(1 371 283)** |
| Income taxes | 14 | 13 839 | 223 185 |
| **Profit (loss) for the period** | | **(73 599)** | **(1 148 098)** |
| Attributable to: | | | |
| Owners of the Company | | (47 820) | (746 335) |
| Non-controlling interests | 5 | (25 778) | (401 763) |
| | | **(73 599)** | **(1 148 098)** |

## 5. NON-CONTROLLING INTERESTS

Financial information of subsidiaries that have non-controlling interests is provided below. This information is based on amounts before intercompany eliminations:

**Proportion of equity interest held by non-controlling interests**

| Name | Country of incorporation and operation | 2020 | 2019 |
|---|---|---|---|
| Covia Holdings Corporation | United States | - | 35.00% |
| Minérale SA | Belgium | 50.00% | 50.00% |
| High Five NV | Belgium | 50.00% | 50.00% |
| Act&Sorb BVBA | Belgium | 76.00% | - |
| LLC Silica Holdings | The Netherlands | 49.00% | 49.00% |
| France Pare-Brise Recyclage SA | France | 50.00% | 50.00% |
| Ecopaté S.R.L. | Italy | 10.00% | 10.00% |
| Ecopiave S.R.L. | Italy | - | 10.00% |
| Sibelco Minerales SA | Spain | 0.07% | 0.07% |
| Ramenskiy GOK OJSC | Russian Federation | 0.96% | 0.96% |
| Kvarsevye peski CJSC | Russian Federation | 0.96% | 0.96% |
| Novoselovskoe GOK | Ukraine | 51.65% | 51.65% |
| Sibelco Japan Ltd | Japan | 30.00% | 30.00% |

In June 2020 the Group has deconsolidated its interest in Covia Holdings Corporation – see note 4 *Disposal or deconsolidation of subsidiaries or other business.* In September 2020 Ecopiave S.R.L. became a 100% Group entity and in November 2020 Ecopiave S.R.L. merged in Macoglass S.R.L..

**Summarised statement of profit or loss at 100%**

| *In thousands of euro* | 2020 | 2019 |
|---|---|---|
| **Revenue** | **642 739** | **1 531 086** |
| **Cost of sales (-)** | **(567 503)** | **(1 430 568)** |
| **Gross profit** | **75 236** | **100 518** |
| Other operating income | 2 618 | 134 500 |
| SG&A expenses (-) | (77 364) | (151 310) |
| Other operating expenses (-) | (23 580) | (1 336 848) |
| **EBIT** | **(23 089)** | **(1 253 139)** |
| Financial income | 841 | 16 153 |
| Financial expenses (-) | (56 730) | (125 482) |
| **Profit (loss) before income taxes** | **(78 979)** | **(1 362 469)** |
| Income taxes | 11 040 | 220 119 |
| **Profit (loss) for the period** | **(67 938)** | **(1 142 350)** |
| Attributable to non-controlling interests | (26 414) | (401 268) |
| Dividends paid to non-controlling interests | (199) | (415) |

**Summarised statement of financial position as at 31 December at 100%**

| *In thousands of euro* | 2020 | 2019 |
|---|---|---|
| **Assets** | **182 659** | **2 189 416** |
| Non-current assets | 103 447 | 1 562 213 |
| Current assets | 79 212 | 627 203 |
| **Liabilities** | **94 614** | **2 124 292** |
| Non-current liabilities | 45 221 | 1 834 548 |
| Current liabilities | 49 393 | 289 744 |
| **Equity** | **88 045** | **65 124** |
| Attributable to: | | |
| Equity holders of parent | 82 444 | 49 314 |
| Non-controlling interest | 5 601 | 15 810 |

**Summarised cash flow information at 100%**

| *In thousands of euro* | 2020 | 2019 |
|---|---|---|
| Net cash from operating activities | 70 905 | 72 221 |
| Net cash used in investing activities | (32 674) | 150 611 |
| Net cash used in financing activities | (87 624) | (240 200) |
| **Net increase/(decrease) in cash and cash equivalents** | **(49 393)** | **(17 368)** |

## 6. INTEREST IN JOINT ARRANGEMENTS

### A. JOINT VENTURES

The Group has a 50 percent interest in Ficarex SRO, a joint venture involved in the extraction and processing of silica sand in the Czech Republic. The Group's interest in Ficarex SRO is accounted for using the equity method in the consolidated financial statements.

The Group has a 50 percent interest in Dansand A/S, a joint venture involved in the extraction and processing of silica sand in Denmark. The Group's interest in Dansand A/S is accounted for using the equity method in the consolidated financial statements.

In 2020 the Group acquired a 49 percent interest in Recyverre SAS, a joint venture active in the float glass recycling market in France. The Group's interest in Recyverre SAS is accounted for using the equity method in the consolidated financial statements.

Summarised financial information of the joint ventures, based on its IFRS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

**Summarised statement of financial position**

| *In thousands of euro* | **2020** | **2019** |
|---|---|---|
| **Assets** | **93 511** | **79 173** |
| Non-current assets | 50 791 | 43 450 |
| Current assets | 42 720 | 35 723 |
| **Liabilities** | **27 269** | **13 528** |
| Non-current liabilities | 2 593 | 2 611 |
| Current liabilities | 24 676 | 10 917 |
| **Equity** | **66 243** | **65 645** |
| Carrying amount of the investment | 18 764 | 18 582 |

**Summarised statement of profit or loss**

| *In thousands of euro* | **2020** | **2019** |
|---|---|---|
| **Revenue** | **47 052** | **38 674** |
| **Cost of sales (-)** | **(30 681)** | **(24 263)** |
| **Gross profit** | **16 371** | **14 411** |
| Other operating income | 109 | 115 |
| SG&A expenses (-) | (6 117) | (5 804) |
| **EBIT** | **10 363** | **8 722** |
| Financial income | 125 | 319 |
| Financial expenses (-) | (194) | (172) |
| **Profit (loss) before income taxes** | **10 294** | **8 869** |
| Income taxes | **(2 763)** | (1 812) |
| **Profit (loss) for the period** | **7 531** | **7 057** |
| **Group's share of profit for the period** | **3 016** | **2 751** |

Ficarex SRO, Dansand A/S and Recyverre SAS have no contingent liabilities or capital commitments as at 31 December 2020 and 2019.

More information of these related parties can be found in note 35 *Related parties*.

### B. JOINT OPERATION

The Group has a material joint operation, Jundu Mineração Ltda involved in the extraction and processing of silica sand in Brazil. The Group has a 50 percent share in the ownership and is entitled to a proportionate share in the profits/losses. Judgement is required to classify this joint arrangement. The Group assessed their rights and obligations arising from the arrangement and concluded that the joint arrangement in Jundu Mineração Ltda qualifies as a joint operation.

## 7. INVESTMENTS IN ASSOCIATES

The Group has interests in a number of associates, of which two associates are considered material: Maffei Sarda Silicati SRL in Italy and Glassflake Limited, a company in the United Kingdom. Both associates are private entities which are not listed on any public exchange.

The Group has a 49.90 percent interest in Maffei Sarda Silicati SRL, an Italian company involved in the production of feldspathic sand and feldspar. The Group's interest in Maffei Sarda Silicati SRL is accounted for using the equity method in the consolidated financial statements.

The Group has a 25.10 percent interest in Glassflake Limited, a company in the United Kingdom involved in the manufacturing of an innovative silica based product for potential use in painting, coatings and plastic. The Group's interest in Glassflake Limited is accounted for using the equity method in the consolidated financial statements.

The following table illustrates the summarised financial information of the Group's investments:

**Summarised statement of financial position**

| *In thousands of euro* | **2020** | **2019** |
|---|---|---|
| **Assets** | **41 382** | **43 296** |
| Non-current assets | 17 635 | 17 843 |
| Current assets | 23 747 | 25 453 |
| **Liabilities** | **14 970** | **17 454** |
| Non-current liabilities | 9 604 | 10 823 |
| Current liabilities | 5 365 | 6 631 |
| **Equity** | **26 413** | **25 842** |
| Carrying amount of the investment | 11 530 | 11 195 |

**Summarised statement of profit or loss**

| *In thousands of euro* | **2020** | **2019** |
|---|---|---|
| **Revenue** | **34 580** | **36 935** |
| **Cost of sales (-)** | **(27 546)** | **(27 493)** |
| **Gross profit** | **7 034** | **9 442** |
| Other operating income | 609 | 1 362 |
| SG&A expenses (-) | (4 495) | (5 540) |
| Other operating expenses (-) | (385) | (1 033) |
| **EBIT** | **2 762** | **4 231** |
| Financial income | 45 | 36 |
| Financial expenses (-) | (77) | (86) |
| **Profit (loss) before income taxes** | **2 730** | **4 181** |
| Income taxes | (796) | (1 214) |
| **Profit (loss) for the period** | **1 934** | **2 967** |
| **Group's share of profit for the period** | **853** | **933** |

**Restrictions**

The Group cannot distribute its profits from its investments in associates, until it obtains the consent from the other partners. There are no further restrictions which impact the Group's ability to access or use the assets and settle its liabilities of its investments in associates.

## 8. DETAILED INFORMATION ON REVENUE, COST OF SALES AND SG&A

In June 20, Covia Holding Corporation ("Covia"), a Sibelco subsidiary filed for Chapter 11. Consequently, Sibelco's stake in Covia has been deconsolidated on June 30th 2020. At the end of December Covia emerged from Chapter 11 and as of this moment, Covia's creditor became the owners of a reorganised Covia. As of this moment the Group lost its share in Covia.

In March 2020 the Group sold QMAG Pty Ltd, its Magnesia business in Australia. Going back to August 2019, the Group disposed of all of the assets and liabilities of the lime and limestone operations in Australia, South America and Asia.

As a result of these events, the Group's statement of profit or loss for 2020 only included a half year of Covia results and only one quarter of the magnesia activities in Australia, while 2019 included a full year of their results and 7 months of the results of the lime and limestone operations.

The decrease in revenue is mainly explained by several scope changes which happened during 2020 and 2019. The main impact is coming from the deconsolidation of Covia (€934 million impact: €492 million in 2020 compared to €1 426 million revenue in 2019), sale of our Magnesia business (€93 million impact: €19 million revenue in 2020 compared to €112 million in 2019); and the sale of our Lime business in 2019 (€101 million impact, €101 million revenue in 2019).

### Revenue by type

| *In thousands of euro* | 2020 | 2019 |
|---|---|---|
| Sale of goods | 1 950 761 | 3 260 971 |
| Services | 24 370 | 33 547 |
| Commissions | 128 | 17 |
| Construction contracts | 270 | 594 |
| **Total** | **1 975 529** | **3 295 130** |

### Cost of sales

| *In thousands of euro* | Note | 2020 | 2019 |
|---|---|---|---|
| Production expenses | | 1 450 651 | 2 418 306 |
| Changes in provisions | 28 | 115 | (2 430) |
| Revision of site restoration and plant demolition provisions | | (140) | 8 856 |
| Depreciation and impairment of property, plant and equipment | 16 | 142 510 | 279 756 |
| Amortisation and impairment of intangible assets | 17 | 5 685 | 21 832 |
| Depreciation and impairment of right-of-use assets | 32 | 22 131 | 92 930 |
| **Total** | | **1 620 952** | **2 819 250** |

### Selling, general and administrative expenses

| *In thousands of euro* | Note | 2020 | 2019 |
|---|---|---|---|
| Administrative expenses | | 242 917 | 337 022 |
| Changes in allowance for uncollectible receivables | 31 | 3 697 | 4 143 |
| Changes in provisions | 28 | (135) | 5 552 |
| Depreciation and impairment of property, plant and equipment | 16 | 4 388 | 8 509 |
| Amortisation and impairment of intangible assets | 17 | 9 310 | 7 871 |
| Depreciation and impairment of right-of-use assets | 32 | 5 684 | 8 459 |
| **Total** | | **265 861** | **371 556** |

## 9. OTHER OPERATING INCOME

| *In thousands of euro* | Note | 2020 | 2019 |
|---|---|---|---|
| By-products | | 1 802 | 736 |
| Royalties and rentals | | 544 | 383 |
| Government grants | | 916 | 950 |
| Gain on disposal of property, plant and equipment | | 26 504 | 15 967 |
| Reversal of provisions | 28 | 9 360 | 579 |
| Other operating income | | 17144 | 23 286 |
| Foreign exchange gains | | 1 140 | - |
| Gain on disposal assets held for sale | | 4 928 | - |
| **Total** | | **62 338** | **41 900** |

Other operating income amounts to €62.3 million.

Income from by-products mainly comes from North America. Gain on disposal of property, plant and equipment mainly relates to the expropriation of land in China (Changshu), the sale of land in Belgium and the gain on sale on multiple properties and equipment of former subsidiary Covia, the United Kingdom and Brazil.

Other operating income for the year is €17.1 million (2019: €23.3 million) and mainly originates from Luxembourg, Germany, France, Australia and Belgium. It includes income generated by our captive on the handling of insurance claims, income from backfilling activities and rental income. Gain on disposal assets held for sale is €4.9 million and mainly originates from several assets being sold in Australia.

## 10. OTHER OPERATING EXPENSES

| *In thousands of euro* | Note | 2020 | 2019 |
|---|---|---|---|
| Loss on disposal of property, plant and equipment | | 1 609 | 651 |
| Impairment losses on property, plant and equipment | 16 | 1 293 | 1 100 504 |
| Impairment losses on intangible assets and goodwill | 17 | 1 639 | 28 781 |
| Impairment losses on right-of-use assets | 32 | 3 024 | 186 973 |
| Additions to provisions | 28 | 14 586 | 42 757 |
| Other operating expenses | | 34 933 | 56 081 |
| Foreign exchange losses | | - | 75 |
| Loss on fair value change on assets held for sale | | 1 949 | - |
| **Total** | | **59 032** | **1 415 822** |

Other operating expenses amount to €59.0 million.

Loss on disposal of property, plant and equipment of €1.6 million mostly relates to sales in Australia (Pinkenba site amongst others).
A total of €6.0 million impairment losses were recognised, mainly in Ukraine, Russia, the Netherlands, South Korea and subsidiary Covia which has been deconsolidated as per June 30th, 2020 - see note 16 *Property, plant and equipment*; note 17 *Intangible assets and goodwill* and note 32 *Leases*.

Additions to provisions mainly relate to restructuring provisions (€11.9 million), of which most part in our former subsidiary Covia (€10.9 million), to provisions for legal claims and litigations and legal fines and penalties (€2.7 million) in Brazil and Australia.
The majority of the Other operating expenses (€34.9 million) relate to Covia (€17.0 million), fees to finalize the divestment of our magnesia business and the divestment activities in Australia (€12.6 million) amongst other elements.

## 11. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

In January 2020, the Group reached an agreement to sell its magnesia business in Australia (QMAG). The sale which took place on the 31st of March 2020, included a processing facility, as well as associated site assets, reserves and resources and associated liabilities. Therefore, the related assets and liabilities were already classified as held for sale in the financial statements ending 31 December 2019.

Additionally, the Group decided to further exit in Australia. As of 2019 a formal plan is in place to sell the remaining assets in Australia. The main part of those were sold in the course of 2020 and for the other part the process is still ongoing and will be finalized in 2021.

Other assets and liabilities held for sale include disposal groups and separate assets in Belgium, Thailand and Indonesia.

The assets and liabilities of the disposal groups are measured at the lower of carrying amount and fair value less costs of disposal at the date of the classification. The fair value less costs of disposal is based on the transaction price. Any excess of the carrying amount over the fair value less costs to sell is recognized as an impairment loss.

The major classes of assets and liabilities classified as held for sale by disposal group as at 31 December are as follows:

| *In thousands of euro* | Australia | Other | 2020 | 2019 |
|---|---|---|---|---|
| Property, plant and equipment | 1 683 | 865 | 2 548 | 56 132 |
| Right-of-use assets | - | - | - | 251 |
| Inventories | 1 861 | 527 | 2 388 | 33 508 |
| Trade receivables | - | 803 | 803 | 12 033 |
| Other and tax receivables | - | 1 057 | 1 057 | 1 336 |
| Cash and cash equivalents | - | - | - | 4 421 |
| **Assets held for sale disposal groups** | **3 544** | **3 252** | **6 796** | **107 681** |
| | | | | |
| Interest-bearing loans and borrowings | - | 2 038 | 2 038 | 1 757 |
| Provisions | 4 131 | - | 4 131 | 23 856 |
| Employee benefits | - | 162 | 162 | 129 |
| Other non-current liabilities | - | - | - | 4 |
| Trade, other and tax payables | - | 506 | 506 | 13 790 |
| **Liabilities directly associated with assets held for sale disposal groups** | **4 131** | **2 707** | **6 838** | **39 536** |

## 12. PERSONNEL EXPENSES

| *In thousands of euro* | Note | **2020** | **2019** |
|---|---|---|---|
| Wages and salaries | | 299 175 | 470 497 |
| Compulsory social security constributions | | 47 299 | 61 165 |
| Share-based payment expense | | 1 651 | 9 076 |
| Other personnel costs | | 48 406 | 86 708 |
| Contributions to defined contribution plans | | 10 124 | 13 194 |
| Expenses for post employment benefits | 27 | 3 352 | 5 526 |
| Expenses for termination benefits | 27 | 267 | 84 |
| Expenses for other defined benefits | 27 | (1) | 124 |
| Expenses for other employee benefits (non DBO related) | 27 | 108 | (1 632) |
| **Total** | | **410 381** | **644 741** |
| Full time equivalents (FTE) at 31 December | | 5 186 | 8 181 |

Personnel expenses are recognised in the following line items in the statement of profit or loss:

| *In thousands of euro* | **2020** | **2019** |
|---|---|---|
| Cost of sales | 272 799 | 439 078 |
| Selling, general and administrative expenses | 137 581 | 205 663 |
| **Total** | **410 381** | **644 741** |

## 13. NET FINANCING COSTS

| *In thousands of euro* | Note | 2020 | 2019 |
|---|---|---|---|
| Interest income on cash and cash equivalents | | 1 756 | 4 711 |
| Dividend income | | 10 | 16 |
| Gain on disposal/liquidation of financial assets | 4 | 47 807 | 187 427 |
| Other financial income | | 534 | 12 983 |
| **Financial income** | | **50 108** | **205 137** |
| Interest expense on financial liabilities | | (46 095) | (104 375) |
| Interest expense on lease obligations | | (10 129) | (20 667) |
| Net foreign exchange losses | | (409) | (2 084) |
| Net change in fair value of derivatives and financial assets | | - | 176 |
| Unwinding of the discount rate provisions | 28 | (7 581) | (12 832) |
| Change in discount rate provisions | 28 | (7 270) | (2 510) |
| Net interest expense on defined benefit liability | 27 | (1 861) | (3 431) |
| Loss on disposal/liquidation of financial assets | 4 | (544) | (3 985) |
| Other financial expenses | | (7 144) | (15 144) |
| **Financial expenses** | | **(81 033)** | **(164 852)** |
| **Net finance cost** | | **(30 925)** | **40 285** |

Interest income mainly includes interest received by Covia (respectively €1.4 million in 2020 and €3.9 million in 2019).

Gain on disposal / liquidation of financial assets in 2020 mainly includes the gain on the deconsolidation of Covia Holdings Corporation for €31.9 million and the gain on the disposal of QMAG Pty Ltd for €14.4 million. In 2019 it mainly included the gain on sale of the lime and limestone operations in Asia, Australia and South America for €62.4 million, the gain on sale of Covia Lime LLC (including the Calera lime business in Alabama, United States) for €75.5 million and the gain on sale of Winchester & Western Railroad Company, a railway hub in the United States, for €48.7 million.

The interest expense for 2020 relates for €41.7 million to Covia associated to the €1.4 billion term loan. As of June 2020, Covia has been deconsolidated from the Group accounts (see note 4 *Disposal or deconsolidation of subsidiaries or other business*). The full €1.4 billion liability has been derecognized. As of the emerging of Covia its Chapter 11 in December 2020, Sibelco did lose its share in Covia and is fully relieved from any liability or obligation with respect to the Covia debt.

Also interest expense on lease obligations mainly relates to Covia for an amount of €8.3 million.

The unwinding of the discount rate provisions and the change in discount rate provisions relates to site restoration and plant demolition – see note 28 *Provisions*.

Other financial expense mainly includes the amortisation till end June 2020 of capitalised financing costs related to the Term Loan of Covia for €2.2 million (€8.9 million in 2019) – see note 26 *Interest-bearing loans and borrowings*. The remaining includes bank charges and contract transaction costs.

## 14. INCOME TAXES

### Recognised in the statement of profit or loss

| *In thousands of euro* | Note | 2020 | 2019 |
|---|---|---|---|
| Current year | | 21 704 | 40 443 |
| Adjustments for prior years | | (27 027) | (709) |
| **Current tax expense** | | **(5 323)** | **39 734** |
| Origination and reversal of temporary differences | | 14 484 | (346 007) |
| Utilization previously recognised tax losses | | 565 | 23 359 |
| Recognition current year's losses | | (2 376) | (2 446) |
| Change in tax rate | | - | (816) |
| Change in unrecognised temporary differences | | 5 853 | 136 031 |
| Recognition of previously unrecognised tax losses | | (85) | (2 464) |
| **Deferred tax expense/(income)** | 20 | **18 441** | **(192 343)** |
| **Income taxes in the statement of profit or loss** | | **13 118** | **(152 609)** |

### Reconciliation of effective tax rate

| *In thousands of euro* | 2020 | % | 2019 | % |
|---|---|---|---|---|
| Profit before income taxes | 64 965 | - | (1 225 630) | - |
| Share of profit of associates (net of tax) | (3 869) | - | (3 684) | - |
| **Profit before income taxes and share of profit of equity accounted investees** | **61 096** | - | **(1 229 314)** | - |
| Income tax using the domestic corporate tax rate | 15 274 | 25.00% | (363 631) | (29.58%) |
| Effect of tax rates in foreign jurisdictions | 3 247 | 5.31% | 98 432 | 8.01% |
| Change in tax rate | - | - | (816) | (0.07%) |
| Effect of tax rate on specific gains | (11 390) | (18.64%) | (27 308) | (2.22%) |
| Non-deductible expenses | 4 843 | 7.93% | 14 003 | 1.14% |
| Withholding taxes and non-exempt part of dividends | 1 180 | 1.93% | 1 765 | 0.14% |
| Tax exempt revenues | (6 120) | (10.02%) | (3 494) | (0.28%) |
| Tax allowances | (3 405) | (5.57%) | (11 361) | (0.92%) |
| Utilisation of tax losses not previously recognised | (9 507) | (15.56%) | (17 775) | (1.45%) |
| Recognition previously unrecognised tax losses | (85) | (0.14%) | (2 464) | (0.20%) |
| Current year losses for which no deferred tax asset recognised | 37 354 | 61.14% | 23 245 | 1.89% |
| Under/(over) provided in prior years | (27 027) | (44.24%) | (709) | (0.06%) |
| Change in unrecognised temporary differences | 5 853 | 9.58% | 136 031 | 11.07% |
| Other | 2 900 | 4.75% | 1 473 | 0.12% |
| **Total** | **13 118** | **21.47%** | **(152 609)** | **(12.41%)** |

The effect of tax rate on specific gains relates to the divestment of QMAG and the deconsolidation of Covia (see note 4 *Disposal or deconsolidation of subsidiaries or other business*). At such time the reserves including currency translation differences are reversed. This leads to a net gain which is not taxable.

The current year loss not recognised refers to SCR-Sibelco NV, Maasgrit BV and Covia. This is partly offset by the Cares Act tax benefit recorded by Covia and reported under 'Under/(over)provided in prior years'.

## 15. CURRENT TAX ASSETS AND LIABILITIES

The current tax assets of €19.2 million (2019: €34.1 million) represent the amount of income taxes recoverable in respect of current and prior periods that exceed payments.

The current tax liabilities of €10.3 million (2019: €11.6 million) represent the estimated additional charges for income taxes.

## 16. PROPERTY, PLANT AND EQUIPMENT

| *In thousands of euro* | Note | Land and buildings | Mineral properties | Processing equipment | Assets under construction | 2020 | 2019 |
|---|---|---|---|---|---|---|---|
| **Balance at end of previous period as reported** | | **1 167 137** | **1 609 394** | **3 367 825** | **217 215** | **6 361 571** | **6 620 808** |
| Reclassification to right-of-use assets | | - | - | - | - | - | (16 863) |
| Additions | | 6 489 | 3 413 | 16 488 | 91 404 | 117 794 | 184 612 |
| Acquisitions through business combinations | 3 | 25 | 22 760 | 863 | - | 23 648 | 5 323 |
| Disposals & retirements | | (723 619) | (1 254 898) | (1 604 276) | (104 051) | (3 686 845) | (260 672) |
| Transfers | | 23 190 | (7 883) | 63 011 | (78 214) | 104 | 403 |
| Asset component change site rest./plant dem. | 28 | - | 9 635 | 29 680 | - | 39 314 | 29 612 |
| Reclassification assets held for sale | 11 | (3 996) | (19 943) | (14 582) | 295 | (38 226) | (313 404) |
| Exchange differences | | (41 821) | (32 836) | (93 540) | (16 221) | (184 418) | 113 204 |
| Other changes | | (17 731) | (1 657) | (485) | 706 | (19 167) | (1 451) |
| **Balance at end of period as reported** | | **409 673** | **327 984** | **1 764 982** | **111 135** | **2 613 775** | **6 361 571** |

**Depreciation and impairment losses**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Balance at end of previous period as reported** | | **(729 426)** | **(870 324)** | **(2 637 756)** | **(41 143)** | **(4 278 649)** | **(3 288 304)** |
| Reclassification to right-of-use assets | | - | - | - | - | - | 2 386 |
| Depreciation | 8 | (21 904) | (24 583) | (102 177) | - | (148 665) | (289 598) |
| Impairment losses (recognised)/released | 8, 10 | (671) | 2 986 | (1 841) | - | 474 | (1 089 209) |
| Disposals & retirements | | 454 257 | 684 363 | 1 247 516 | 40 123 | 2 426 259 | 164 050 |
| Transfer | | (24) | (98) | 188 | 14 | 79 | 11 |
| Reclassification assets held for sale | 11 | 3 975 | 23 297 | 14 461 | 159 | 41 892 | 257 272 |
| Exchange differences | | 22 213 | 24 021 | 73 544 | 160 | 119 938 | (37 791) |
| Other changes | | 19 365 | (2 646) | 1 595 | (16) | 18 299 | 2 534 |
| **Balance at end of period as reported** | | **(252 214)** | **(162 984)** | **(1 404 471)** | **(702)** | **(1 820 369)** | **(4 278 649)** |
| **Carrying amounts at 1 January as reported** | | **437 711** | **739 070** | **730 069** | **176 072** | **2 082 922** | **3 332 504** |
| **Carrying amounts at 31 December as reported** | | **157 460** | **164 999** | **360 512** | **110 433** | **793 405** | **2 082 922** |

**Additions**

Additions throughout the year mainly relate to additions of assets under construction and include the construction of new plants and expansion of facilities (e.g. new mills, sorters, replacing old facilities) in Europe (mainly UK, Turkey, France, Italy, Spain, Norway and the Netherlands) and in North America.

**Acquisitions through business combinations**

On April 30, 2020, the Group acquired 100 percent of the voting shares of Euromineral LLC and Kurdyumovsky Plant of Acid-Proofed Products PJSC - see note 3 *Business combinations and acquisition of non-controlling interest*. As a result of the purchase price allocation, tangible assets (mainly mineral properties and processing equipment) have been recognised in the Group's balance sheet at their fair values.

In addition, on December 18, 2019, the Group acquired 75 percent of the voting shares of Act&Sorb BVBA through the acquisition of 24% of the shares of this company - see note 3 *Business combinations and acquisition gof non-controlling interest*.

**Disposals & retirements**

On June 30, 2020, former subsidiary Covia was deconsolidated and therefore Covia's property, plant and equipment was divested on both purchase values (€3 527 million) as on depreciations and impairment losses recognized (€2 278 million) - see note 4 *Disposal or deconsolidation of subsidiaries or other business*.

**Asset component change**

As from 2015, detailed closure planning requirements were introduced through our closure plan policy, with each plant required to develop a closure plan as part of their life of asset plan. All closure plans for the site restoration and plant demolition were set up in 2017. Therefore, 2020 only includes adjustments to these closure plans in order to further reflect their best estimate. In addition, the asset component change is impacted by the yearly update of the underlying assumptions (inflation rate and discount rate).

**Reclassification assets held for sale**

Reclassification assets held for sale relates to the reclassification of our disposal group – see note 11 *Assets held for sale*.

**Depreciation and impairment losses recognised**

| *In thousands of euro* | Note | **2020** | **2019** |
|---|---|---|---|
| Cost of sales | 8 | 142 510 | 279 756 |
| Sales, general and administrative expenses | 8 | 4 388 | 8 509 |
| Other operating expenses | 10 | 1 293 | 1 090 542 |
| **Total** | | **148 191** | **1 378 807** |

During the year the Group tested property, plant and equipment for impairment – see note 17 *Intangible assets and goodwill* – as a result of the required yearly test on cash-generating units containing goodwill.

No impairment losses were recognised for 2020 based on such required testing.

Further every year the Group assesses if there are indicators that assets need to be impaired. Individual assets (operating plants, a mill or kiln etc.) might be subject to impairment testing when following triggering events happen:

- An individual asset or group of assets (operating plant/plants) is physically damaged (e.g. fire or natural disaster);
- An individual asset or group of assets (operating plant/plants) is idle;
- Management has a plan to discontinue or to realign the strategic direction of individual assets or group of assets (operating plant/plants) because economic performance is unsatisfactory;
- Decisions taken by local authorities which reduce or restrict the Group's rights on assets impacting market values.

Based on the occurence of internal and external impairment indicators the Group reviewed the carrying amount of specific assets, asset groups or CGU's - see note 17 *Intangible assets and goodwill.* Based on these assessments, the Group impaired a total of €5.3 million in 2020 of which €0.5 million on tangible assets (2019: €1.1 billion), €1.9 million on intangible assets – see note 17 *Intangible assets and goodwill*, and €3.0 on right-of use assets – see note 32 *Leases.*

The depreciation and impairment charge is recognised in the following line items in the statement of profit or loss:

| *In thousands of euro* | **2020** | **2019** |
|---|---|---|
| Impairment test for cash – generating units containing goodwill | - | - |
| Impairment based on internal and external impairment indicators | 474 | 1 089 209 |
| **Total impairment on tangible assets** | **474** | **1 089 209** |

**Restrictions**

As per 31 December 2020 there were no restriction on title and property, plant and equipment pledges as security for liabilities (2019: nihil).

## 17. INTANGIBLE ASSETS AND GOODWILL

| *In thousands of euro* | Note | Mineral rights and E&E costs | Goodwill | Development costs | Other | 2020 | 2019 |
|---|---|---|---|---|---|---|---|
| **Balance at end of previous period as reported** | | **192 010** | **339 106** | **5 817** | **196 325** | **733 259** | **783 788** |
| Reclassification to right-of-use assets | | - | - | - | - | - | (35 989) |
| Additions | | 360 | - | 127 | 8 093 | 8 580 | 21 948 |
| Acquisitions through business combinations | 3 | 42 | - | 71 | 4 640 | 4 754 | 7 836 |
| Disposals | | (7 432) | (272 409) | - | (88 480) | (368 321) | (57 823) |
| Transfers | | - | (10) | - | - | (10) | 4 |
| Exchange differences | | (17 156) | (6 334) | (184) | (1 466) | (25 140) | 16 127 |
| Other changes | | (165) | (3 845) | | (2 904) | (6 914) | (2 632) |
| **Balance at end of period as reported** | | **167 659** | **56 508** | **5 831** | **116 208** | **346 206** | **733 259** |

### Depreciation and impairment losses

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Balance at end of previous period as reported** | | **(130 160)** | **(324 279)** | **(5 760)** | **(128 383)** | **(588 583)** | **(567 971)** |
| Reclassification to right-of-use assets | | - | - | - | - | - | 4 459 |
| Amortisation | 8 | (1 627) | - | (114) | (13 017) | (14 758) | (29 647) |
| Impairment losses recognised | 8, 10 | (1 876) | - | - | - | (1 875) | (27 600) |
| Disposals | | 148 | 272 401 | - | 61 522 | 334 070 | 41 642 |
| Transfer | | - | 9 | - | - | 9 | - |
| Exchange differences | | 9 843 | 6 081 | 184 | 896 | 17 003 | (10 632) |
| Other changes | | 92 | 3 845 | - | 1 895 | 5 832 | 1 166 |
| **Balance at end of period as reported** | | **(123 580)** | **(41 944)** | **(5 689)** | **(77 087)** | **(248 300)** | **(588 583)** |
| **Carrying amounts at 1 January as reported** | | **61 850** | **14 827** | **57** | **67 942** | **144 676** | **215 817** |
| **Carrying amounts at 31 December as reported** | | **44 079** | **14 564** | **141** | **39 121** | **97 905** | **144 676** |

#### Additions
Additions to Other intangible assets in 2020 (€8.1 million) mainly includes investments in a new ERP system for the Group. This was also the main explanation for the additions to Other intangible assets in 2019 (€21.9 million).

#### Acquisitions through business combinations
In 2020 the acquisitions through business combinations (€4.8 million) relates to technology (included in other intangible assets) in Act&Sorb BVBA for an amount of €4.1 million and to customer relations (included in other intangible assets) in Ukraine (Euromineral and Kurdyumovsky) for an amount of €0.6 million (see also note 3 *Business Combinations*):

#### Disposals
The line disposals mainly includes the impact from the deconsolidation of Covia Holdings Corporation (see also note 4 *Disposal or deconsolidation of subsidiaries or other business*):

#### Amortisation and impairment losses recognised
Every year the Group assesses if there are indicators that assets need to be impaired – see note 16 *Property, plant and equipment*.

In the year ending December 2020, an impairment indicator revealed that one plant in Russia had to be impaired. The carrying amount of the plant exceeded the recoverable amount by €3.9 million. This impairment loss was further allocated to processing equipment €2.3 million (see note 16 *Property, plant and equipment*) and to mineral rights (€1.6 million).

The amortisation and impairment charge is recognised in the following line items in the statement of profit or loss:

| *In thousands of euro* | Note | 2020 | 2019 |
|---|---|---|---|
| Cost of sales | 8 | 5 699 | 21 832 |
| Sales, general and administrative expenses | 8 | 9 324 | 7 871 |
| Other operating expenses | 10 | 1 639 | 27 544 |
| **Total** | | **16 661** | **57 247** |

**Impairment test for cash-generating units containing goodwill**

The carrying amount of goodwill is as follows per cluster of cash-generating unit (CGU):

| *In thousands of euro* | 2020 | 2019 |
|---|---|---|
| Spain | 8 573 | 8 573 |
| UK | 4 642 | 4 905 |
| France | 1 350 | 1 350 |
| **Total** | **14 564** | **14 828** |

Goodwill acquired in a business combination shall, from the acquisition date, be allocated to a cash-generating unit (CGU) or a cluster of cash-generating units (CGUs), that is expected to benefit from the synergies of the combination.

A CGU represents an operating site, being the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets. A site includes (a collection of) locations and facilities belonging to the same profit center.

Each CGU or cluster of CGU's to which the goodwill is so allocated shall represent the lowest level within the Group at which the goodwill is monitored for internal management purposes. A cluster of CGUs can represent a legal entity, a country, a business unit or an operating segment (IFRS 8). Goodwill is tested for impairment at a level that reflects the way the Group manages its operations and with which the goodwill would naturally be associated. A cluster of CGU's cannot be larger than an operating segment as defined by paragraph 5 of IFRS 8 which are identified as the Group's business units:

- Build environment
- Coating, Polymer & Chemical Solutions
- Glass Solutions
- Water & Environment Solutions

Each CGU or cluster of CGUs to which the goodwill is allocated shall represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

For impairment testing, the carrying amount of a CGU or a cluster of CGUs including goodwill is compared with the recoverable amount of the CGU or cluster of CGUs.

Notwithstanding, individual assets (operating plants, a mill or kiln etc.) might be subject to impairment testing when following triggering events happen:

- An individual asset or group of assets (operating plant/plants) is physically damaged (e.g. fire or natural disaster);
- An individual asset or group of assets (operating plant/plants) is idle;
- Management has a plan to discontinue or to realign the strategic direction of individual assets or group of assets (operating plant/plants) because economic performance is unsatisfactory;
- Decisions taken by local authorities which reduce or restrict the Group's rights on assets impacting market values.

When the carrying amount of an individual asset or (cluster of) CGU(s) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using an after-tax weighted average cost of capital (WACC) discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The discount factors are reviewed annually. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the

Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGUs recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Goodwill is tested for impairment annually as at 30 September and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or cluster of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

The WACC ranged between 5.49 percent and 6.20 percent in nominal terms for goodwill impairment testing conducted for 2020:

**WACC's used for goodwill impairment testing in the year ending 31 December 2020**

| **Discount rates for impairment testing** | **Spain** | **UK** | **France** |
|---|---|---|---|
| **Group target ratio's** | | | |
| % debt | 25% | 25% | 25% |
| % equity | 75% | 75% | 75% |
| | | | |
| **Cost of debt** | **2.30%** | **2.33%** | **1.76%** |
| Risk free rate = Rt | 0.44% | 0.47% | (0.10%) |
| Default spread (BBB) | 1.86% | 1.86% | 1.86% |
| | | | |
| Corporate tax rate | 25.00% | 19.00% | 28.00% |
| | | | |
| **Cost of debt after tax** | **1.73%** | **1.89%** | **1.27%** |
| | | | |
| **Cost of equity = Rt + ß . Em** | **7.49%** | **7.63%** | **6.89%** |
| Risk free rate = Rt | 0.44% | 0.47% | (0.10%) |
| Beta = ß | 1.18 | 1.19 | 1.17 |
| Size premium | - | - | - |
| Market equity risk premium = Em | 6.00% | 6.00% | 6.00% |
| | | | |
| **WACC - nominal** | **6.05%** | **6.20%** | **5.49%** |

**WACC's used for goodwill impairment testing in the year ending 31 December 2019**

| Discount rates for impairment testing | Covia | Spain | UK | France |
|---|---|---|---|---|
| **Group target ratio's** | | | | |
| % debt | 54% | 25% | 25% | 25% |
| % equity | 46% | 75% | 75% | 75% |
| **Cost of debt** | **12.41%** | **2.78%** | **2.88%** | **2.15%** |
| Risk free rate = Rt | 2.41% | 0.93% | 1.03% | 0.30% |
| Default spread (BBB) | 10.00% | 1.85% | 1.85% | 1.85% |
| Corporate tax rate | 27.00% | 25.00% | 19.00% | 31.00% |
| **Cost of debt after tax** | **9.06%** | **2.09%** | **2.33%** | **1.48%** |
| **Cost of equity = Rt + ß . Em** | **14.21%** | **7.31%** | **7.51%** | **6.57%** |
| Risk free rate = Rt | 2.41% | 0.93% | 1.03% | 0.30% |
| Beta = ß | 1.80 | 1.06 | 1.08 | 1.05 |
| Size premium | 1.00% | - | - | - |
| Market equity risk premium = Em | 6.00% | 6.00% | 6.00% | 6.00% |
| **WACC - nominal** | **11.43%** | **6.00%** | **6.21%** | **5.30%** |

These above calculations are corroborated by valuation multiples.

An increase of 1.0 percent in the rate used to discount the future cash flows and terminal values for goodwill impairment testing would have led to no additional impairment as there is still sufficient headroom.

An increase of 1.0 percent in the rate used to discount the future cash flows and terminal values for the impairment testing on the impaired plant in Russia would have led to an additional impairment for this plant of €0.2 million.

## 18. EQUITY ACCOUNTED INVESTEES

| *In thousands of euro* | Note | 2020 | 2019 |
|---|---|---|---|
| **Carrying amount at 1 January** | | **29 776** | **27 914** |
| Acquisition Recyverre | | 1 470 | - |
| Result of the period | | 3 869 | 3 684 |
| Dividends | | (3 926) | (2 206) |
| Exchange differences | | (893) | 373 |
| Other | | (1) | 12 |
| **Carrying amount at 31 December** | | **30 294** | **29 777** |
| Attributable to: | | | |
| Interests in joint arrangements | 6 | 18 764 | 18 582 |
| Investments in associates | 7 | 11 530 | 11 195 |

The Group's share in its associates and joint-ventures recognised in profit or loss for the year ended 31 December 2020 was €3.9 million profit (2019: €3.7 million profit) – see note 6 *Interest in joint arrangements and 7 Investments in associates.*

## 19. FINANCIAL ASSETS

### Non-current financial assets

| *In thousands of euro* | Note | 2020 | 2019 |
|---|---|---|---|
| Loans to third parties at amortised cost | | 13 | 35 |
| Loans to associates | 35 | 544 | 557 |
| Derivatives forex | 31 | - | 2 |
| Other | | 3 199 | 4 189 |
| **Non-current financial assets** | | **3 756** | **4 783** |

### Current financial assets

| *In thousands of euro* | Note | 2020 | 2019 |
|---|---|---|---|
| Loans to third parties at amortised cost | | 213 | 320 |
| Derivatives forex | 31 | 1 531 | 1 569 |
| Other | | 89 | 89 |
| **Current financial assets** | | **1 834** | **1 978** |

## 20. DEFERRED TAX ASSETS AND LIABILITIES

**Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following items:

| *In thousands of euro* | Assets 2020 | Assets 2019 | Liabilities 2020 | Liabilities 2019 | **NET 2020** | **NET 2019** |
|---|---|---|---|---|---|---|
| Property, plant and equipment | (8 039) | (9 832) | 45 191 | 191 051 | 37 152 | 181 219 |
| Right-of-use assets | (124) | - | 12 925 | - | 12 801 | - |
| Intangible assets | (12 177) | (28 690) | 15 257 | 18 044 | 3 080 | (10 646) |
| Financial assets | (94) | (4 707) | 312 | 2 642 | 218 | (2 065) |
| Inventories | (3 779) | (7 430) | 1 073 | 949 | (2 706) | (6 481) |
| Trade and other receivables | (2 536) | (2 702) | 2 230 | 1 218 | (306) | (1 484) |
| Interest bearing loans and borrowings | (2 309) | (91 273) | 618 | 512 | (1 691) | (90 761) |
| Lease obligations | (11 471) | - | 16 | - | (11 455) | - |
| Provisions | (36 577) | (37 673) | 7 327 | 6 430 | (29 250) | (31 243) |
| Employee benefits | (11 848) | (22 743) | - | - | (11 848) | (22 736) |
| Trade and other payables | (3 618) | (12 753) | 1 104 | 1 244 | (2 514) | (11 509) |
| Other items | (94) | (3 546) | 245 | 829 | 152 | (2 717) |
| Tax loss carry-forwards | (57 944) | (79 218) | - | - | (57 944) | (79 218) |
| **Tax (assets)/liabilities** | **(150 613)** | **(300 567)** | **86 299** | **222 920** | **(64 314)** | **(77 641)** |
| Set off of tax | 66 394 | 196 209 | (66 394) | (196 209) | - | - |
| **Net tax (assets)/liabilities** | **(84 219)** | **(104 358)** | **19 905** | **26 711** | **(64 314)** | **(77 641)** |

**Movement in temporary differences during the period**

| *In thousands of euro* | Note | Balance 31, Dec. 2019 | Recognised in profit or loss | Recognised in equity/ OCI | Acquired in business combinations | Disposal group | Reclasses | Translation differences | Balance 31, Dec. 2020 |
|---|---|---|---|---|---|---|---|---|---|
| Property, plant and equipment | | 181 217 | (1 292) | - | 4 088 | (134 201) | (11 267) | (1 393) | 37 152 |
| Right-of-use assets | | - | 2 427 | - | - | - | 10 351 | 23 | 12 801 |
| Intangible assets | | (10 646) | 1 314 | - | - | 13 417 | 1 | (1 006) | 3 080 |
| Financial assets | | (2 065) | 2 270 | - | - | - | - | 13 | 218 |
| Inventories | | (6 480) | 1 656 | - | - | 2 092 | (6) | 32 | (2 706) |
| Trade and other receivables | | (1 484) | 760 | - | - | 373 | 11 | 34 | (306) |
| Interest bearing loans and borrowings | | (90 761) | 9 609 | (21) | - | 76 806 | 2 102 | 574 | (1 691) |
| Lease obligations | | - | (9 538) | - | - | - | (1 877) | (40) | (11 455) |
| Provisions | | (31 242) | (129) | 46 | - | 1 155 | (67) | 987 | (29 250) |
| Employee benefits | | (22 735) | 4 347 | (2 787) | - | 9 049 | - | 277 | (11 848) |
| Trade and other payables | | (11 509) | (829) | (26) | - | 9 826 | (4) | 28 | (2 514) |
| Other items | | (2 719) | 7193 | 1 514 | - | 1 526 | (7 800) | 436 | 152 |
| Tax loss carry-forwards | | (79 217) | 653 | - | - | 20 758 | (229) | 92 | (57 944) |
| **Total** | 3, 14 | **(77 641)** | **18 441** | **(1 273)** | **4 088** | **800** | **(8 785)** | **58** | **(64 313)** |

| *In thousands of euro* | Note | Balance 31, Dec. 2018 | Change in accounting policies (IFRS 16) | Recognised in profit or loss | Recognised in equity/OCI | Acquired in business combinations | Reclasses | Translation differences | Balance 31 Dec. 2019 |
|---|---|---|---|---|---|---|---|---|---|
| Property, plant and equipment and RoU asset | | 325 665 | 89 021 | (244 525) | 2 | 1 457 | 1 292 | 8 305 | 181 217 |
| Intangible assets | | (26 092) | - | 13 569 | - | 1 959 | 57 | (139) | (10 646) |
| Financial assets | | 17 185 | - | (19 249) | - | - | - | (1) | (2 065) |
| Inventories | | (3 654) | - | (2 839) | - | - | (9) | 22 | (6 480) |
| Trade and other receivables | | (964) | - | (67) | - | (2) | (379) | (72) | (1 484) |
| Interest bearing loans and borrowings | | (1 601) | (89 021) | (1 088) | 50 | (70) | - | 969 | (90 761) |
| Provisions | | (52 490) | - | 23 264 | | (227) | (1 195) | (594) | (31 242) |
| Employee benefits | | (18 254) | - | (7 024) | (4 912) | - | 7 711 | (256) | (22 735) |
| Trade and other payables | | 2 445 | - | (14 175) | (45) | - | (94) | 360 | (11 509) |
| Other items | | 2 575 | - | (10 683) | (4 302) | - | 9 509 | 182 | (2 719) |
| Tax loss carry-forwards | | (146 353) | - | 68 956 | 9 | - | 188 | (2 017) | (79 217) |
| **Total** | 3, 14 | **98 462** | **-** | **(193 861)** | **(9 198)** | **3 117** | **17 080** | **6 759** | **(77 641)** |

**Unrecognised deferred tax assets and liabilities**

Deferred tax assets have not been recognised in respect of tax losses/ credits for €116.4 million (2019: €185.1 million), because it is not probable that sufficient future taxable profit will be available against which the Group can utilise these benefits. The majority of the tax losses have no legal expiry date and the legal expiry term of the rest is on average 10 years.

## 21. OTHER NON-CURRENT ASSETS

| *In thousands of euro* | 2020 | 2019 |
|---|---|---|
| Cash guarantees, at cost | 929 | 1 097 |
| Other | 2 042 | 20 129 |
| **Total** | **2 971** | **21 226** |

Total other non-current assets amount to €3.0 million in 2020 (€21.2 million in 2019) and consist out cash guarantees, cash deposits and royalty advances.

## 22. INVENTORIES

| *In thousands of euro* | 2020 | 2019 |
|---|---|---|
| Raw materials | 42 546 | 104 518 |
| Consumables | 13 464 | 12 686 |
| Work in progress mining & industrial treatment | 46 909 | 43 600 |
| Finished goods mining & industrial treatment | 73 046 | 163 397 |
| Goods purchased for resale | 28 105 | 38 908 |
| Spare parts | 33 071 | 58 696 |
| Write-downs | (41 882) | (45 506) |
| **Total** | **195 259** | **376 299** |

The cost of raw materials and consumables was €224.6 million (€319.8 million in 2019) and of goods purchased for resale €62.7 million (€80.3 million in 2019), both recognised as an expense in profit or loss.

Write-downs are related to slow moving inventories as they may be an indicator that the net realisable value is likely to be less than cost, i.e. it is likely to become obsolete before it can be sold. Write-downs are triggered whenever inventory exceeds twelve months production or sales volumes.

## 23. TRADE AND OTHER RECEIVABLES

### Current trade and other receivables

| *In thousands of euro* | Note | 2020 | 2019 |
|---|---|---|---|
| Trade receivables | | 199 520 | 385 600 |
| Construction contracts receivables | | - | 283 |
| Impairment losses | 31 | (11 388) | (13 522) |
| **Trade receivables** | | **188 132** | **372 360** |
| Other receivables | | 20 667 | 20 246 |
| Interest receivables | | 34 | 46 |
| Tax receivables, other than income taxes | | 21 735 | 28 257 |
| Amounts due from customers for contract work | | 343 | 709 |
| Advance payments, prepayments and prepaid expenses | | 33 128 | 40 588 |
| Cash guarantees, at cost | | 210 | 222 |
| Other current assets | | 702 | 4 526 |
| **Other receivables** | | **76 819** | **94 595** |
| **Total** | | **264 951** | **466 955** |

## 24. CASH AND CASH EQUIVALENTS

| *In thousands of euro* | 2020 | 2019 |
|---|---|---|
| Deposits with banks | 42 724 | 11 512 |
| Cash equivalents | 65 412 | 69 587 |
| Bank balances - Current accounts | 240 384 | 499 351 |
| Cash at hand | 381 | 242 |
| **Total** | **348 901** | **580 692** |

Cash equivalents comprise invoices qualifying for sale under a factoring program as well as cheques received. The Group has a factoring program for receivables invoiced in the following countries: Belgium, France, Germany, Italy, Spain, The Netherlands and United Kingdom. This program provides the Company the option to sell its receivables eligible for this program at any moment. Considering this option, the invoices qualifying for sale under the factoring program are readily convertible into known amounts of cash.

## 25. CAPITAL AND SHARE-BASED PAYMENTS

### Capital and reserves

The various components of capital and reserves and the changes therein from 31 December 2019 to 31 December 2020 are presented in the Consolidated Statement of Changes in Equity.

### Share capital and share premium

The issued capital of the Company as per 31 December 2020 amounts to €25.0 million, represented by 470 170 fully paid ordinary shares without par value.

*In thousands of euros*

| Ordinary shares issued and fully paid | Number | Amount |
|---|---|---|
| At 1 January 2019 | 470 170 | 25 000 000 |
| Changes | | |
| At 31 December 2019 | 470 170 | 25 000 000 |
| Changes | | |
| At 31 December 2020 | 470 170 | 25 000 000 |

### Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign entities of the Company.

### Hedging reserves

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedge instruments related to hedged transactions that have not yet affected profit or loss.

### Reserve for treasury shares

At 31 December 2020 the Group held 35 314 (2019: 35 314) of the Company's shares. Throughout the year no new treasury shares were acquired.

*In thousands of euros*

| Treasury shares | Number | Amount |
|---|---|---|
| At 1 January 2019 | 35 164 | 66 746 |
| Changes | 150 | 1 152 |
| At 31 December 2019 | 35 314 | 67 898 |
| Changes | - | - |
| At 31 December 2020 | 35 314 | 67 898 |

### Dividends

In March 2021 a dividend of €49.8 million (€106.00 per ordinary share) has been recommended by the Board of Directors, but has not yet been approved by the General Meeting of Shareholders of SCR-Sibelco NV.

The following dividends were declared and paid by the Group on the Company's shares, excluding dividends paid for treasury shares, for the year ended 31 December:

| *In thousands of euros* | | 2020 | 2019 |
|---|---|---|---|
| **Final dividend** | 106.00 Euro per ordinary share for 2020 (80 Euro per ordinary share for 2019) | **46 095** | **34 788** |
| **Interim dividend** | no interim dividend for 2020 (62.86 Euro per ordinary share for 2019) | **-** | **27 334** |

**Share-based payments**

Senior executives and directors of Covia were granted share options. They included restricted stock units ("RSUs"), and nonqualified stock options ("Options" and, together with the RSUs, the "Awards"). As a result of the Covia deconsolidation (see note 4 *Disposal or deconsolidation of subsidiaries or other businesses*) the Group has no further obligations or risks associated to these share-based payment plans per 31st of December 2020.

Untill the moment of deconsolidation in June 2020, the Group however still recorded expenses arising from equity-settled share-based payment transactions of €1.6 million or $1.8 million (€9.1 million or $10.0 million in 2019). (see note 12 *Personnel expenses*).

## 26. INTEREST-BEARING LOANS AND BORROWINGS

### A. INTEREST BEARING LOANS & BORROWINGS

| *In thousands of euro* | **2020** | **2019** |
|---|---|---|
| Bank borrowings, non-current portion | 11 803 | 1 376 652 |
| Syndicated loans, non-current portion | 57 143 | 85 714 |
| *Amortizing Syndicated Loan at fixed rate* | *28 571* | *42 857* |
| *Amortizing Syndicated Loan at floating rate* | *28 571* | *42 857* |
| Other loans & borrowings | 3 388 | 4 024 |
| **Non-current** | **72 333** | **1 466 390** |
| Bank borrowings, current portion | 12 982 | 27 661 |
| Syndicated loans, current portion | 28 571 | 28 571 |
| *Amortizing Syndicated Loan at fixed rate* | *14 286* | *14 286* |
| *Amortizing Syndicated Loan at floating rate* | *14 286* | *14 286* |
| Other loans & borrowings | 432 | 2 468 |
| Bank overdrafts | 2 415 | 10 971 |
| **Current** | **44 400** | **69 671** |
| **Total** | **116 733** | **1 536 061** |

**Interest-bearing loans and borrowings – Sibelco Group excluding Covia**

The Group has a €510 Syndicated Revolver Credit Facility in place. In 2020, the Group has used the option to extend €434 million out of the €510 million of the 2018 Syndicated Revolving Credit Facility with 1 year – resulting in a new termination date in 2025. The current facility amount of €510 million remains in place until 2024. This facility contains financial covenants. The Group's financial covenants have been set to provide the Group with a very strong buffer in case of further cash needs driven by working capital, Capex, acquisitions or pressure on its EBITDA. End of December 2020, the Group was well below any of these financial covenants.

At 31 December 2020, the Group had available €659 million of undrawn committed borrowing facilities.

## B. RECONCILIATION BETWEEN THE OPENING AND CLOSING BALANCES FOR LIABILITIES ARISING FROM FINANCING ACTIVITIES

| | | | Non-cash changes | | | |
|---|---|---|---|---|---|---|
| *In thousands of euro* | **2019** | Cash flows | Acquisition /disposals | Foreign exchange translation | Foreign exchange revaluation in (profit) or loss | **2020** |
| Bank borrowings | 1 404 312 | 871 | (1 372 667) | (9 288) | 1 557 | 24 785 |
| Syndicated loans | 114 285 | (28 570) | - | - | - | 85 714 |
| Lease obligations | 366 272 | (59 329) | (250 780) | (2 221) | 10 078 | 64 020 |
| Other loans & borrowings | 6 494 | (2 675) | (90) | (4) | 94 | 3 819 |
| Bank overdrafts | 10 971 | (11 287) | - | (541) | 3 272 | 2 415 |
| **Non-current** | **1 902 334** | **(100 990)** | **(1 623 537)** | **(12 054)** | **15 001** | **180 753** |

Following the deconsolidation of Covia in June 2020 and the subsequent emerging from Chapter 11 of Covia in December 2020 the Group has no further legal obligations with regards to the financial debt of Covia and therefore could derecognize the full bank borrowing for €1.4 billion and the leasing obligations for €0.3 billion –see note 4 *Disposal or deconsolidation of subsidiaries or other business.*

## C. TERMS AND DEBT REPAYMENT SCHEDULE

| *In thousands of euro* | 2020 | | | | 2019 | | | |
|---|---|---|---|---|---|---|---|---|
| Bank loans | Nominal interest rate | Year of maturity | Face value | Carrying amount | Nominal interest rate | Year of maturity | Face value | Carrying amount |
| BRL | 7.95% | 2022 | 5 327 | 5 327 | 8.00% | 2022 | 15 105 | 15 105 |
| CNY | - | - | - | - | 0.96% | 2019 | 17 606 | 17 606 |
| DKK | 0.19% | 2021 | 1 343 | 1 343 | - | - | - | - |
| EUR | 0.85% | 2023 | 52 920 | 52 920 | 1.24% | 2019-2023 | 68 495 | 68 495 |
| GBP | 0.94% | 2021 | 970 | 970 | - | - | - | - |
| IDR | - | - | - | - | 10.09% | 2020 | 265 | 265 |
| INR | 7.81% | 2021 | 3 681 | 3 681 | 7.19% | 2020 | 8 573 | 8 573 |
| MYR | 1.78% | 2021 | 1 401 | 1 401 | 3.40% | 2020 | 9 777 | 9 777 |
| NOK | 0.99% | 2021 | 22 819 | 22 819 | 1.05% | 2020 | 32 681 | 32 681 |
| PLN | - | - | - | | 0.64% | 2020 | 745 | 745 |
| RUB | 8.06% | 2021 | 4 534 | 4 534 | 9.72% | 2020 | 14 498 | 14 498 |
| SEK | 0.92% | 2021 | 6 565 | 6 565 | - | - | - | - |
| THB | 1.81% | 2021 | 5 868 | 5 868 | 3.30% | 2020 | 13 024 | 13 024 |
| TRY | 9.45% | 2021 | 6 614 | 6 614 | 18.33% | 2020 | 5 279 | 5 279 |
| TWD | 1.56% | 2021 | 874 | 874 | 2.12% | 2020 | 2 666 | 2 666 |
| USD | - | - | - | - | 6.22% | 2025 | 1 363 779 | 1 363 779 |
| **Total** | - | - | **112 914** | **112 914** | - | - | **1 552 493** | **1 552 493** |

| *In thousands of euro* | Face value | Carrying amount | Face value | Carrying amount |
|---|---|---|---|---|
| Loans with non-financial counterparties | 3 819 | 3 819 | 6 496 | 6 496 |
| Other | - | - | (22 927) | (22 927) |
| **Total** | **116 733** | **116 733** | **1 536 062** | **1 536 062** |

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## 27. EMPLOYEE BENEFITS

Sibelco Group companies maintain retirement and other long-term defined benefit plans in several countries in which the Group operates.

In 2020, Covia was deconsolidated from the Sibelco Group – see note 4 *Disposal or deconsolidation of subsidiaries or other business*. As a result of this deconsolidation the retirement and post-retirement welfare defined benefit plans of Covia in the US, Canada and Mexico are no longer in scope and no remaining liabilities are in place.

### Retirement plans

#### United Kingdom

The United Kingdom represents 66 percent of the obligations as per 31 December 2020. The Sibelco UK Final Salary Pension Scheme is closed to new entrants and future accruals. All previous active members of the Scheme entered a new defined contribution section of the Scheme from 1 January 2014, while all new employees hired since 1 January 2003 have been offered entry to a separate defined contribution plan. The Scheme is formally governed by a consolidated Trust deed and rules, which ensures the assets of the Scheme are segregated from those of the sponsoring employers. The Scheme has a statutory funding objective to ensure that it has sufficient and appropriate assets to cover its technical provisions (Pension Act 2004). Liabilities are exposed to interest rate risk, inflation risk and demographic risk (mortality, turnover). Assets are exposed to interest rate risk, market risk and credit risk. The Trustee has agreed that Scheme's defined benefit Section should have a strategic asset allocation.
The last completed triennial valuation as per 31 December 2016 was finalized in 2018. With the value of the UK Scheme's assets being less than the Trustee's technical provisions, a recovery plan has been agreed between the sponsoring companies and the Trustees of the Scheme to eliminate the difference by payment of additional "deficit" contributions. The aim is to eliminate the deficit by 31 December 2025 by making deficit contributions of £10.30 million in 2018, increasing by around 1.55 percent each first of January thereafter until and including 2021. For the period 2022 to 2025 contributions are reduced with £5.00 million and increase with 1.00 percent per year. This is in addition to a contribution towards the Scheme administration of £0.35 million per annum and to the Pension Protection Fund (PPF) levy premiums.
Closure to future accrual will limit future growth in the defined benefit obligation. Scheme designed trigger points will automatically switch growth assets to matching assets when their values have reached pre-agreed targets.

#### Europe (excluding the United Kingdom)

The plans in Europe (excluding the United Kingdom) represent overall 32 percent of the obligations as per 31 December 2020.
The main defined benefit plans are in the Netherlands, Germany and Sweden representing respectively 20 percent, 4 percent and 1 percent of the obligations as per 31 December 2020. The plans have been established in accordance with common practice and legal requirements. These are all retirement plans that generally provide a benefit related to years of service and rates of pay close to retirement. The plans in the Netherlands are insured and are closed for future salary accruals and to new entrants. The plans in Germany are mainly closed unfunded book-reserved pension plans which cover active, deferred and retired members. The plan in Sweden refers to the so-called unfunded ITP2 defined benefit plan covering active, deferred and retired members.
The Belgian defined contribution pension plans are by law subject to minimum rates of return to be guaranteed by the employer. They have been reclassified as defined benefit plans in 2016. As from 1 January 2016, the minimum guaranteed rate of return on an annual basis is linked to the 24-month average of the Belgian government bond yields (OLO 10Y). Minimum rates can however not be lower than 1.75 percent and not be higher than 3.75 percent. For 2016 through 2020 the minimum guaranteed rate of return is 1.75 percent on employer and employee contributions. The previous rates (3.25 percent on employer contributions and 3.75 percent on employee contributions) continue to apply to the accumulated past contributions until 31 December 2015. The net liability equals €2.5 million as per 31 December 2020 (€2.5 million as per 31 December 2019).
Benefits in Italy, France, Poland, Turkey and Greece relate to the mandatory retirement benefits of the defined benefit type.

#### Asia & Australia

Australia represents 1 percent of the obligations as per 31 December 2020. The Australian defined benefit pension plan requires contributions to be made to a separately administered fund. There are only a small number of retired members participating to the plan.
The Group has a complementary funded retirement plan in Taiwan. The plan is closed for new entrants.
The reported liabilities for Thailand, India, Indonesia, Japan and Korea mainly relate to mandatory retirement benefits of the defined benefit type.
Liabilities in Asia account in total for 1 percent of the obligations as per 31 December 2020.

### Termination benefits

The reported termination benefits are early retirement plans in Belgium.

### Other long-term employee benefits

In 2011, the Board of Directors decided to set up long term incentive plans (LTI) for a selected number of key executives. Today the LTI plans of 2013, 2014, 2015 and 2016 are still in force with potential cash payments in future years based on the evolution of financial KPI's. At the end of 2020, the provision for all these plans has been estimated to be €2.6 million.
The other long-term benefit plans mainly relate to jubilee plans (4) in The Netherlands.

**Explanation of amounts in the financial statements**
Defined benefit liabilities

| *In thousands of euro* | 2020 | | | | 2019 | | | |
|---|---|---|---|---|---|---|---|---|
| | Post-employment benefits | Termination benefits | Other | Total | Post-employment benefits | Termination benefits | Other | Total |
| Present value of funded obligations | 425 124 | - | - | 425 124 | 597 171 | 9 | - | 597 180 |
| Fair value of plan assets | (372 551) | - | - | (372 551) | (499 063) | - | - | (499 063) |
| **Present value of net funded obligations** | **52 573** | - | - | **52 573** | **98 108** | **9** | - | **98 117** |
| Present value of unfunded obligations | 16 181 | 999 | 3 436 | 20 616 | 27 356 | 956 | 5 605 | 33 917 |
| Reclassification liabilities held for sale | - | - | - | - | - | - | - | - |
| **Total defined benefit liabilities/(assets)** | **68 754** | **999** | **3 436** | **73 189** | **125 464** | **965** | **5 605** | **132 034** |
| Liabilities | 68 754 | 999 | 3 436 | 73 189 | 125 464 | 965 | 5 605 | 132 034 |
| (Assets) | - | - | - | - | - | - | - | - |
| **Net liability at 31 December** | **68 754** | **999** | **3 436** | **73 189** | **125 464** | **965** | **5 605** | **132 034** |

Movements in the net liability for defined benefit obligations recognised in the statement of financial position

| *In thousands of euro* | 2020 | | | | 2019 | | | |
|---|---|---|---|---|---|---|---|---|
| | Post-employment benefits | Termination benefits | Other | Total | Post-employment benefits | Termination benefits | Other | Total |
| **At 1 January** | **125 464** | **965** | **5 605** | **132 034** | **102 653** | **1 173** | **11 017** | **114 843** |
| Contributions by employer | (17 758) | (224) | (498) | (18 480) | (20 696) | (292) | (4 357) | (25 345) |
| Expense (income) recognised in the statement of profit or loss | 5 199 | 266 | 121 | 5 586 | 8 927 | 84 | (1 476) | 7 535 |
| Remeasurements loss (gain) included in OCI | 10 067 | - | - | 10 067 | 32 006 | - | - | 32 006 |
| Business combinations, acquistions | - | - | - | - | - | - | 293 | 293 |
| Business combinations, divestments | (50 925) | - | (1 367) | (52 292) | - | - | - | - |
| Other movements | 395 | (9) | (432) | (46) | (84) | - | - | (84) |
| Exchange differences | (3 687) | - | 7 | (3 680) | 2 658 | - | 128 | 2 786 |
| **At 31 December** | **68 755** | **998** | **3 436** | **73 189** | **125 464** | **965** | **5 605** | **132 034** |

Changes in the present value of the defined benefit obligations

| *In thousands of euro* | | 2020 | | | | 2019 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Note | Post-employment benefits | Termination benefits | Other | Total | Post-employment benefits | Termination benefits | Other | Total |
| **At 1 January** | | **624 577** | **942** | **5 751** | **631 270** | **550 029** | **1 222** | **11 163** | **562 414** |
| Service cost | | 4 937 | 14 | 219 | 5 170 | 5 405 | - | (1 510) | 3 895 |
| Interest cost | 13 | 9 883 | (1) | 15 | 9 897 | 17 738 | - | 30 | 17 768 |
| Benefits paid | | (28 048) | (224) | (498) | (28 770) | (40 094) | (277) | (4 357) | (44 728) |
| Actuarial losses (gains) | | 51 568 | (56) | (73) | 51 439 | 72 398 | 6 | (20) | 72 384 |
| Tax on contributions paid | | - | - | - | - | - | (15) | - | (15) |
| Past service cost | | 131 | 309 | - | 440 | (215) | 67 | 14 | (134) |
| Losses (gains) on curtailments | | (2 115) | - | (40) | (2 155) | (192) | - | 10 | (182) |
| Losses (gains) on settlements | | - | - | - | - | (51) | - | - | (51) |
| Business combinations, acquistions | | - | - | - | - | - | - | 293 | 293 |
| Business combinations, divestments | | (198 945) | - | (1 367) | (200 312) | - | - | - | - |
| Other movements | | 371 | 14 | (432) | (47) | (368) | (61) | - | (429) |
| Exchange differences | | (21 013) | - | 7 | (21 006) | 19 927 | - | 128 | 20 055 |
| **At 31 December** | | **441 346** | **998** | **3 582** | **445 926** | **624 577** | **942** | **5 751** | **631 270** |

The specification of the actuarial gains and losses for 2020 is the following:

| *In thousands of euro* | 2020 | 2019 |
|---|---|---|
| Experience adjustments | 2 184 | (2 238) |
| Changes in demographic assumptions | (2 857) | (5 570) |
| Changes financial assumptions | 52 113 | 80 192 |
| **Total** | **51 440** | **72 384** |

Total actuarial gains and losses on the defined benefit obligations were €51.4 million, mainly arising from the change in financial assumptions in the UK and US (€52.1 million). These are partly compensated by the total actuarial gains and losses on the fair value of plan assets (€ 41.5 million).

Changes in the fair value of plan assets

| *In thousands of euro* | | | | | 2020 | | | | 2019 |
|---|---|---|---|---|---|---|---|---|---|
| | Note | Post-employment benefits | Termination benefits | Other | Total | Post-employment benefits | Termination benefits | Other | Total |
| **At 1 January** | | **(499 113)** | **23** | **(146)** | **(499 236)** | **(447 376)** | **(49)** | **(146)** | **(447 571)** |
| Return on plan assets | 13 | (8 036) | - | - | (8 036) | (14 337) | - | - | (14 337) |
| Actuarial (gains) losses | | (41 501) | - | - | (41 501) | (40 392) | - | - | (40 392) |
| Administration costs | | 526 | - | - | 526 | 528 | - | - | 528 |
| Assets distributed on settlements | | (127) | - | - | (127) | 51 | 11 | - | 62 |
| Contributions by employer and employee | | (17 440) | (210) | (490) | (18 140) | (20 696) | (277) | (4 357) | (25 330) |
| Benefits paid | | 27 729 | 210 | 490 | 28 429 | 40 094 | 277 | 4 357 | 44 728 |
| Business combinations, acquistions | | - | - | - | - | - | - | - | - |
| Business combinations, divestments | | 148 020 | - | - | 148 020 | - | - | - | - |
| Other movements | | 24 | (24) | - | - | 283 | 61 | - | 344 |
| Exchange differences | | 17 326 | - | - | 17 326 | (17 268) | - | - | (17 268) |
| **At 31 December** | | **(372 592)** | **(1)** | **(146)** | **(372 739)** | **(499 113)** | **23** | **(146)** | **(499 236)** |

### Expense recognised in profit or loss

| *In thousands of euro* | | 2020 | | | | 2019 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Note | Post-employment benefits | Termination benefits | Other | Total | Post-employment benefits | Termination benefits | Other | Total |
| Current service cost (net of employee contributions) | 12 | 4 937 | 14 | 219 | 5 170 | 5 405 | - | (1 510) | 3 895 |
| Administrative costs | 12 | 526 | - | - | 526 | 528 | - | - | 528 |
| Interest cost | 13 | 9 883 | (1) | 15 | 9 897 | 17 738 | - | 30 | 17 768 |
| Return on plan assets | 13 | (8 036) | - | - | (8 036) | (14 337) | - | - | (14 337) |
| Actuarial (gains) losses recognised in the period | 12 | N/A | (56) | (73) | (129) | N/A | 6 | (20) | (14) |
| Past service cost | 12 | 131 | 309 | - | 440 | (215) | 67 | 14 | (134) |
| (Gains) losses on curtailments & settlements | 12 | (2 242) | - | (40) | (2 282) | (192) | 11 | 10 | (171) |
| **Total** | | **5 199** | **266** | **121** | **5 586** | **8 927** | **84** | **(1 476)** | **7 535** |

### Comment on results post-employment benefits

During 2020, both defined benefit obligations on post-employment benefits and plan assets decreased. The funded position, i.e. ratio of plan assets to defined benefit obligation, has increased to 84 percent (2019: 80 percent). This results from the evolution of the DBO and is primarily due to the positive effects of the divestment of Covia (€198.9 million) and of the exchange differences (€21 million), not offset by the interest cost and service cost during 2020 (€14.8 million) and the negative effect of actuarial losses (€51.6 million), while the evolution of the plan assets is mainly due to the negative effects of the divestment of Covia (€148 million) and of the exchange differences (€17.3 million), not compensated by the real return on plan assets (€49.5 million) and the employer contributions (€17.4 million). The amounts at both sides are therefore not similar taking into account the amounts involved (plan assets of about €373 million against a DBO of about €441 million).

The defined benefit liability has decreased during the year from €125.5 million to €68.8 million which is mostly due to the positive effects of the divestment of Covia (€50.9 million) and of the employer contributions (€17.8 million), partly offset by the remeasurement loss included in OCI (€10 million) and the expenses recognised in the income statement (€5.2 million).

### Expected benefit payments

| *In thousands of euros* | Post-employment benefits | Termination benefits | Other | Total |
|---|---|---|---|---|
| Expected benefit payments due within 1 year | 14 233 | 209 | 172 | 14 613 |
| Expected benefit payments due between 2-5 years | 58 436 | 629 | 283 | 59 348 |
| Expected benefit payments due between 6-10 years | 82 900 | 157 | 400 | 83 457 |

### Disaggregation fair values plan assets

The average weighing of the assets by the various asset categories are shown below (67.9 percent of the assets are quoted):

| | 2020 | 2019 |
|---|---|---|
| Government bonds | 0.15% | 10.80% |
| Corporate bonds | - | 11.02% |
| Equity | 5.35% | 11.70% |
| Cash | 2.44% | 1.95% |
| Property | 0.07% | 0.06% |
| Insurance contracts | 25.66% | 18.36% |
| Other | 66.32% | 46.11% |
| **Total** | **100.00%** | **100.00%** |

In the plan assets there are no own equity instruments and no property used by the Group. The real return on assets over 2020 amounts to €49.5 million or 9.9 percent (2019: €54.7 million or 12.2 percent).

### Significant actuarial assumptions

The following are the principal actuarial assumptions at the reporting date (expressed as weighted averages):

| | 2020 | 2019 |
|---|---|---|
| Discount rate | 1.08% | 2.26% |
| Rate of salary increases | 2.67% | 1.65% |
| Inflation rate | 2.10% | 1.79% |
| Medical trend rate | - | 6.71% |
| Pension increase rate | 2.78% | 3.32% |

The discount rate, the rate of salary increases and the inflation rate are weighted by the defined benefit obligation, and the pension increase rate is weighted by the defined benefit obligation of the plans paying pensions rather than lump sums on retirement. As a result of the deconsolidation of Covia the only medical plans still in place, went out of scope. Hence no medical trend rate is applicable anymore.

The best estimate of the employer contributions which the Group expects to pay for 2021 amounts to €17.4 million (2020: €21.4 million). The average duration of the defined benefit plan obligation at the end of the reporting period is 16 years (2019: 16 years).

Sensitivity analysis

A 0.25 percent change in the actuarial assumptions would have the following effects:

| *In thousands of euro* | **2020** | | **2019** | |
|---|---|---|---|---|
| **Discount rate** | **25 basis points increase** | **25 basis points decrease** | **25 basis points increase** | **25 basis points decrease** |
| Effect on the aggregate of the service cost and finance cost increase/(decrease) | (727) | 787 | 815 | (895) |
| Effect on the defined benefit obligation increase/(decrease) | (17 293) | 18 472 | (22 639) | 24 702 |
| **Inflation rate** | **25 basis points increase** | **25 basis points decrease** | **25 basis points increase** | **25 basis points decrease** |
| Effect on the aggregate of the service cost and finance cost increase/(decrease) | (240) | 226 | 390 | (351) |
| Effect on the defined benefit obligation increase/(decrease) | 10 088 | (9 802) | 11 588 | (11 217) |
| **Medical cost trend rate** | **25 basis points increase** | **25 basis points decrease** | **25 basis points increase** | **25 basis points decrease** |
| Effect on the aggregate of the service cost and finance cost increase/(decrease) | - | - | 86 | (68) |
| Effect on the defined benefit obligation increase/(decrease) | - | - | 275 | (238) |

The sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

## 28. PROVISIONS

| *In thousands of euro* | Note | Warranties and onerous contracts | Restructuring plans | Site restoration and plant demolition | Penalties, legal claims and other | 2020 | 2019 |
|---|---|---|---|---|---|---|---|
| **Balance at 1 January** | | **377** | **36 871** | **346 130** | **13 226** | **396 606** | **386 455** |
| **Movements through P&L** | | **1** | **6 629** | **11 225** | **2 060** | **19 915** | **69 497** |
| Additional provision | 8, 10 | 1 | 12 513 | 4 637 | 3 477 | 20 629 | 63 982 |
| Unused amounts reversed | 8 | - | (5 884) | (8 249) | (1 432) | (15 564) | (9 827) |
| Revisions due to change of discount rate and inflation rate | 13 | - | - | 7 256 | 14 | 7 270 | 2 510 |
| Unwinding of the discount rate | 13 | - | - | 7 581 | - | 7 581 | 12 832 |
| **Other movements** | | **(124)** | **(35 465)** | **(75 945)** | **(902)** | **(112 436)** | **(59 346)** |
| Business combinations | 3 | - | - | 114 | - | 114 | - |
| Disposals | | - | (7 626) | (85 400) | 560 | (92 466) | (545) |
| Additional provision (variation of the asset component) | 16 | - | - | 39 314 | - | 39 314 | 29 612 |
| Provision used during the period | | (113) | (27 524) | (16 961) | (826) | (45 424) | (67 226) |
| Exchange difference | | (11) | (314) | (7 594) | (310) | (8 230) | 3 190 |
| Transfers | | - | - | (2 297) | (326) | (2 623) | (521) |
| Reclassification liabilities held for sale | 11 | - | - | (3 121) | - | (3 121) | (23 856) |
| **Balance at 31 December** | | **253** | **8 036** | **281 413** | **14 384** | **304 086** | **396 606** |
| Current | | 1 | 6 242 | 25 360 | 9 617 | 41 220 | 88 389 |
| Non-current | | 252 | 1 794 | 256 053 | 4 767 | 262 866 | 308 217 |

### Restructuring plans

The decrease in provisions for restructuring plans can be mainly explained by the use of restructuring provisions for €27.5 million, for restructuring programs in North America, Australia, Europe and Asia, by the disposal of restructuring provisions for €7.6 million due to the deconsolidation of former subsidiary Covia and by releases of restructuring provisions for €5.9 million in Belgium and Australia.

During 2020, additional restructuring provisions have been recognized for €12.5 million, mainly in relation to Covia - see note 10 *Other operating expenses*.

### Site restoration and plant demolition

The Group is subject to numerous environmental requirements in various countries in which it operates, including restoration and clean-up of its quarries and demolition of its plants. In order to comply with regulations, the Group has made significant expenditure and has set up provisions.

The obligation to restore the environment or dismantle an asset is provided in full at the time of the start of the operations. When the provision arises on initial recognition of an asset, the corresponding debit is treated as part of the cost of the related asset and is not recognised immediately in profit or loss but gradually through the depreciation of the related asset. Changes in the estimate of the provision generally are adjusted against the carrying amount of the asset.

Due to the long-term nature of the liability, the biggest uncertainties in estimating the provision are the costs that will be incurred. The provision is measured at the best estimate of costs to be incurred. This takes the time value of money into account, if material. The best estimate typically will be based on the single most likely cost of mine closure and takes uncertainties into account in either the cash flows or the discount rate used in measuring the provision.

In particular, the Group has assumed that its quarries will be restored using technology and materials that are currently available. The corresponding provisions have been calculated taking into account future price increases and discount factors.

| 2020 | Currency | Discount rates 10Y | Inflation rates |
|---|---|---|---|
| Australia | AUD | 3.00 | 2.45 |
| Belgium | EUR | 1.93 | 1.83 |
| Brazil | BRL | 9.01 | 3.97 |
| Canada | CAD | 3.06 | 2.01 |
| Finland | EUR | 1.83 | 1.77 |
| France | EUR | 1.90 | 1.67 |
| Germany | EUR | 1.56 | 2.03 |
| Italy | EUR | 3.30 | 1.30 |
| Malaysia | MYR | 5.16 | 2.40 |
| Mexico | MXN | 8.65 | 3.01 |
| The Netherlands | EUR | 1.72 | 1.89 |
| Norway | NOK | 3.07 | 1.88 |
| Portugal | EUR | 2.44 | 1.79 |
| Russia | RUB | 8.39 | 4.17 |
| Spain | EUR | 2.44 | 1.74 |
| Sweden | SEK | 1.92 | 1.90 |
| Turkey | TRY | 14.58 | 13.42 |
| United Kingdom | GBP | 2.47 | 1.97 |
| Ukraine | UAH | 16.76 | 5.51 |
| United States | USD | 3.25 | 2.32 |

There are many complexities in calculating an estimate of the expenditure to be incurred. Technological advances may reduce the ultimate cost of mine closure and may also affect the timing by extending the existing expected recoveries from the reserves. The estimate is updated at each reporting date.

Our active and inactive managed facilities are required to have closure plans. As from 2015, detailed closure planning requirements were introduced through our Closure Plan Policy, with each asset required to develop a closure plan as part of their life of asset plan. In addition, a new sustainability process was implemented focusing on closure planning, cost estimation and closure objectives at operating assets. Integrating closure planning in the early stages of project development and through an asset's lifecycle helps us to leave a positive legacy of sustainable development, minimize financial impacts and ensure stakeholder expectations are met. Closure plans provide the basis for estimating the financial costs of closure and the associated accounting closure and rehabilitation provisions.

Closure plans are reviewed at the following frequency:

- Every 5 years, or;
- When significant changes occur:
  - in the operation,
  - in local regulatory requirements or constructive obligations,
  - In stakeholder interests or the local environment that:
    - jeopardize the Group's long term viability (expected lifetime of the operation), or
    - risk renewal or prolongation of necessary permits and rights to exploit, or;
- Every year when the operation has an expected lifetime of less than 5 years.

During 2020, the best estimates of the closure plans were reviewed and adjusted, resulting in an addition to the provision of €4.6 million in the income statement, an addition to the asset component of €39.3 million and a release of the provision of €8.2 million. Moreover, due to the deconsolidation of former subsidiary Covia, there was a disposal on the provision of €85.4 million. The main impacts for these additions and releases were both in Europe. The unwinding and change of the discount rate and inflation rate are both a non-cash impact on the provision of €7.6 million and €7.3 million respectively, spread over several entities of the Sibelco Group. The use of the provision site restoration and plant demolition, for €17.0 million, was mainly situated in Australia and Europe. Relating to Australia, it should be noted that the increasingly complex and stringent environmental legislations could impact the future amounts of site rehabilitation programs and related costs and provisions

**Contingencies**
The group has different contingencies. These are described under note 34 *Contingencies*.

**Penalties, legal claims and other**
Provisions for penalties, legal and other claims are mainly related to South America, Europe and Australia. In 2020 the Group has released several provisions for a total of €1.4 million, consisting of various small claims and litigations.

## 29. TRADE AND OTHER PAYABLES

### Non-current trade and other payables

| *In thousands of euro* | Note | 2020 | 2019 |
|---|---|---|---|
| Deferred consideration on acquisitions | | 167 | 176 |
| Other payables | | 395 | 4 789 |
| **Trade and other payables - Non-current** | 31 | **562** | **4 965** |

### Current trade and other payables

| *In thousands of euro* | Note | 2020 | 2019 |
|---|---|---|---|
| Trade payables | | 165 000 | 285 935 |
| Unearned revenues and advances | | 3 233 | 9 304 |
| Other payables | | 54 824 | 76 082 |
| Interest payable | | 70 | 21 213 |
| Non-income tax payables | | 18 714 | 22 903 |
| Accrued liabilities | | 18 487 | 83 512 |
| **Trade and other payables - Current** | **31** | **260 328** | **498 949** |

## 30. OTHER CURRENT AND NON-CURRENT LIABILITIES

### Other non-current liabilities

| *In thousands of euro* | Note | 2020 | 2019 |
|---|---|---|---|
| Cash flow hedge, negative fair value | 31 | - | 18 913 |
| **Derivative financial instruments** | | **-** | **18 913** |
| Government grants | | 1 499 | 2 485 |
| Other | | 1 230 | 9 030 |
| **Other liabilities - Non-current** | | **2 729** | **30 428** |

Other non-current liabilities of the Group were €2.7 million, compared to €30.4 million in 2019. The decrease is mainly due to the deconsolidation of former subsidiary Covia (end of June 2020) and the hedges that are no longer financial instruments of the Group.

**Other current liabilities**

| *In thousands of euro* | Note | 2020 | 2019 |
|---|---|---|---|
| Other, negative fair value | 31 | 798 | 2 052 |
| **Derivative financial instruments** | | **798** | **2 052** |
| Other | | 1 231 | 1 418 |
| **Other liabilities - Current** | | **2 028** | **3 471** |

Other current liabilities of the Group were €2.0 million (2019: €3.5 million) and mainly consist of fair value derivatives for hedging operational risk.

## 31. FINANCIAL INSTRUMENTS

The Group uses derivate financial instruments to hedge the exposure to fluctuations in foreign exchange rates and interest rates. Some hedges qualify for hedge accounting, others are treated as 'free-standing instruments held for trading' for hedging financial assets and liabilities in foreign currencies compliant with the Group's FX policy.

The Group has decided to fix the interest rate for a significant portion of its debt. Following this decision, the interest rate risk is hedged by means of interest rate swaps for which cash flow hedge accounting is applied.

### Credit risk

Exposure to credit risk

At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Impairment losses

The Group applies an allowance percentage on specific buckets in order to determine the total impairment loss on the trade receivables. The used percentages are 1 percent for receivables not past due; 3 percent for receivables past due 0 - 90 days; 50 percent for past due 91 - one year and 100 percent for receivables for more than one year. These are determined based on an Expected Credit Loss (ECL) model which incorporates historic data and takes Covid-19 effects into account. The ageing of trade receivables at the reporting date was:

| *In thousands of euro* | Note | 2020 | | 2019 | |
|---|---|---|---|---|---|
| | | **Gross** | **Impairment** | **Gross** | **Impairment** |
| Not past due | | 236 270 | 3 854 | 364 250 | 2 420 |
| Past due 0 - 90 days | | 21 321 | 654 | 97 691 | 1 232 |
| Past due 91 days - 1 year | | 1 587 | 1 210 | 13 280 | 9 870 |
| More than 1 year | | 6 005 | 6 005 | 2 212 | 2 212 |
| **Trade receivables** | 23 | **265 183** | **11 724** | **477 433** | **15 735** |

In 2019 the used percentages were 0 percent for receivables not past due; 1 percent for receivables past due 0 - 90 days; 50 percent for past due 91 - one year and 100 percent for receivables for more than one year.

The Group believes that, apart from the above, no additional impairment allowance is necessary in respect of trade receivables not past due.

The movement in the allowance for impairment in respect of trade receivables during the period was as follows:

| *In thousands of euro* | Note | 2020 | 2019 |
|---|---|---|---|
| **Balance at 1 January** | | **15 735** | **14 045** |
| Adjustments on prior year | | - | 237 |
| Impairment loss recognised | 8 | 4 994 | 4 216 |
| Allowances used during the period | | (2 502) | (2 646) |
| Exchange differences | | (475) | 119 |
| Reclassification assets held for sale | | 61 | (45) |
| Scope changes | | (6 090) | (191) |
| **Balance at 31 December** | 23 | **11 724** | **15 735** |

Total impairment loss recognised was €5.0 million, of which €3.7 million expensed as SG&A, €0.2 million as cost of sales (production expenses) and €1.1 million relates to other operating expenses - see note 8 *Detailed information on revenue, cost of sales and SG&A.*

**Liquidity risk**

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

| | | 2020 | | | | |
|---|---|---|---|---|---|---|
| *In thousands of euro* | Note | Carrying amount | Contractual cash flows | Less than 1 year | 1-5 years | More than 5 years |
| **Non-derivative financial liabilities** | | | | | | |
| Bank borrowings | 26 | 24 785 | (24 785) | (10 868) | (13 917) | - |
| Amortizing syndicated loan | 26 | 85 714 | (86 339) | (28 960) | (57 378) | - |
| Lease obligations | 26 | 64 020 | 68 819 | (18 142) | (30 470) | (20 207) |
| Other loans & borrowings | 26 | 3 819 | (3 797) | (401) | (3 396) | - |
| Bank overdrafts | 26 | 2 415 | (2 415) | (2 415) | - | - |
| **Total** | | **180 753** | **(48 517)** | **(60 785)** | **(105 162)** | **(20 207)** |
| **Derivative financial liabilities** | | | | | | |
| Other forward exchange contracts - no hedge accounting | 30 | 798 | (750) | (750) | - | - |
| Outflow | | - | (33 258) | (33 258) | - | - |
| Inflow | | - | 32 508 | 32 508 | - | - |
| **Total** | | **798** | **(750)** | **(750)** | **-** | **-** |
| **Other financial liabilities** | | | | | | |
| Trade and other payables | 29 | 266 289 | (266 289) | (265 727) | (562) | - |
| **Total** | | **266 289** | **(266 289)** | **(265 727)** | **(562)** | **-** |

| | | 2019 | | | | |
|---|---|---|---|---|---|---|
| *In thousands of euro* | Note | Carrying amount | Contractual cash flows | Less than 1 year | 1-5 years | More than 5 years |
| **Non-derivative financial liabilities** | | | | | | |
| Bank borrowings | 26 | 1 404 313 | (1 696 546) | (69 683) | (1 616 729) | (10 134) |
| Amortizing syndicated loan | 26 | 114 285 | (115 263) | (29 054) | (86 209) | - |
| Lease obligations | 26 | 366 272 | (406 802) | (89 000) | (300 768) | (17 034) |
| Other loans & borrowings | 26 | 6 492 | (8 744) | (469) | (7 913) | (362) |
| Bank overdrafts | 26 | 10 971 | (10 971) | (10 971) | - | - |
| **Total** | | **1 902 333** | **(2 238 324)** | **(199 177)** | **(2 011 617)** | **(27 530)** |
| **Derivative financial liabilities** | | | | | | |
| Interest rate swaps - hedge accounting | 30 | 18 913 | (22 356) | (4 246) | (18 110) | - |
| Other forward exchange contracts - no hedge accounting | 30 | 2 052 | (2 515) | (2 515) | - | - |
| Outflow | | - | (6 907) | (6 907) | - | - |
| Inflow | | - | 4 392 | 4 392 | - | - |
| **Total** | | **20 965** | **(24 871)** | **(6 761)** | **(18 110)** | **-** |
| **Other financial liabilities** | | | | | | |
| Trade and other payables | 29 | 503 913 | (503 913) | (498 949) | (4 965) | - |
| **Total** | | **503 913** | **(503 913)** | **(498 949)** | **(4 965)** | **-** |

The following table indicates the period in which the cash flows associated with derivatives that are cash flow hedges are expected to occur. They will be recycled through profit or loss in the same periods:

| | | 2020 | | | | |
|---|---|---|---|---|---|---|
| *In thousands of euro* | Note | Carrying amount | Expected cash flows | Less than 1 year | 1-5 years | More than 5 years |
| **IRS and forward-exchange contracts** | | | | | | |
| Liabilities - IRS | 30 | - | - | - | - | - |
| **Total** | | - | - | - | - | - |

| | | 2019 | | | | |
|---|---|---|---|---|---|---|
| *In thousands of euro* | Note | Carrying amount | Expected cash flows | Less than 1 year | 1-5 years | More than 5 years |
| **IRS and forward-exchange contracts** | | | | | | |
| Liabilities - IRS | 30 | 18 913 | 22 356 | 4 246 | 18 110 | - |
| **Total** | | **18 912** | **22 356** | **4 246** | **18 110** | - |

By the 31st of December 2020 there are no more cash flow hedges in the Group as a result of the deconsolidation of Covia in June 2020.

The remaining hedge reserve on the interest rates swaps that were designated as cash flow hedges in the books of Covia on the

29th of June 2020 was recycled to profit or loss and reported as a loss within the gain on deconsolidation of Covia – see note 4 *Disposal or deconsolidation of subsidiaries or other businesses*.

### Currency risk

**Exposure to currency risk**

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currency of the Group entities, primarily the US Dollar (USD), the euro (EUR), the British Pound (GBP) but also the Australian Dollar (AUD). The currencies in which these transactions primarily are denominated are EUR and USD.

The Group uses forward exchange contracts to hedge the foreign exchange risk compliant with the policy as detailed under 'Financial risk management' – see note 2 *Financial risk management*.

The Group's exposure to foreign currency risk was as follows based on notional amounts:

Sensitivity analysis

| | **2020** | | | | | **2019** | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| *In thousands of EUR* | **EUR** | **USD** | **GBP** | **AUD** | **Other** | **EUR** | **USD** | **GBP** | **AUD** | **Other** |
| **Transactional Exposure** | | | | | | | | | | |
| Trade, other receivables and Cash & Cash Equivalents | 15 718 | 30 823 | (123 832) | (38 403) | (2 884) | 22 331 | (3 301) | (183 747) | (94 862) | 34 772 |
| Interest bearing loans and borrowings | (4 939) | 1 053 | 124 356 | - | 49 538 | (4 975) | 995 | 131 404 | - | 68 953 |
| Trade and Other Payables | (17 784) | (19 859) | (309) | (31) | (3 571) | (25 093) | (26 168) | (200) | (11) | (24 814) |
| **Gross Exposure** | **(7 006)** | **12 016** | **215** | **(38 434)** | **43 082** | **(7 737)** | **(28 474)** | **(52 543)** | **(94 873)** | **78 911** |
| Forward Exchange Contracts | 1.414 | 7.130 | - | 38.186 | (46.355) | 3.039 | 42.601 | 52.325 | 94.500 | (61.299) |
| **Total** | **(5 592)** | **19 146** | **215** | **(248)** | **(3 273)** | **(4 698)** | **14 127** | **(218)** | **(373)** | **17 612** |
| **Economical Exposure** | | | | | | | | | | |
| Estimated Forecasted sales/ receivables | - | - | - | - | 7 097 | - | 2 739 | - | - | 6 399 |
| Estimated Purchases | - | (12 224) | - | - | - | - | (2 072) | - | - | (3 304) |
| **Gross Exposure** | - | **(12 224)** | - | - | **7 097** | - | **667** | - | - | **3 095** |
| Forward Exchange Contracts | - | 12 224 | - | - | (7 097) | - | | - | - | (3 095) |
| **Total** | - | - | - | - | - | - | **667** | - | - | - |

A 10 percent change of the euro against the other currencies at 31 December would have an insignificant impact on the hedge reserve included in equity nor on net profit (economical exposure), (2019: no risks on equity nor on net profit).

### Interest rate risk

The Group has 28% of its debt at Fixed rate. The floating part is mainly influenced by changes in the Euribor 3 months. A shift in interest rate of 1 percent has an impact of €1.3 million on interest result.

**Fair values**

Fair values versus carrying amounts

The fair values together with the carrying amounts shown in the statement of financial position are as follows:

| *In thousands of EUR* | Note | Carrying amount 2020 | Fair value 2020 Level 2 | Carrying amount 2019 | Fair value 2019 Level 2 |
|---|---|---|---|---|---|
| **Fixed rate financial liabilities :** | | | | | |
| Non-current | 26 | (28 571) | (28 571) | (42 857) | (42 857) |
| Current | 26 | (14 286) | (14 286) | (14 286) | (14 286) |
| **Floating rate financial liabilties:** | | | | | |
| Non-current | 26 | (28 571) | (28 571) | (1 423 533) | (1 109 655) |
| Current | 26 | (14 286) | (14 286) | (55 385) | (52 043) |
| **Interest rate swaps:** | | | | | |
| Assets | | - | - | - | - |
| Liabilities | 30 | - | - | (18 913) | (18 913) |
| **Forward exchange contracts:** | | | | | |
| Assets - hedge net financial position | 19 | 824 | 824 | 1 187 | 1 187 |
| Assets - hedge transactional and economical exposure | 19 | 708 | 708 | 384 | 384 |
| Liabilities - hedge net financial position | 30 | (798) | (798) | (2 229) | (2 229) |
| Liabilities - hedge transactional and economical exposure | 30 | - | - | 177 | 177 |
| **Total** | | **(84 980)** | **(84 980)** | **(1 555 455)** | **(1 238 235)** |

Hierarchy and determination of fair values

All above fair values have a Level 2 nature, meaning that inputs used for measurement are other than quoted prices within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

The fair value of forward exchange contracts is determined using money market interest rates and the foreign exchange spot rates at the balance sheet date.

The fair value of interest rate swaps and cross currency interest rate swaps are calculated as the net present value of the future cash flows.

In the context of IFRS 13, the Group has made an assessment of non-performance risk in respect of derivatives. The Group assessed that no value adjustments are required, taken into account the financial strength of the counterparties (investment grade and the short term nature of the current portfolio).

For the valuation and testing of derivative financial instruments for which hedge accounting is applied, the Group is using a fair value model which meets the IFRS requirements regarding hedge effectiveness testing. For hedge effectiveness testing the dollar-offset method is applied.

## 32. LEASES

Per 31 December 2019, the Group leased mainly railway equipment, operating equipment, buildings and cars under a number of lease agreements. Following the deconsolidation of Covia Holdings Corporation on the 29th of June 2020 the majority of this railway equipment is not recognized anymore within the Sibelco Group per 31 December 2020. This deconsolidation of Covia Holdings Corporation resulted in the derecognition of right-of-use assets for an amount of €131.3 million and of lease liabilities for an amount of €274.0 million during the year ended 31 December 2020.

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

### I. Right-of-use assets:

| *In thousands of euro* | Land and buildings | Processing equipment | Intangible assets | 2020 | 2019 |
|---|---|---|---|---|---|
| **Balance at end of previous period as reported** | **37 745** | **167 175** | **37** | **204 956** | **-** |
| **First time adoption IFRS16** | **-** | **-** | **-** | **-** | **464 463** |
| Additions | 9 776 | 14 053 | 63 | 23 892 | 13 040 |
| Lease remeasurements | 3 604 | (4 307) | 2 | (701) | 8 879 |
| Disposals | (12 605) | (118 678) | | (131 283) | (2 211) |
| Exchange differences | (676) | (1 411) | (6) | (2 093) | 9 335 |
| Other | - | (9) | - | (9) | (209) |
| Depreciation expense | (7 814) | (19 972) | (28) | (27 814) | (101 368) |
| Impairment expense | (4) | (3 020) | - | (3 024) | (186 972) |
| **Balance at end of period as reported** | **30 025** | **33 830** | **69** | **63 924** | **204 956** |

The disposals mainly relate to the derecognition of right-of-use assets following the deconsolidation of Covia - see note 4 *Disposal or deconsolidation of subsidiaries or other business.*

**II. Lease obligations:**

| *In thousands of euro* | **2020** | **2019** |
|---|---|---|
| **Balance at end of previous period as reported** | **366 272** | **-** |
| **First time adoption IFRS16** | **-** | **422 412** |
| Recognised under IAS 17 | - | 8 917 |
| Additions | 23 892 | 13 041 |
| Accretion of interest | 10 130 | 20 667 |
| Payments | (59 329) | (111 432) |
| Lease remeasurements | (707) | 8 841 |
| Disposals | (273 972) | (1 942) |
| Exchange differences | (2 221) | 6 424 |
| Other | (44) | (656) |
| **Balance at end of period as reported** | **64 020** | **366 272** |
| Non-current | 46 281 | 289 704 |
| Current | 17 738 | 76 568 |

The disposals mainly relate to the derecognition of lease liabilities following the deconsolidation of Covia.

**III. Lease expenses:**

| *In thousands of euro* | **2020** | **2019** |
|---|---|---|
| Depreciation expense of right-of-use assets PPE | 27 787 | 101 347 |
| Amortisation expense of right-of-use assets intangible assets | 28 | 21 |
| Impairment expense on right-of-use assets | 3 024 | 186 972 |
| Interest expense on lease liabilities | 10 130 | 20 667 |
| Expense relating to short-term leases (included in cost of sales) | 11 128 | 20 907 |
| Expense relating to short-term leases (included in SG&A expenses) | 592 | 678 |
| Expense relating to leases of low-value assets | 922 | 994 |
| Variable lease payments | 3 146 | 4 402 |
| **Total amount recognised in profit or loss** | **56 757** | **335 988** |

Depreciation expenses were €27.8 million (€101.3 million in 2019). The decrease results from the significant impairments recorded in 2019, reflecting a lower depreciation basis. Additionally, only 6 months of Covia depreciations are included in the 2020 Group profit and loss, compared to 12 months in 2019.

In 2019, the Group recognised €336.0 million as an expense in profit or loss in respect of leases. In 2020, the Group recognised only €56.8 million as an expense in profit or loss in respect of leases. The difference is mainly explained by the deconsolidation of Covia Holdings Corporation in 2020 and by the impairment loss recognised in 2019. The variable lease payments are in relation to warehouse lease contracts where the Group can use flexible storage spaces and the contract does not define an underlying asset. The rented storage space always matches the needs of the Group.

## 33. COMMITMENTS

### Capital Commitments

At 31 December 2020, the Group had commitments relating to property, plant and equipment (mainly assets under construction) and intangible assets amounting to €15.3 million (2019: €40.9 million), all of which in Europe.

## 34. CONTINGENCIES

The Group is defendant in a few lawsuits filed in several jurisdictions where it operates. The Group has strong defence in these cases and the risk of material cash outflows is considered remote.

## 35. RELATED PARTIES

### Identity of related parties

The Group has a related party relationship with its subsidiaries – see note 39 *Group entities*, equity accounted investees – see note 18 *Equity accounted investees* and with its directors and executive officers.

### Transactions with equity accounted investees

All outstanding balances with these related parties are priced at arm's length basis.

### 2020

| *In thousands of euro* | Sales | Purchases | Other costs | Accounts receivable | Accounts payable | Granted loans to associates | Dividends received from associates |
|---|---|---|---|---|---|---|---|
| Glassflake Ltd | 2 | 66 | - | - | 10 | - | 79 |
| Maffei Sarda Silicati SRL | - | - | 27 | - | 611 | 544 | 349 |
| Ficarex SRO | - | - | - | - | - | - | 1 153 |
| Sklopisek Strelec AS | - | - | - | - | - | - | - |
| Dansand A/S | 166 | 123 | - | 14 | 4 | - | 2 344 |
| Recyverre | 198 | 1 536 | - | 1 421 | 161 | - | - |
| **Total** | **367** | **1 725** | **27** | **1 434** | **786** | **544** | **3 926** |

### 2019

| *In thousands of euro* | Sales | Purchases | Other costs | Accounts receivable | Accounts payable | Granted loans to associates | Dividends received from associates |
|---|---|---|---|---|---|---|---|
| Glassflake Ltd | 130 | - | - | 12 | - | - | 101 |
| SCI Les Granet | - | 5 | 1 | - | 4 | - | - |
| Maffei Sarda Silicati SRL | - | - | 27 | - | 611 | 544 | - |
| Ficarex SRO | - | - | - | - | - | - | 763 |
| Sklopisek Strelec AS | - | 40 | - | - | - | - | - |
| Dansand A/S | 163 | 129 | - | 22 | 21 | 13 | 1 342 |
| **Total** | **293** | **174** | **28** | **35** | **636** | **557** | **2 206** |

The Group has outstanding loans to associates for an amount of €0.6 million – see note 19 *Financial assets* and has received dividends from its associates for a total amount of €3.9 million – see note 18 *Equity accounted investees.*

### Transactions with key management personnel

The total remuneration expense recognised in profit or loss in relation to the members of the Board of Directors and to the Executive Committee amounts to €5.9 million in 2020 (2019: €5.4 million), including accruals for long term incentives to be potentially paid over the next years – see note 27 *Employee Benefits* – for the members of the Executive Committee, but excluding short term bonus payments over performance year 2020 which are still subject to approval from the Board of Directors at 11 March 2021. None of key management personnel are granted share options or share based payments.

## 36. EXCHANGE RATES

The following exchange rates have been used in preparing the financial statements:

| | Closing rate | | Average rate | |
|---|---|---|---|---|
| *1 euro equals :* | **2020** | **2019** | **2020** | **2019** |
| ARS | 103.1746 | 67.2580 | 80.8808 | 53.9472 |
| AUD | 1.5896 | 1.5995 | 1.6551 | 1.6112 |
| BRL | 6.3735 | 4.5157 | 5.8931 | 4.4169 |
| CAD | 1.5633 | 1.4598 | 1.5299 | 1.4854 |
| CHF | 1.0802 | 1.0854 | 1.0705 | 1.1123 |
| CLP | 870.9342 | 844.8867 | 902.1603 | 786.9195 |
| CNY | 8.0225 | 7.8205 | 7.8734 | 7.7354 |
| CZK | 26.2420 | 25.4080 | 26.4549 | 25.6712 |
| DKK | 7.4409 | 7.4715 | 7.4542 | 7.4661 |
| EGP | 19.2532 | 17.9744 | 18.0066 | 18.7716 |
| GBP | 0.8990 | 0.8508 | 0.8896 | 0.8775 |
| HKD | 9.5142 | 8.7473 | 8.8588 | 8.7691 |
| IDR | 17 308.2460 | 15 616.3834 | 16 628.9866 | 15 834.1468 |
| INR | 89.6605 | 80.1870 | 84.6276 | 78.8182 |
| JPY | 126.4900 | 121.9400 | 121.8480 | 121.9818 |
| KRW | 1 336.0000 | 1 296.2800 | 1 345.3444 | 1 305.5927 |
| MXN | 24.4160 | 21.2202 | 24.5101 | 21.5549 |
| MYR | 4.9340 | 4.5953 | 4.7953 | 4.6369 |
| NOK | 10.4703 | 9.8638 | 10.7229 | 9.8531 |
| NZD | 1.6984 | 1.6653 | 1.7562 | 1.7000 |
| PHP | 59.1250 | 56.9000 | 56.6141 | 57.9751 |
| PLN | 4.5597 | 4.2568 | 4.4432 | 4.2977 |
| RUB | 91.4671 | 69.9563 | 82.7421 | 72.4281 |
| SEK | 10.0343 | 10.4468 | 10.4853 | 10.5923 |
| SGD | 1.6218 | 1.5111 | 1.5742 | 1.5271 |
| THB | 36.7270 | 33.4150 | 35.7074 | 34.7453 |
| TRY | 9.1131 | 6.6843 | 8.0566 | 6.3633 |
| TWD | 34.4508 | 33.8009 | 33.5860 | 34.5706 |
| UAH | 34.7396 | 26.4220 | 30.8013 | 28.8645 |
| USD | 1.2271 | 1.1234 | 1.1422 | 1.1192 |

## 37. SUBSEQUENT EVENTS

No significant subsequent events happened after the balance sheet date.

## 38. INFORMATION ON THE AUDITOR'S ASSIGNMENTS AND RELATED FEES

The worldwide audit and other fees in respect of services provided by EY and its network can be detailed as follows:

| *In thousands of euro* | Note | 2020 | 2019 |
|---|---|---|---|
| Total audit fees for SCR-Sibelco N.V. and its subsidiaries | | 1 860 | 3 795 |
| Other audit-related services | | 31 | 388 |
| Tax | | 100 | 70 |
| **Total** | | **1 991** | **4 253** |

## 39. GROUP ENTITIES

**Control of the Group**
The Group's ultimate parent company is SCR-Sibelco N.V., Antwerp / Belgium.

| Consolidated companies, December 31, 2020 | Registered seat/location | Effective interest % |
|---|---|---|
| **Australia** | | |
| Queensland Construction Materials Pty Ltd | North Sydney (AU) | 100.00% |
| Rutile Ltd Consolidated | North Sydney (AU) | 100.00% |
| Sibelco Asia Pacific Pty Ltd | North Sydney (AU) | 100.00% |
| Sibelco Australia Ltd | North Sydney (AU) | 100.00% |
| Sibelco Talc Pty Ltd | North Sydney (AU) | 100.00% |
| Stradbroke Rutile Pty Ltd | North Sydney (AU) | 100.00% |
| **Belgium** | | |
| Act&Sorb BVBA | Houthalen-Helchteren (BE) | 24.00% |
| Cofisa NV | Antwerpen (BE) | 100.00% |
| High Five NV | Antwerpen (BE) | 50.00% |
| Limburgse Berggrinduitbating NV | Antwerpen (BE) | 100.00% |
| Minérale SA | Lodelinsart (BE) | 50.00% |
| NZM Grit NV | Dessel (BE) | 100.00% |
| NZM NV | Dessel (BE) | 100.00% |
| Sablières de Mettet SA | Mettet (BE) | 100.00% |
| Silfin NV | Antwerpen (BE) | 100.00% |
| **Brazil** | | |
| Mineração Jundu Ltda | Descalvado (BR) | 50.00% |
| Tansan Industria Quimica Ltda | Pedra di Indaia (BR) | 100.00% |
| Unimin do Brasil Ltda | Barueri (BR) | 100.00% |
| Unimin Mineração | Barueri (BR) | 100.00% |

| | | |
|---|---|---|
| **China** | | |
| Sibelco Changsu Minerals Co Ltd | Suzhou City (CN) | 100.00% |
| Sibelco China Limited | Hong Kong (CN) | 100.00% |
| Sibelco Shanghai Minerals Trading Co Ltd | Shanghai (CN) | 100.00% |
| **Czech Republic** | | |
| Kaolin Hlubany AS | Podborany (CZ) | 100.00% |
| **Denmark** | | |
| Sibelco Nordic A/S | Rönne (DK) | 100.00% |
| **Egypt** | | |
| Sibelco Egypt JSC | Caïro (EG) | 100.00% |
| **Finland** | | |
| Kalke Oy AB | Vihiti (FI) | 100.00% |
| Sibelco Nordic OY AB | Nummela (FI) | 100.00% |
| Vectori-South Oy AB | Espoo (FI) | 100.00% |
| **France** | | |
| CERES SCEA | Paris (FR) | 100.00% |
| France Pare-Brise Recyclage SA | Crouy (FR) | 50.00% |
| Sibelco France SAS | Paris (FR) | 100.00% |
| Sibelco Green Solutions SAS | Crouy (FR) | 100.00% |
| **Georgia** | | |
| Georgian Minerals Ltd | Tbilisi (GE) | 80.00% |
| **Germany** | | |
| Sibelco Deutschland GmbH | Ransbach-Baumbach (DE) | 100.00% |
| Sibelco Minerals GmbH | Ransbach-Baumbach (DE) | 100.00% |
| **Greece** | | |
| Sibelco Hellas Mining SA | Thessaloniki (GR) | 100.00% |
| **India** | | |
| Adarsh India Mining Pvt Ltd | Hyderabad (IN) | 100.00% |
| Sibelco India Minerals Pvt Ltd | Hyderabad (IN) | 100.00% |
| **Indonesia** | | |
| PT Bhumiadya | Bandung (ID) | 100.00% |
| PT Sibelco Lautan Minerals | Jakarta (ID) | 100.00% |
| **Italy** | | |
| Ecopaté S.R.L. | Robilante (IT) | 90.00% |
| Macoglass S.R.L. | Antegnate (IT) | 100.00% |
| Sibelco Italia S.p.A. | Robilante (IT) | 100.00% |
| **Japan** | | |
| Sibelco Japan Ltd | Nagoya (JP) | 70.00% |
| **Luxembourg** | | |
| NZM Lux 1 SA | Strassen (LU) | 100.00% |
| NZM Lux 2 SA | Strassen (LU) | 100.00% |

| | | |
|---|---|---|
| NZM Lux 3 SA | Strassen (LU) | 100.00% |
| Sibelux SA | Luxembourg (LU) | 100.00% |
| **Madagascar** | | |
| Ambilobe Minerals SRLU | Antananarivo (MA) | 100.00% |
| **Malaysia** | | |
| Sera Kekal Sdn Bhd | Kuala Lumpur (MY) | 100.00% |
| Sibelco Malaysia Sdn Bhd | Pasir Gudang (MY) | 100.00% |
| Tinex Kaolin Corporation Sdn Bhd | Kuala Lumpur (MY) | 100.00% |
| **The Netherlands** | | |
| Ankerpoort NV | Maastricht (NL) | 100.00% |
| Ankerpoort Handel BV | Maastricht (NL) | 100.00% |
| Ankersmit Maalbedrijven BV | Maastricht (NL) | 100.00% |
| Ecomineraal BV | Maastricht (NL) | 100.00% |
| Eurogrit BV | Vreeswijk (NL) | 100.00% |
| Filcom BV | Papendrecht (NL) | 100.00% |
| Grondbezit Bemelen BV | Maastricht (NL) | 100.00% |
| Handelsonderneming Elvers BV | Geertruidenberg(NL) | 100.00% |
| Industriele Maatschappij Geertruidenberg BV | Geertruidenberg (NL) | 100.00% |
| Jan de Poorter BV | Geertruidenberg (NL) | 100.00% |
| Maasgrit B.V. | Maastricht (NL) | 100.00% |
| Sibelco Benelux BV | Heerlen (NL) | 100.00% |
| Sibelco Nederland NV | Papendrecht (NL) | 100.00% |
| Watts Blake Bearne International Holdings BV | Amsterdam (NL) | 100.00% |
| Winterwijksche Steen-en Kalkgroeve BV | Winterswijk (NL) | 100.00% |
| World Ceramic Minerals BV | Maastricht (NL) | 100.00% |
| **Norway** | | |
| Olivin AS | Rud (NO) | 100.00% |
| Sibelco Nordic AS | Rud (NO) | 100.00% |
| **Poland** | | |
| Sibelco Poland sp.z.o.o. | Gdansk (PL) | 100.00% |
| **Portugal** | | |
| Sibelco Portuguesa Lda | Rio Maior (PT) | 100.00% |
| **Russian Federation** | | |
| Azimut LLC | Ramenskoye (RU) | 100.00% |
| Kvarsevye peski CJSC | Eganovo (RU) | 99.04% |
| Sibelco Nebolchi LLC | Nebolchi (RU) | 100.00% |
| Ramenskiy GOK OJSC | Eganovo (RU) | 99.04% |
| Russian Mining Company CJSC | Nebochi (RU) | 100.00% |
| Sibelco Rus LLC | Eganovo (RU) | 100.00% |
| Trading House Hercules Moscow LLC | Moscow (RU) | 100.00% |

| | | |
|---|---|---|
| Vector LLC | Moscow (RU) | 100.00% |
| Sibelco Voronezh LLC | Posyolok Strelitsa (RU) | 100.00% |
| **Singapore** | | |
| Sibelco Asia Pte Ltd | Singapore (SG) | 100.00% |
| SIKO Pte Ltd | Singapore (SG) | 100.00% |
| **South Korea** | | |
| Sibelco Korea Co. Ltd (South Korea) | Chungnam (SK) | 100.00% |
| **Spain** | | |
| Sibelco Inversiones Argentina SL | Bilbao (ES) | 100.00% |
| Sibelco Minerales Ceramicos SA | Castellon (ES) | 100.00% |
| Sibelco Minerales SA | Bilbao (ES) | 99.93% |
| Sibelco Participaciones SL | Bilbao (ES) | 100.00% |
| Sibelco Ukrainian Trading SL | Barcelona (ES) | 100.00% |
| Inversiones Indonesia S.L. | Bilbao (ES) | 100.00% |
| **Sweden** | | |
| Sibelco Nordic AB | Göteborg (SE) | 100.00% |
| **Switzerland** | | |
| Sibelco Switzerland GmbH | Birsfelden (CH) | 100.00% |
| **Taiwan** | | |
| Sibelco Asia Pte Ltd, Bao Lin Branch | Taichung (TW) | 100.00% |
| Sibelco Bao Lin Co Ltd | Taichung (TW) | 100.00% |
| **Thailand** | | |
| GTT Holdings Ltd | Amphur Muang (TH) | 100.00% |
| Sibelco Minerals (Thailand) Ltd | Amphur Muang (TH) | 100.00% |
| **Turkey** | | |
| Alabanda Madencilik Dis Ticaret AS | Aydin (TR) | 100.00% |
| Alinda Madencilik Sanayi Ve Ticaret AS | Aydin (TR) | 100.00% |
| Sibelco Turkey Madencilik Tic AS | Aydin (TR) | 100.00% |
| **Ukraine** | | |
| Donbas Clays JSC | Donetsk (UA) | 100.00% |
| Euromineral LLC | Donetsk (UA) | 100.00% |
| Kurdyumovsky Plant of Acid-Proofed Products PJSC | Donetsk (UA) | 100.00% |
| LLC Silica Holdings | Kyiv (UA) | 51.00% |
| PJSC Novoselovskoe GOK | Kharkiv (UA) | 48.36% |
| Ukrainian Ceramic Group JSC | Donetsk (UA) | 11.93% |
| **United Kingdom** | | |
| Blubberhouses Moor Ltd | Sandbach (UK) | 100.00% |
| Ellastone Investments | Sandbach (UK) | 100.00% |
| Fordath Ltd | Sandbach (UK) | 100.00% |

| | | |
|---|---|---|
| Ilamian Ltd | Sandbach (UK) | 100.00% |
| Sibelco Minerals & Chemicals (Holdings) Ltd | Sandbach (UK) | 100.00% |
| Sibelco UK Ltd | Sandbach (UK) | 100.00% |
| Viaton Industries Ltd | Sandbach (UK) | 100.00% |
| Watts Blake Bearne & Co Ltd | Sandbach (UK) | 100.00% |
| WBB Eastern Europe Ltd | Sandbach (UK) | 100.00% |
| **United States** | | |
| Sibelco North America, Inc | Charlotte (North Carolina, US) | 100.00% |

| Equity accounted investees, December 31, 2020 | Registered seat/location | Effective interest % |
|---|---|---|
| **Brazil** | | |
| Jundu Nordeste Mineracao Ltda | Descalvado (BR) | 50.00% |
| Portsmouth Participações Ltda | Descalvado (BR) | 50.00% |
| **Czech Republic** | | |
| Ficarex SRO | Teplice (CZ) | 50.00% |
| Sklopisek Strelec AS | Mladejov (CZ) | 32.55% |
| **Denmark** | | |
| Dansand A/S | Silkeborg (DK) | 50.00% |
| **France** | | |
| Recyverre SAS | Avignon (FR) | 49.00% |
| **Italy** | | |
| Maffei Sarda Silicati SRL | Florinas (IT) | 49.90% |
| **United Kingdom** | | |
| Glassflake Ltd | Leeds (UK) | 25.10% |
| Prestige Sports Surfaces Ltd | Birmingham (UK) | 50.00% |

# REPORT OF THE BOARD OF DIRECTORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

IN ACCORDANCE WITH ART. 3:38 OF THE BELGIAN COMPANY CODE – FINANCIAL YEAR 2020 – TO THE STATUTORY GENERAL MEETING OF SHAREHOLDERS OF SCR-SIBELCO NV TO BE HELD ON 21 APRIL 2021.

Ladies and Gentlemen,
We have the pleasure of submitting for your approval the financial statements for the financial year ended 31 December 2020 and reporting on the activities of the Company and its subsidiaries.

For the financial year 2020, the consolidated financial statements were established and published according to the International Financial Reporting Standards (IFRS) as adopted by the European Union.

SCR-Sibelco NV is a Belgian-based global leader in material solutions. The company sources, transforms and distributes an extensive portfolio of specialty industrial minerals. The Sibelco Group operates 118 production sites and has an industrial presence in 31 countries, with a team of some 5 358 people.

**Sibelco has a presence in 35 countries in total.*

## FINANCIAL RESULTS OF THE GROUP

| *In thousands of euro* | Sibelco Group Excluding Covia | Covia | **2020*** | Sibelco Group Excluding Covia | Covia | **2019*** |
|---|---|---|---|---|---|---|
| **Consolidated results** | | | | | | |
| Revenue | 1 489 440 | 492 086 | 1 975 529 | 1 878 556 | 1 425 738 | 3 295 130 |
| EBITDA | 244 698 | 49 657 | 294 316 | 328 025 | 226 470 | 554 463 |
| *EBITDA % of Revenue* | 16% | 10% | 15% | 17% | 16% | 17% |
| EBIT | 125 770 | (33 708) | 92 022 | 118 438 | (1 388 004) | (1 269 599) |
| Adjusted EBIT | 122 302 | (17 771) | 104 491 | 178 207 | (51 026) | 127 148 |
| Net Result (share of the Group) | 126 098 | (47 823) | 78 262 | 74 568 | (746 335) | (671 754) |
| Net Result | 125 461 | (73 602) | 51 847 | 75 063 | (1 148 098) | (1 073 022) |
| **Cash flows** | | | | | | |
| Free operating cash flow ** | 78 667 | 27 132 | 105 799 | 45 044 | 177 227 | 222 269 |
| Acquisitions / disposals and land & reserves | 67 583 | 1 776 | 69 358 | 251 727 | 212 064 | 463 792 |
| Free cash flow before dividends | 137 473 | (14 549) | 122 924 | 318 594 | 334 386 | 652 980 |
| Free cash flow | 105 967 | (14 549) | 91 418 | 248 384 | 334 386 | 582 770 |
| **Funding (at year end)** | | | | | | |
| Net cash / (debt) | 168 163 | - | 168 163 | 78 001 | (1 419 774) | (1 341 773) |
| Shareholder's equity | 1 047 112 | - | 1 047 112 | 1 076 568 | 21 385 | 1 097 953 |
| **Data / share** | | | | | | |
| Earnings per share | - | - | 183.97 | - | - | (1 544.77) |
| Dividend (gross) | - | - | 106.00 | - | - | 142.86 |
| Total shares | - | - | 470 170 | - | - | 470 170 |
| Own shares | - | - | 35 314 | - | - | 35 314 |
| **Return on Capital Employed** | | | | | | |
| Average Capital Employed | 1 536 271 | 915 122 | 2 451 400 | 1 551 166 | 2 412 871 | 3 945 287 |
| *ROCE (EBIT / Avg Capital Employed)* | 8.2% | (3.7%) | 3.8% | 7.6% | (57.5%) | (32.2%) |
| *Adjusted ROCE (Adjusted EBIT / Avg Capital Employed)* | 8.0% | (1.9%) | 4.3% | 11.5% | (2.1%) | 3.2% |

** The Group figures also include intercompany eliminations between Covia and Sibelco Excluding Covia.*
*** For FOCF a new definition is applied that excludes the proceeds from sale of assets and the acquisitions of land and reserves. For 2020, FOCF following this new definition is € 105.8 million, compared to the € 162.3 million according to the old definition.*

### Explanatory note on Covia

The merger of Unimin and Fairmount Santrol and the creation of Covia in 2018 was intended to give Sibelco greater strategic flexibility in the inherently volatile US energy market. Structural changes to the proppant segment in the US accelerated in the second half of 2018 and through 2019. This was compounded in 2020 by the twin economic shocks brought about by the COVID-19 pandemic and the collapse in the oil price as well as the burden of the onerous contracts related to railcar leases.

Despite the efforts of Covia's management to combat these effects, it became clear that more radical steps were necessary and the company elected to file for Chapter 11 protection in June. Sibelco looked at various options as part of the lead-up to this process but decided to step away in the best interests of Sibelco and its shareholders.

Covia exited the Chapter 11 process on 31 December 2020 and the resulting financial restructuring led to Sibelco's ownership being completely written down. Covia was deconsolidated from Sibelco's financial reporting at the end of June in accordance with IFRS. In terms of the 2020 financial statements, the main impacts are as follows:

*Balance sheet*: all assets (EUR 1.9 billion), equity and debt (EUR 1.7 billion) of Covia was deconsolidated at 30 June.

*Income statement:* contains all P&L elements for Covia only for the first half of 2020 – being EUR 492 million revenue, EUR 50 million EBITDA and a net loss (share of the group) of EUR 48 million. Significant impairments on Covia had already been accounted for in 2019. The group income statement therefore contains a net gain from financial assets of EUR 32 million arising from the valuation impact of the derecognition of Covia assets as the overall loss of assets was more than offset by relief from liabilities and strengthen by a positive release from currency translations.

*Cash flow statement*: contains all cash elements relating to Covia for the first half of 2020, being a FOCF of EUR 27 million and a negative net free cash flow of EUR 15 million.

For the purpose of the discussion of Sibelco's results below, we have focused on the performance excluding Covia and have added a short commentary on items pertaining to the full Group net consolidated results.

**Group results (excl. Covia unless stated differently)**

Revenues were down by 21% to EUR 1,489 million. This decrease was due to the impact of COVID-19 on the markets served by Sibelco's activities and also the reduced levels of revenues from those assets that were sold or being discontinued from 2019-2020, notably lime and limestone, magnesia and mineral sands. At constant scope (i.e. excluding the impact of these divestments) the reduction in revenue was 9%. This reflected a steady recovery in the second half of the year from the significant impacts of the COVID-19 downturn felt in the second quarter. Sibelco's gross margin remained stable as cost management measures kept track with the decrease in revenues (see below for more details). You can read a more detailed review of the performance per market in the activity report.

EBITDA amounted to EUR 245 million compared to EUR 328 million in 2019, a reduction of 25%. At constant scope (i.e. excluding the impact of divestments) the reduction in adjusted EBITDA was 16%. The reduction in adjusted EBITDA was mitigated through cost reductions and other measures to safeguard profitability and cash generation. EBITDA for the continuing operations (i.e. excluding divested or discontinued activities) in the fourth quarter had recovered to similar levels as the corresponding period in 2019.

Return on capital employed (ROCE) was 8.2% for Sibelco excluding Covia. This compares to 7.6% in 2019. Underpinning the improvement was a rigorous focus on working capital management and a disciplined approach to capital expenditures. Working capital management measures included an intensified management of inventory levels at all Sibelco plants. The total effective tax rate for the group was 21.5% (18.2% for Sibelco excluding Covia and 15.8% for Covia).

The net result for Sibelco excluding Covia was EUR 124 million. The total net result Group share including Covia was EUR 76 million compared to a net loss (Group share) of EUR 672 million in 2019. The net result was boosted by a result from financial assets of EUR 47 million arising from the valuation impact of the derecognition of Covia as well as the proceeds from the sale of the magnesia operations in Australia.

**Cost management**

Sibelco stepped up its on-going cost management efforts in light of the new challenges linked to the COVID-19 pandemic. The measures introduced included an even stricter procurement focus on only products and services that were essential to business continuity. Overall fixed costs were managed down and SG&A expenditure was reduced by some EUR 9 million compared to 2019 at constant scope. More details on Sibelco's management of the impacts of the COVID-19 pandemic can be found in the activity report.

**Capital expenditures & acquisitions**

Capex at Sibelco's operations excluding Covia was EUR 106 million vs EUR 144 million in 2019. This decrease was due to a selective reduction in certain capex projects. Investments continued in Sibelco's main growth and operational excellence projects with the main expansion projects being the clay operations in the UK and feldspar activities in Turkey.

Sibelco further expanded its presence in the market for glass recycling in Europe. In February, Sibelco acquired the assets of two glass recycling activities, Emiliana Rottami and Emill, through bankruptcy auction in the Bologna region of Italy. Sibelco started the development of a 250kt brownfield plant at the location in the fourth quarter of 2020. These acquisitions complement Sibelco's existing plants in Musile, near Venice, and the Macoglass recycling plant near Bergamo.

In April, Sibelco created a joint venture with waste collection & logistics group Mineris Environnement for the collection and recycling of flat glass in France known as Recyverre. Recyverre, in turn acquired GIREV, one of France's leading recyclers of flat glass.

In May, Sibelco formally completed the acquisition of Ukrainian clay producers Euromineral LLC and Kurdyumovsky Plant PrJSC, located in the Donetsk region. Sibelco had reached an agreement to buy these activities at the end of 2019. This acquisition will augment Sibelco's sustainability profile, reserves and mining life in Ukrainian clay, an important raw material for worldwide production of porcelain tiles.

Sibelco's strategic partnership with Act&Sorb in materials for water filtration based on recycled medium-density fibre board (MDF) took another step forward as construction of the production facility in Genk, Belgium, started in September. Act&Sorb was awarded a EUR 2 million grant from the Flemish authorities for its further development and growth.

**Cash flow and funding**

Free operating cash flow excluding Covia reached EUR 79 million compared to EUR 45 million in 2019. This was evenly split between the ongoing Sibelco operations and those operations in Australia that were divested during the year. Working capital requirements were reduced steadily through the year, with the main contributor being a 20% reduction in inventories.

Taking into consideration the cash impact from divestments and acquisitions, the free cash flow before dividends amounted to EUR 137 million. Net free cash flow after dividends was EUR 106 million which, after adjustments for foreign exchange impacts and scope changes, saw Sibelco's net financial position improve to EUR 168 million at the end of 2020.

**Dividend**

The Board of Directors proposes a gross annual dividend of EUR 106.00 per share at the Annual General Meeting on 21 April 2021. During 2020 no interim dividend was distributed. Subject to shareholder approval, the gross amount of EUR 106.00 per share will be paid out as from 12 May, 2021.

## LOOKING AHEAD

The COVID-19 pandemic and its economic impacts were still being felt at the beginning of 2021. While a recovery is underway in many sectors, the final extent and timing of this recovery remain unclear. We assume a slow but steady improvement in most industries that use Sibelco's materials. In terms of year-on-year comparability, the 2020 financial performance for Sibelco (excluding Covia) included an EBITDA contribution of EUR 40 million from assets that we sold or which were wound down during the year. These activities will make no contribution to the financial performance of 2021.

## RISK MANAGEMENT REPORT

### I. Financial risk management

**Overview**

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- currency risk
- interest rate risk
- liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

**Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

No material exposure is considered to exist by virtue of the possible non-performance of the counterparties to financial instruments, other than trade and other receivables held by the Group.

Given the large number of internationally dispersed customers, the Group has limited concentration of credit risk with regard to its trade and other receivables.

This kind of financial risk is managed in a decentralised way.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables (see accounting policy h) Financial instruments & note 31 Financial instruments).

**Currency risk**

The Group is exposed to different types of currency risks:

- translation
- economical
- transactional

The Group has currently no documented hedges in a net investment in a foreign operation.

Economical exposure is the risk that the company's competitive position is affected by foreign exchange rate movements.

Transactional exposure refers to contractual obligations in foreign currencies other than the functional currency.

The Group adopted in 2007 a policy with regard to the management of these risks.

Economical exposure can be hedged at entity level under strict conditions and within a limited time frame. Cash flow hedge accounting is then applied.

Transactional exposures are systematically hedged when material.

**Interest rate risk**

Interest rate risk is managed for the Group's consolidated net financial debt with the primary objective of guaranteeing medium-term cost. To do so, the Group manages this risk centrally, based on trends in the Group's consolidated net financial debt. Knowledge of this debt is provided by a regular reporting, that describes the financial debt of each entity and indicates its various components and characteristics. The Group Treasury department issues regular advice to the Executive Committee in this respect.

For the Interest Rate swaps, the cash flows are based upon the calculation of the market value Since the deconsolidation of Covia in 2020 no more Interest Rate Swaps are used per end December 2020. The interest rate risk was mainly concentrated within Covia as the main part of our financial debt was attributable to this subsidiary. Therefore this hedging instrument is no longer needed within the interest rate risk management strategy of the Group.

### Liquidity risk

To ensure liquidity and financial flexibility at all times, the Group, in addition to its available cash, has several uncommitted and committed credit lines at its disposal in several currencies and in amounts considered adequate for current and near-future financing needs. Furthermore, the Group has the option to use factoring as a supplementary source of liquidity.

### Operational Risk Management

For the protection of our assets and earnings against insurable risks, different international insurance programs are in place. This international coverage enables us to benefit from optimal terms and conditions while optimising its costs. All international insurance coverage is of the "all risks except" type and is taken out with financially sound insurance companies of outstanding reputation.

The main group insurance programs are:

- General and product liability insurance, covered by a basket of different insurers
- Property damage and business interruption insurance, placed with an A-rated insurer, covering all major production plants worldwide.
- Directors' and Officers' insurance, covering the Directors and Officers of Sibelco and all its affiliates
- Marine cargo insurance, covering all transport over water.

Sibelco also reaches out to the insurance market to cover the specific risks of some of our non – recurring activities and to cover risks for which insurance is compulsory.

We also have some risks partially insured through Sibelco's reinsurance captive, as we consider those thereby to be better controlled and managed than market average. Some of the property, liability, workers' compensation and marine cargo exposures below a relevant threshold are retained within the captive.

For further information on Enterprise Risk Management and the way risks are identified and assessed, we refer to the Internal Audit section of the Corporate Governance report.

## EVENTS AFTER THE CLOSING OF THE FINANCIAL YEAR

After the closing of the financial year 2020, no notable events have occurred.

The Members of the Board wish to thank all Sibelco Group staff and employees all over the world for their dedicated efforts in achieving the commented results.

Antwerp, 11 March 2021

Signed by the Members of the Board

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EY Réviseurs d'Entreprises
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Building a better working world

# Independent auditor's report to the general meeting of SCR-Sibelco NV for the year ended 31 December 2020

As required by law and the Company's articles of association, we report to you as statutory auditor of SCR-Sibelco NV (the "Company") and its subsidiaries (together the "Group"). This report includes our opinion on the consolidated statement of the financial position as at 31 December 2020, the consolidated statement of profit and loss (consolidated statement of income and consolidated statement of comprehensive income), the consolidated statement of equity and the consolidated statement of cash flows for the year ended 31 December 2020 and the disclosures (all elements together the "Consolidated Financial Statements") as well as our report on other legal and regulatory requirements. These two reports are considered one report and are inseparable.

We have been appointed as statutory auditor by the shareholders' meeting of 17 April 2019, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee and following recommendation of the workers' council. Our mandate expires at the shareholders' meeting that will deliberate on the Consolidated Financial Statements for the year ending 31 December 2021. We performed the audit of the Consolidated Financial Statements of the Group during 8 consecutive years.

## Report on the audit of the Consolidated Financial Statements

### Unqualified opinion

We have audited the Consolidated Financial Statements of SCR-Sibelco NV , that comprise of the consolidated statement of the financial position on 31 December 2020, the consolidated statement of the financial position of the year and the disclosures, which show a consolidated balance sheet total of € 1.913.419 (in thousands) and of which the consolidated income statement shows a profit for the year of € 51.847 (in thousands).

In our opinion, the Consolidated Financial Statements give a true and fair view of the consolidated statement of the financial position on 31 December 2020, the consolidated statement of profit and loss (consolidated statement of income and consolidated statement of comprehensive income), the consolidated statement of equity and the consolidated statement of cash flows of the year and the disclosures, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with applicable legal and regulatory requirements in Belgium.

### Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the Consolidated Financial Statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect to independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium and for such internal controls relevant to the preparation

Besloten vennootschap
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of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern, The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

## Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, and to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 Consolidated Financial Statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining insight in the system of internal controls that are relevant for the audit and with the objective 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;
- evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group'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 Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going-concern;
- evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and evaluating whether the Consolidated Financial Statements reflect a true and fair view of the underlying transactions and events.

We communicate with the Audit Committee within the Board of Directors 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.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

## Report on other legal and regulatory requirements

### Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Directors' report on the Consolidated Financial Statements.

### Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISAs applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, as well as to report on these matters.

### Aspects relating to Board of Directors' report

In our opinion, after carrying out specific procedures on the Board of Directors' report, the Board of Directors' report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Code of companies and associations.

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Directors' report contain any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported. In addition, we do not provide any assurance regarding the Board of Directors' report.

### Independence matters

Our audit firm and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.

The fees related to additional services which are compatible with the audit of the Consolidated Financial Statements as referred to in article 3:65 of the Code of companies and associations were duly itemized and valued in the notes to the Consolidated Financial Statements.

Antwerp, 19 March 2021

**EY Bedrijfsrevisoren BV**
**Statutory auditor**
**Represented by**

**Patrick Rottiers***
**Partner**
***Acting on behalf of a BV/SRL**

Oris Christoph

**Christoph Oris***
**Partner**
***Acting on behalf of a BV/SRL**

**21C00092**

# STATUTORY FINANCIAL STATEMENTS 2020

## BALANCE SHEET

from 1 January to 31 December 2020

### Assets

| *In thousands of euro* | 2020 | 2019 |
|---|---|---|
| **FIXED ASSETS** | **1 844 404** | **2 228 098** |
| **Intangible assets** | **25 861** | **26 093** |
| **Tangible assets** | **33 533** | **36 233** |
| Land and buildings | 13 883 | 13 986 |
| Plant, machinery and equipment | 10 241 | 9 634 |
| Furniture and vehicles | 1 401 | 1 916 |
| Other tangible assets | 1 419 | 1 568 |
| Assets under construction and advance payments | 6 589 | 9 129 |
| **Financial assets** | **1 785 010** | **2 165 772** |
| Affiliated enterprises | 1 784 853 | 2 165 616 |
| Participating interests | 1 783 896 | 2 164 605 |
| Amounts receivable | 957 | 1 011 |
| Other financial assets | 157 | 156 |
| Shares | 113 | 98 |
| Amounts receivable and cash guarantees | 44 | 58 |
| | | |
| **CURRENT ASSETS** | **70 841** | **77 161** |
| **Stocks and contracts in progress** | **5 785** | **4 768** |
| Stocks | 5 785 | 4 768 |
| Raw materials and consumables | 2 720 | 2 494 |
| Work in progress | 159 | 163 |
| Finished goods | 2 346 | 1 861 |
| Goods purchased for resale | 66 | 43 |
| Advance payments | 494 | 207 |
| **Amounts receivable within one year** | **42 114** | **53 876** |
| Trade debtors | 33 524 | 36 734 |
| Other amounts receivable | 8 590 | 17 142 |
| **Investments** | **5 113** | **6 224** |
| Own Shares | 3 971 | 3 971 |
| Other investments and deposits | 1 142 | 2 253 |
| **Cash at bank and in hand** | **5 788** | **651** |
| **Deferred charges and accrued income** | **12 041** | **11 642** |
| | | |
| **TOTAL ASSETS** | **1 915 245** | **2 305 259** |

## BALANCE SHEET

from 1 January to 31 December 2020

**Liabilities**

| *In thousands of euro* | **2020** | **2019** |
|---|---|---|
| **CAPITAL AND RESERVES** | **1 580 469** | **1 853 776** |
| **Capital** | **25 000** | **25 000** |
| Issued capital | 25 000 | 25 000 |
| **Share premium account** | **12** | **12** |
| **Revaluation surplus** | **324** | **641** |
| **Reserves** | **1 554 870** | **1 827 757** |
| Legal reserve | 2 500 | 2 500 |
| Reserves not available for distribution | 4 223 | 4 223 |
| For own shares | 3 971 | 3 971 |
| Other | 252 | 252 |
| Untaxed reserves | 19 348 | 19 348 |
| Reserves available for distribution | 1 528 799 | 1 801 686 |
| **Investment grants** | **263** | **367** |
| | | |
| **PROVISIONS AND DEFERRED TAXATION** | **2 039** | **2 132** |
| **Provisions for liabilities and charges** | **2 039** | **2 132** |
| Pensions and similar obligations | 934 | 864 |
| Environmental liabilities | 1 105 | 1 268 |
| | | |
| **CREDITORS** | **332 737** | **449 351** |
| **Amounts payable after more than one year** | **222 626** | **337 996** |
| Financial debts | 222 626 | 337 996 |
| Other loans | 222 626 | 337 996 |
| **Amounts payable within one year** | **107 373** | **107 155** |
| Financial debts | 2 677 | 13 094 |
| Other loans | 2 677 | 13 094 |
| Trade debts | 36 461 | 37 877 |
| Suppliers | 36 461 | 37 877 |
| Taxes, remuneration and social security | 14 501 | 15 605 |
| Taxes | 2 918 | 2 325 |
| Remuneration and social security | 11 583 | 13 280 |
| Other amounts payable | 53 734 | 40 579 |
| **Accrued charges and deferred income** | **2 735** | **4 200** |
| | | |
| **TOTAL LIABILITIES** | **1 915 245** | **2 305 259** |

## INCOME STATEMENT

from 1 January to 31 December 2020

| *In thousands of euro* | 2020 | 2019 |
|---|---|---|
| **Operating income** | **186 990** | **198 613** |
| Turnover | 111 193 | 113 457 |
| Increase (+), decrease (-) in stocks of finished goods, work and contracts in progress | 486 | - |
| Produced fixed assets | 2 290 | 4 625 |
| Other operating income | 69 146 | 80 349 |
| Non-recurring operating income | 3 875 | 182 |
| **Operating charges** | **(212 691)** | **(195 685)** |
| Raw materials, consumables and goods for resale | (17 146) | (16 087) |
| Purchases | (17 391) | (16 346) |
| Increase (-), decrease (+) in stocks | 245 | 259 |
| Services and other goods | (112 982) | (93 539) |
| Remuneration, social security costs and pensions | (36 456) | (44 605) |
| Depreciation of and other amounts written off formation expenses, intangible and tangible fixed assets | (14 850) | (13 878) |
| Increase (+), decrease (-) in amounts written off stocks, contracts in progress and trade debtors | (866) | 302 |
| Increase (+), decrease (-) in provisions for liabilities and charges | 223 | 1 699 |
| Other operating charges | (30 614) | (29 453) |
| Non-recurring operating charges | - | (124) |
| **Operating profit (loss)** | **(25 701)** | **2 928** |
| **Financial income** | **235 656** | **796 675** |
| Income from financial fixed assets | 67 822 | 701 323 |
| Income from current assets | 10 | 25 |
| Other financial income | 4 030 | 95 327 |
| Non-recurring financial income | 163 794 | - |
| **Financial charges** | **(432 079)** | **(543 689)** |
| Interest and other debt charges | (3 808) | (8 517) |
| Other financial charges | (3 872) | (99 982) |
| Non-recurring financial charges | (424 399) | (435 190) |
| **Profit (loss) on ordinary activities before taxes** | **(222 124)** | **255 914** |
| **Profit (loss) for the period before taxes** | **(222 124)** | **255 914** |
| **Income taxes** | **(11)** | **(32)** |
| Income taxes | (17) | (32) |
| Adjustment of income taxes and write-back of tax provisions | 6 | - |
| | | |
| **Profit (loss) for the period** | **(222 135)** | **255 882** |
| **Profit (loss) for the period available for appropriation** | **(222 135)** | **255 882** |

# NOTES

## SUMMARY OF THE VALUATION REGULATIONS

The valuation regulations were determined in accordance with the provisions of the Royal Decree of 30/01/2001 with regard to the annual accounts of the company.

### I. Intangible fixed assets

- Software: is entered at purchase value. Depreciation is entered according to the linear method over a period of 5 years.
- Emission rights: according to the Belgian annual accounts law, the emission rights assigned or obtained are entered as intangible fixed assets.

If they were purchased on the market, they are valued at their purchase value. If they were obtained at a lower value or free of charge, they may be entered at nominal value or zero value. No depreciation is entered. However, an impairment test is performed.

### II. Tangible fixed assets: are valued at purchase value. Depreciation is according to the linear or degressive method.

Investments from 2020 are only depreciated on a linear basis.

The annual depreciation percentages are:

- Buildings: 5 – 14.28%
- Sites for development: 7.14%
- Machines and installations: 10 – 14.28%
- Computer equipment: hardware 20%
- Furniture and office equipment: 20%
- Rolling stock: 20 – 33.33%
- Furnishing leased property: 5%
- Advance operating costs for running quarry: 7.14%

### III. Financial fixed assets

Participating interests are valued at purchase price. Losses are applied in the case of sustained downward value adjustments.

### IV. In absence of legal criteria which allow to identify the transactions with related parties outside normal market conditions, no information could be included under VOL.6.15.

### V. Stocks:

- Finished products: are valued at direct production costs except if these are higher than the net selling price.
- Consumer goods, ancillary materials and commercial goods are entered at purchase value (FIFO), except if this is higher than the market price.

### VI. Accounts receivable

Accounts receivable are valued at nominal value.
Downward value adjustments for doubtful debtors are entered and deducted from the items of the asset to which they relate.

### VII. Conversion of foreign currency

Outstanding accounts receivable and debts in foreign currency are valued at the exchanges rates that apply on the balance sheet date. Transactions in foreign currency included in the profit and loss account are converted using rates that approximate the actual exchange rates at the time of the payment.
Exchange rates results are booked as net financial results.

### VIII. Provisions.

In order to fulfil the statutory obligations, provisions are made for pensions and similar obligations.
Restructuring of the quarry: various authorities impose obligations on us to restore operated sites to their original condition; provisions are made for these restorations based on a very detailed estimate.

### IX. Cash pooling: most availabilities (current account) are subject to daily zero balancing. They are presented on the balance sheet 41 and 439 accounts.

### X. Financial instruments:

Financial instruments are used to cover interest risks and exchange rate risks.
With regard to interest hedging, in accordance with the accounting principles of hedging transactions, neither positive nor negative fluctuations in the market value of the hedging instrument at the end of the period are included in the result. Where free-standing (speculative) financial instruments are concerned, only the deferred debts are included in the result according to the lower of cost or market method. These deferred losses are entered on the accrued liabilities and other financial costs account. Taking into account the principle of caution, deferred surplus values are not qualified as fixed income and are consequently not included in the result.

The forward contracts to hedge exchange rate fluctuations of foreign currencies are revalued at the end of the financial year in line with the official exchange rate at the end of the financial year.

# REPORT OF THE BOARD OF DIRECTORS ON THE STATUTORY FINANCIAL STATEMENTS

IN ACCORDANCE WITH ART. 3:6 OF THE BELGIAN COMPANY CODE - FINANCIAL YEAR 2020
TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF 21 APRIL 2021 OF SCR-SIBELCO NV

Ladies and Gentlemen,

We have the pleasure of submitting for your approval the statutory financial statements for the financial year ending 31 December 2020 and of reporting on the activities of the Company and its subsidiaries.

For the financial year 2020, the consolidated financial statements were established and published according to the International Financial Reporting Standards (IFRS) as adopted by the European Commission.

The statutory financial statements were established according to Belgian GAAP.

SCR-Sibelco NV is a Belgian company which combines its domestic industrial operations in three major silica sand production facilities and its shareholding and management of subsidiaries all specialized in the extraction, production and distribution of a broad range of high quality industrial minerals, located in 31 countries worldwide.

## STATUTORY FINANCIAL RESULT

| *In thousands of euro* | **2020** | **2019** |
|---|---|---|
| **Condensed income statement** | | |
| Operating income | 186 990 | 198 613 |
| Operating charges | (212 691) | (195 685) |
| Operating profit/(loss) | (25 701) | 2 928 |
| Financial income | 235 656 | 796 675 |
| Financial charges | (432 079) | (543 689) |
| **Profit/(Loss) for the period before taxes** | **(222 124)** | **255 914** |
| **Income taxes** | **(11)** | **(32)** |
| **Profit/(Loss) for the period** | **(222 135)** | **255 882** |
| | | |
| **Other key balance sheet elements** | | |
| Financial assets | 1 785 010 | 2 165 772 |
| Intangible & Fixed assets | 59 394 | 62 326 |
| Other assets | 70 841 | 77 161 |
| **Total Assets** | **1 915 245** | **2 305 259** |
| **Capital and reserves** | **1 580 408** | **1 853 776** |
| **Liabilities** | **334 837** | **451 483** |

Revenue (being included in the operating income line) amounted to EUR 111.2 million. Our plant in Dessel did contribute 71% of the total turnover, whilst Lommel and Maasmechelen for 17% and 11% respectively.

*The revenue of 2020 was EUR 111 million, a decrease by 2.1% compared to the 2019 revenue of EUR 113 million.*

Operating charges were EUR 212.7 million and 9% higher than last year. The increase is mainly explained by higher services and other goods (+EUR 19.4 million) as the result of higher consultancy fees.

Financial income mainly relates to the capital gain(EUR 163.5 million) created after the liquidation of Sibelco Nordic Region AS on the investments Sibelco Nordic AS and Sibelco Nordic OY which were previously held by Sibelco Nordic Region AS. Additionally financial income includes the received dividends from different group companies totaling EUR 67.8 million.

During 2019 the financial income amounted to EUR 701 million, fully attributable to the income of received dividends. Silfin and Sibelco Switzerland distributed a dividend of EUR 367.5 million and EUR 289.8 million to SCR-Sibelco NV respectively.

During 2020 financial charges were EUR 432.1 million of which, EUR 424.4 million non-recurring.

As of June 2020, our 65% owned Subsidiary Covia elected to file for Chapter 11 as a result of the COVID-19 pandemic and the collapse in the oil price as well as the burden of onerous contracts related to railcar leases. Sibelco looked at various options as part of the lead-up to this process but decided to step away in the best interests of Sibelco and its shareholders. Covia exited the Chapter 11 process on 31 December 2020 and the resulting financial restructuring led to Sibelco's ownership being completely diluted. The impact of this dilution in the statutory Sibelco books was a EUR 273.7 million being reflected as a non-recurring financial cost in 2020. During the previous year, an impairment on Covia's participation was already accounted for.

Other non-recurring financial costs mainly relate to impairments on different participations; mainly on Sibelco Asia Pacific Pty, Sibelco North America.

The Income generated in 2020 on the incoming dividends were not sufficient to overcome the negative impact of the dilution of the Covia shares as well as impairments on participations. As a result we ended the year 2020 with a loss of EUR 222.1 million.

### BALANCE SHEET

*During 2020 the portfolio of financial investments of the parent company (SCR-Sibelco NV or Sibelco) decreased by a total amount of EUR 380.8 million. This decrease is mainly reflected in the participation of Covia, Sibelco Asia Pacific, Sibelco North America. The decrease is a result of capital reductions and the issuing of share premiums in some entities as well as the reduction of the value of participations.*

Main movements recorded in 2020 on intangible and fixed assets were besides the recurring amortizations and depreciations, the cost incurred in relationship to the *implementation of new global ERP system (EUR 6.6 million). On top of that, we did buy a parcel of land in Genk (EUR 1.1 million).*

*The total Liabilites did decrease by EUR 116.6 million to 334.8 million in 2020, mainly as a result of the payment of both interest and capital of our outstanding loans (EUR 115.4 million), mainly with Silfin.*

## EVENTS AFTER THE CLOSING OF THE FINANCIAL YEAR

We do not see any significant circumstances that could have a significant influence on the future development of the Company.

## PORTFOLIO OF OWN SHARES

At the end of December 2020, the total number of own shares held by the company, either directly or through 100 % subsidiaries of the Sibelco Group incorporated in Belgium and in Luxemburg, amounted to 35 314 shares or 7.51 % of the outstanding share capital.

## FINANCIAL INSTRUMENTS

SCR-Sibelco NV uses derivative financial instruments – such as interest swaps and foreign exchange swaps – exclusively to manage the exposure to interest rates and foreign exchange rates.

SCR-Sibelco NV does not use derivative financial instruments for speculative trading, nor issues them for that purpose.

## FINANCIAL RISK MANAGEMENT

Other than the credit risk related to trade and other receivables held by the Company, no material exposure is considered to exist by virtue of the possible non-performance of the counterparties to financial instruments.

The Company is exposed to currency risks resulting from trade and other receivables/payables in foreign currency. Currency exposures are systematically hedged when material.

Interest rate risk is managed for the Company's net financial position with the primary objective of guaranteeing medium-term cost.

To ensure liquidity and financial flexibility at all times, the Company, in addition to its available cash, has several credit lines at its disposal in amounts considered adequate for current and near-future financing needs.

## TECHNOLOGY & INNOVATION

Technology & Innovation (T&I) sits at the heart of Sibelco's day-to-day business and supports our strategy for the future.

We have a defined number of priority T&I programmes supporting our Sibelco 2025 strategy and wider sustainability goals. Focused on a select number of materials and markets, the programmes leverage the knowledge and skills of our global technical network to support three key objectives: to help maximise Sibelco's current assets and resources, to ensure that we respond swiftly and effectively to market and regulatory changes, and to guide our longer-term growth.

In 2020 we continued to consolidate and optimise our T&I infrastructure, reducing the number of technical facilities worldwide from twenty-six to eleven. This rationalisation has enabled us to sharpen focus, enhance cross-functional working and improve knowhow exchange. In light of the COVID-19 pandemic and the launch of our Sibelco 2025 strategy, plans to build a new technology and innovation hub in Maastricht have been cancelled. A new building will not be constructed but the existing facility will be upgraded at a much lower cost. The philosophy behind the project remains the same, however the new hub will now be integrated within the existing office facility at our Maastricht site to reduce costs and shorten the timeframe for completion.

We made good progress in our drive to recruit new talent to help extend T&I's competencies and capabilities. At the same time, we continued to develop our technical leaders of the future via the global Sibelco Innovation Development Programme.

We continued to feed our T&I pipeline through multiple channels, including our Innovation Portal – a rich source of new idea generation powered by a community of around 250 scientists, product specialists and technical experts. Throughout the year we expanded our open innovation activities, creating exciting new partnerships with several universities and research institutes.

T&I will play a central role in delivery of our Sibelco 2025 strategy, providing fundamental insights on materials and markets to help us focus, win and grow.

## CIRCUMSTANCES WHICH CAN HAVE A SIGNIFICANT INFLUENCE ON THE DEVELOPMENT OF THE COMPANY

We do not see any notable conditions which may have an important impact on the future evolution of the company.

## RISK PROFILE

The mixed character of SCR-Sibelco NV, its activities as a holding company and as an industrial Group, the geographical spread of its participations and investments, together with the broad product portfolio and diversification, result in a healthy and well-balanced risk profile. During 2020, the volatility in the US oil and gas market has materialized resulting in Covia filing for a Chapter 11 bankruptcy procedure. This procedure entailed no further risk for SCR-Sibelco NV itself. Given the broad releases that were approved by the US courts in the frame of the Covia bankruptcy procedure, this situation entails no further risk for SCR-Sibelco NV beyond 2020.

The board of directors has no knowledge of any material risk or material uncertainty the company is confronted with, for which no provision or clarification has been included in the annual accounts of 31 December 2020. We refer to the risk management report that is part of the consolidated accounts for a more detailed description of the risk analysis and risk management.

# CORPORATE GOVERNANCE

This report covers information on governance relevant to the reporting year 2020, at the level of the different corporate bodies of the company.

## SPECIAL GENERAL MEETING

Besides the Ordinary General Meeting held on 22 April 2020, an Extraordinary General Meeting was held on 26 June 2020 in order to decide on the adaptation of the company by-laws to the new Belgian Code of Companies and Associations (CCA), including the renewal of the authorisation to the Board of Directors to acquire or alienate own shares. No new by-laws were adopted since the required qualified majority of votes was not reached and there was no renewal of the authorisation to the Board of Directors to acquire or alienate own shares. During the Extraordinary General Meeting on 26 June 2020, upon request of a minority shareholder holding 10% of the company's capital, agenda items or questions were handled as well.

## BOARD OF DIRECTORS

The Board of Directors of SCR-Sibelco NV is the highest corporate body within the Sibelco Group and it is assisted by an Audit Committee and a Nomination and Remuneration Committee.

### Powers and Meetings

The Board of Directors performs all the powers conferred upon it by the law and the company by-laws. Furthermore, according to the Board and Governance Rules, the following powers are specifically reserved to the Board:

- the determination/approval of the general strategy of the Company. This includes the authority to determine the important strategic issues within the Company, to approve plans, yearly and other budgets and important structural changes (including any acquisition or disposal of shares, activities, strategic assets, a company or business), and the responsibility for the relationship between the Company and its shareholders. The general strategy shall be formulated in close co-operation with the Exco under the leadership of the CEO;
- the adoption/establishing of the statutory and consolidated annual accounts of the Company for approval by the General Meeting, and the approval of the annual report. In connection herewith, the Board should:
  - approve a framework of internal control and risk management for the Company and the Group set up by the ExCo, and monitor the implementation of the framework and the use of available resources thereto;
  - ensure the integrity and timely disclosure of the financial statements of the Company and the Group; and
  - supervise the performance of the Statutory Auditor and supervise the internal audit function;
- the calling and organization of the Company's General Meetings;
- the election of the Chairman of the Board, and the approval of the division of responsibilities between the Chairman and the CEO;
- defining the mission, powers, composition and remuneration of the Audit Committee, Remuneration and Nomination Committee and other Board Committees and deciding to create, appoint and dismiss the members of these Board Committees;
- the monitoring and review of the effectiveness of the Board Committees;
- the determination of the structure, powers and duties of the Company's ExCo. This includes primarily the appointment, dismissal and remuneration of the CEO and the other members of the ExCo and the formulation of the criteria according to which the ExCo will manage the Group;
- the supervision of the performance of the ExCo: the Board will in its supervisory task be guided by the Chairman with the help of the Board Committees. The CEO shall inform the Board, in great detail, at the end of each quarter, about the evolution and prospects of the Company. The CEO shall provide the Board at least two times per year with follow-up reports regarding the major strategic programs of the Company;
- the co-optation of new Directors in case of vacancy.

During 2020, the Board of Directors convened sixteen times, either through a physical meeting or, mostly, by teleconference.

Given the critical situation of the company affiliates in the US, the Board also composed an ad hoc committee to follow up and monitor the developments of Covia. This ad hoc Board Committee was composed of Cytifinance, having as permanent representative Michel Delloye (Chair), Calavon Finance SAS, having as permanent representative Jean-Pierre Labroue, Svein Richard Brandtzæg, Pascal Emsens and Evrard van Zuylen. This ad hoc Board Committee met either weekly or ad hoc when required to support the management and where necessary prepare and make recommendations on Board decisions.

### Election of Board members and Composition of the Board

Members of the Board are appointed for a period of three years.

In April 2020, the mandates of MM. Pascal Emsens, Evrard van Zuylen van Nyevelt and Michel Verhaeghe de Naeyer were not renewed and came to an end during the Ordinary General Assembly.

In its meeting of 3 April 2020, the Board acknowledged the resignation of Stalusa BVBA, with permanent representative Jacques Emsens, as per 15 April 2020. During that same meeting ASSaPP NV, with permanent representative Jean-Louis de Cartier de Marchienne, was coopted as Board Member to fulfil the vacant mandate in the Board. The Special General Meeting of 26 June 2020 nominated ASSaPP NV, with permanent representative Jean-Louis de Cartier de Marchienne, for the remaining duration of the mandate, for a period of 2 years, until the Ordinary General Meeting of 2022.

The mandates of Hans-Josef Grehl and Christoph Grosspeter were renewed for another term of 3 years, until the Ordinary General Meeting of 2023.

Argali Capital BV, with permanent representative M. Pascal Emsens; Zuyfin SPRL with permanent representative M. Evrard van Zuylen van Nyevelt and Soverin SA, with permanent representative M. Verhaeghe de Naeyer were elected as new Board members for a term of three years, until the Ordinary General Meeting of 2023.

During its September 2020 meeting, the Board was informed about the resignation as a Board Member of Stefan Borgas as per 23 September 2020.

Due to these changes, the composition of the Board of Directors of SCR-Sibelco NV as per 31 December 2020 was as follows:

- Bert DE GRAEVE (perm. repr. of IDw Consult BV) Non-Executive Chairman
- Svein Richard BRANDTZÆG
- Jean-Louis de CARTIER de MARCHIENNE (perm. repr. of ASSaPP NV)
- France de SADELEER
- Michel DELLOYE (perm. repr. of Cytifinance SA)
- Pascal EMSENS (perm. repr. of Argali Capital BV)
- Walter EMSENS
- Hans-Josef GREHL
- Christophe GROSSPETER
- Jean-Pierre LABROUE (perm. repr. of Calavon Finance SAS)
- Jean-Marc UEBERECKEN
- Evrard van ZUYLEN VAN NYEVELT (perm. repr. of Zuyfin SPRL)
- Michel VERHAEGHE de NAEYER (perm. repr. of Soverin SA)

**Honorary Chairmen**

- Stanislas EMSENS († 2018)
- Gaëtan EMSENS († 2020)

The Board was informed of the decease of M. Gaëtan Emsens on 30 October 2020. As a member of the founding families, M. Gaëtan Emsens has actively contributed to the development of the Sibelco Group for decades in the period of its most important expansion. The Board wishes to express its profound gratitude toward the Honorary Chairman for his lifelong commitment and support to the company and its stakeholders.

## AUDIT COMMITTEE

The Audit Committee's primary duties and responsibilities are to:

1. monitor the financial reporting process;
2. monitor the effectiveness of the company's system of internal control and risk management;
3. monitor the internal audit function and its effectiveness;
4. monitor and assess the statutory audit of the company's annual and consolidated accounts and follow up on questions and recommendations made by the external auditors;
5. review the independence of the external auditor in particular where he is providing the company with additional services.

The three non-executive Board members who composed the Audit Committee are: Cytifinance SA having M. Michel Delloye as a permanent representative (Chairman of the Committee), Argali Capital BV with M. Pascal Emsens as permanent representative and Zuyfin SPRL, with M. Evrard van Zuylen van Nyevelt as permanent representative, and with this composition it has the financial knowledge and experience required by the Charter of the Audit Committee.

The following persons attended these meetings on a regular basis:

IDw Consult BV having M. Bert De Graeve as permanent representative, Jean-Luc Deleersnyder (until 30/08/2020) and Hilmar Rode (as from 01/09/2020), Group CEO consecutively; Kurt Decat, Group CFO; VP Group Internal Audit and Risk Management, Cedric Mulfinger and Patrick Rottiers and Christophe Oris as permanent representatives of the external auditor, Ernst & Young Bedrijfsrevisoren.

In 2020, the Audit Committee convened four times.

## NOMINATION AND REMUNERATION COMMITTEE

This Committee advises the Board in connection with:

- the appointment and re-appointment of Board members and ExCo members, after due evaluation;
- the most appropriate remuneration policy and benchmarking as well as compensation of Board members and ExCo members including rules on bonuses and long-term incentives and main terms of employment and termination of employment;
- the disclosure on the amounts of Directors' and Executives' compensation;
- the appropriate budget for training of employees and follow up of career development and succession planning applied in the company.

The Nomination and Remuneration Committee was composed of the following Board members: Calavon Finance SAS, having as permanent representative M. Jean-Pierre Labroue (Chairman of the Committee), Walter Emsens, Soverin SA, with permanent representative M. Michel Verhaeghe de Naeyer and Svein Richard Brandtzæg.

The Committee convened five times during the year. The persons attending these meetings on a regular basis were: IDw Consult BV having M. Bert De Graeve as a permanent representative, Chairman of the Board, Jean-Luc Deleersnyder (until 31/08/2020) and Hilmar Rode (as from 01/09/2020), Group CEO consecutively, and Phil Dibley (until 09/08/2020) and Karine Parent (as from 10/08/2020), Group CHRO consecutively.

## EXECUTIVE COMMITTEE

Since 2006, the Board has delegated its management and operational powers to the Executive Committee (ExCo) or Directiecomité as defined in Article 524 of Belgian corporate law. The ExCo operates under the leadership of the CEO.

The objectives of the ExCo are:

- To ensure sustainable returns for our shareholders;
- To ensure the continued growth of the Group.

The responsibilities of the ExCo include, among others:

- the development, implementation and monitoring of the strategy of the Group and each of its components and business segments;
- the development and monitoring of the short and long term plans, and the monitoring of the results of the various business segments and regional operations of the Group;
- the implementation of internal controls based on the internal control and risk management framework approved by the Board;
- the preparation of the annual accounts for presentation to and timely disclosure by the Board.

The ExCo acts under the supervision of the Board, and is in charge of implementing the decisions of the Board.

The CEO functions as the prime interface between the Board and the ExCo.

In March 2020, Jean-Luc Deleersnyder announced his decision to step down as Exco member and CEO of the company effective as of September 2020. As per 31/08/2020 Jean-Luc Deleersnyder effectively left the company after 14 years of loyal service of which 6 years in the capacity of CEO. In June 2020 it was announced that Hilmar Rode would join Sibelco as new CEO, effective 01/09/2020.

Karine Parent joined the Company and the Executive Committee as Chief Human Resources Officer as per 10/08/2020.

Following these changes, the composition of the Executive Committee at the end of 2020 was as follows:

- Hilmar RODE
  Chief Executive Officer
- Laurence BOENS
  Group General Counsel & Company Secretary
- Kurt DECAT
  Chief Financial Officer
- Ilse KENIS
  EVP Glass & Performance materials
- Olivier LAMBRECHTS
  EVP Business Group Build Environment & Electronics
- Karine PARENT
  Chief HR Officer (as from 10/08/2020)
- John VAN PUT
  Chief Operational Officer

Since the closure of the year 2020, further changes to the composition of the Executive were either announced or implemented,

As a successor to Laurence Boens, Lisa Brown was nominated as Chief Legal Officer and Compliance Officer. Kurt Decat, Chief Financial Officer, announced his resignation effective as of 30 April 2021 and a new position of Chief Commercial Officer has been created.

The ExCo exercises the powers of management of the company and the Group's components within the limits of the corporate purpose and subject to the powers expressively vested by law in the Shareholders' General Meeting and Board of Directors. The CEO is supported in the exercise of his duties by the other members of the Exco.

For matters belonging to the authority of the ExCo, the Company shall be validly represented towards third parties by the joint signature of two members of the ExCo.

## AUDIT FUNCTION

The Internal Audit's primary mission is to provide the key stakeholders (CEO/Board of Directors/Audit Committee) independent and objective assurance on the efficiency, effectiveness and soundness of the Sibelco Group processes and controls to manage its risks and achieve its objectives. Internal audit also validates that the Sibelco Group operations are conducted according to the highest ethical standards and the Sibelco values.

The Internal audit and risk management department is led by Cedric Mulfinger, appointed VP Group Internal Audit and Risk Management in October 2019 and supported by two experienced Internal audit managers since 2021.

Sibelco Group's external auditors is EY Bedrijfsrevisoren BV (IRE N° B00160), with permanent representatives Patrick Rottiers (IRE N° A01365) and, as of 17 April 2019, Christoph Oris (IRE N° A02341).

### Enterprise Risk Management

At the request of the Board of Directors and the Audit Committee, Sibelco's governance framework reflects Sibelco's risk philosophy and assists in managing risks effectively through the application of the Enterprise Risk Management process, coordinated by the global risk management function (VP Group Internal Audit and Risk Management). It ensures that the information about risk management is appropriately reported and used as a basis for decision making and accountability at all relevant levels of the Sibelco organization. The governance is applicable to Sibelco entities and risk exercises which occur as part of the Enterprise Risk Management program. It is embedded across the organization, by adopting the 'three lines of defence model'. The model distinguishes between functions that own and manage risks, functions overseeing risks and functions providing independent assurance. Identified risks (Sibelco's Risk Universe) are classified into four different categories: strategy, operations, legal and financial/reporting. Key risks are evaluated and ranked by impact and likelihood on basis of a standardised scale. Ownership is assigned and action plans (including deadlines) defined with the Exco and functional leaders to further mitigate the identified risks.

### Internal Controls Framework

At the request of the Board of Directors and the Audit Committee, management, in collaboration with internal audit, has designed a global internal controls framework. The global internal controls framework consist of the following core fundamentals : Group Policies and Standards, definition of roles and responsibilities, segregation of Duties (SOD), documented processes and related controls in procedures, execution and evidencing of a defined set of Minimum Internal Controls Standards established by the functions covering specific risks and periodic monitoring through on-line annual Control Self-Assessment.

All Sibelco entities are required to comply with the internal control framework and document compliance with these core fundamentals.

### Global Internal Audit

At the request of the Audit Committee, the global internal audit strategy focusses on:

- improvement of the internal controls and risk management maturity;
- adding value and improving Sibelco's operations through sharing best practices based on internal and external experiences / competencies;
- continuous communication and sharing with all stakeholders within the organisation;
- focus on key company activities and increase risk based auditing;
- embedding 'cost-benefit realisation' in its audit missions and advisory approach : pragmatic with focus on risk mitigation, internal controls, process standardization/harmonisation and efficiency.

The starting point is that all audit activities are risk based and in order to realise the strategy, four different types of audits have been defined on top of the advisory role: theme/functional audits, plant reviews, process audits and ad hoc management requests. Based upon the group risk assessment (see ERM section) a global internal audit plan has been defined and validated by the Audit Committee on annual basis.

## PAYMENTS TO GOVERNMENTS

A report on Payments to Governments has been established in accordance with legal provisions and was approved and signed by the members of the Board.

## CONVENING GENERAL MEETING

Article 25 of the company's by-laws stipulates that the Ordinary Annual Meeting of Shareholders will be held on the penultimate Wednesday of April, at 2.00 pm. For the financial year 2020, the Annual Meeting of Shareholders will as a consequence take place on Wednesday 21 April 2021.

The Board of Directors of SCR-Sibelco NV invites the shareholders for the General Meeting of Shareholders to be held on 21 April 2021 at 14.00h.

Given the restrictions due to the COVID-19 pandemic the meeting will be held by teleconference with the opportunity for the shareholders to participate in a questions and answers session.

## AGENDA

1. Report of the Board of Directors to the Shareholders
2. Report of the company auditor to the Shareholders
3. Approval of the statutory financial statements of the year 2020, and presentation of the consolidated results
4. Attribution of the profit and declaration of the dividend – remuneration of directors
5. Discharge to the directors
6. Discharge to the auditors
7. Nomination of directors

For the conditions of admission to the general meeting of 21 April 2021, we refer to the Shareholder Section of the Company's website, www.sibelco.com, where shareholders will find the most recent information on the practical arrangements for their participation to the general meeting.

## ATTRIBUTION OF THE RESULT OF SCR-SIBELCO N.V.

The shareholders will be asked to vote for the attribution of (i) the results of the year towards the reserves available for distribution and (ii) the allocation of the available reserves towards dividends and tantièmes of SCR-Sibelco NV, in line with the following proposal:

| *In euro* | **2020** |
|---|---|
| **Reserves available for distribution before result and dividend** | **1 801 685 506** |
| Profit/(loss) of the year | (222 135 181) |
| Gross Dividend | (49 774 208) |
| Tantièmes | (977 000) |
| **Reserves available for distribution after result allocation and dividend** | **1 528 799 117** |

The proposed gross dividend amount of EUR 49 774 208 corresponds to a total dividend per share of EUR 106.00. As of 2020, following the new Belgian Company law (Art. 7:217.§3), the entitlement on dividends of treasury shares held by SCR-Sibelco NV itself are cancelled. Hence the 602 treasury shares held by the Company are not accounted for.

For the financial year 2020, no interim dividend was paid out. Once approved at the shareholders meeting, the dividend of EUR 106.00 gross per share will be paid out as of 12 May 2021. The record date has been set on 11 May 2021. The System Paying Agent designated for the payment of the 2020 dividend is ING Bank, Marnixlaan 24, 1000 Brussels with Bank Degroof Petercam, Nijverheidsstraat 44, 1000 Brussels as co-agent.

## DISCHARGE IN FAVOR OF BOARD MEMBERS AND AUDITORS

After approval of the annual accounts, shareholders will be asked to pronounce themselves by means of a special vote on the discharge to be granted individually to the members of the Board of Directors and to the auditor.

## NOMINATIONS OF DIRECTORS

The mandates of Calavon Finance SAS, with permanent representative Jean-Pierre Labroue, IDw Consult BVBA, with permanent representative Bert De Graeve, Walter Emsens and France de Sadeleer will expire at this Annual General Meeting.

The following Board members will present themselves to be re-elected as a Board member for a mandate of 3 years: Calavon Finance SAS, with permanent representative Jean-Pierre Labroue, IDw Consult BVBA, with permanent representative Bert De Graeve, Walter Emsens and France de Sadeleer. Their renewed mandates will expire at the General Meeting of 2024.

Svein Richard Brandtzæg informed the Board of his decision to end his mandate as a Board Member of Sibelco as per the April 2021 General meeting. The Board wishes to thank M. Brandtzæg for this very valuable collaboration and input.

It is proposed to elect Kerstin Konradsson as a new Board member for a mandate of 3 years which will expire at the General Meeting of 2024.

It is proposed to elect Venkatakrishnan Srinivasan for a mandate of 3 years which will expire at the General Meeting of 2024.

The Members of the Board wish to thank all SCR-Sibelco NV staff and employees all over the world for their dedicated efforts in achieving our goals.
Antwerp, 11 March 2021

Signed by the Members of the Board

## CONDITIONS FOR ADMISSION TO THE GENERAL MEETING OF SHAREHOLDERS OF 21 APRIL 2021

Pursuant to Articles 7:133 and 7:134 of the Belgian Companies Code and to Article 28 of the articles of association, the board of directors has decided that the shareholders will be admitted to, and can vote at, the general meeting of 21 April 2021 if the company can determine, on the basis of the evidence submitted in accordance with the procedure described below, that they were holding on Wednesday 14 April 2021, before the close of business (Belgian time) (the "Record Date"), the shares of which they intend to exercise the voting rights at the general meeting.

In order to establish towards Sibelco that they hold their shares on the Record Date, the shareholders must proceed as follows:

### FOR HOLDERS OF REGISTERED SHARES:

A confirmation of the number of shares for which they want their shareholding to be established on the Record Date, must reach SCR-Sibelco NV at the latest on Wednesday 14 April 2021 at close of business (Belgian time) by ordinary letter or by e-mail.

The holding of the shares on the Record Date will be assessed by SCR-Sibelco NV on the basis of the entries in the register of registered shares.

### FOR HOLDERS OF DEMATERIALIZED SHARES:

Holders of dematerialized shares will have to notify their bank or financial institution the number of shares for which they want their shareholding to be established on the Record Date, before Wednesday 14 April 2021. The banks and other financial institutions should confirm to the company the number of shares registered by their clients for the purpose of participating in the ordinary general meeting at the latest on Wednesday 14 April 2021 at close of business (Belgian time).

[redacted]

# PROTOKOLL FRA ORDINÆR GENERALFORSAMLING I SIBELCO NORDIC AS

Den ordinære generalforsamling i Sibelco Nordic AS ble avholdt som Teamsmøte onsdag 26. mai 2021.

Tilstede var: SCR-Sibelco NV, representert ved Martin Leman etter fullmakt; 100 % av aksjene.

Alle aksjonærer var således representert.

Styret var representert med Ragnar Hagen, Martin Leman, Ove Sollid, Øystein S. Pedersen og Arve Larsen. I tillegg møtte observatørene til styret; Ivar Erling Skårbø og Odd Inge Øen.

Fra administrasjonen møtte Weronica Assernäs, Siw-Iren Skogli og Marianne Berg.

## KONSTITUERING AV MØTET

Martin Leman ønsket velkommen. Martin Leman ble valgt til å lede møtet. Martin Leman og Ragnar Hagen ble valgt til å undertegne protokollen.

Ingen innvendinger ble reist vedrørende innkalling og agenda for møtet.

## 1. STYRETS ÅRSBERETNING FOR ÅRET 2020

Møtelederen presenterte styrets årsberetning og revisjonsberetningen for 2020.

Årsberetningen ble gjennomgått og godkjent av aksjonæren.

## 2. ÅRSREGNSKAP FOR ÅRET 2020

Møtelederen presenterte styrets forslag og anbefaling til årsregnskap for regnskapsåret 2020 bestående av resultatregnskap, balanse, kontantstrømoppstilling og noter i tillegg til styrets årsberetning og revisjonsberetningen.

Årsregnskapet ble gjennomgått og godkjent av aksjonæren.

## 3. DISPONERING AV OVERSKUDD FOR ÅRET 2020

Møtelederen presenterte forslag fra styret angående disponering av årets overskudd, herunder forslag til utdeling av utbytte med tilhørende redegjørelse fra styret, for regnskapsåret 2020.

Forslaget ble gjennomgått og disponering av overskuddet på NOK 102.995.633,78 til utbytte ble godkjent av aksjonæren.

**4. VALG AV REVISOR**

EY AS ved partner Håvard Norstrøm ble gjenvalgt som revisor for ett år.

**5. VALG AV STYRE**

Aksjonæren godkjente følgende medlemmer til nytt styre (nyvalg av aksjonærvalgte, gjenvalg av ansatterepresentanter, observatører og varamedlemmer) med funksjon fra 1. juni 2021:

Martin Leman, styreformann
Frank Solberg, styremedlem (og daglig leder)
Birger Nilsen, styremedlem
Øystein S. Pedersen, ansattrepresentant
Arve Larsen, ansattrepresentant

Observatører:
Odd Inge Øen, Spone
Ivar Erling Skårbø, Åheim

Varamedlemmer:
Jørgen F. Kaasen,
Audun Westerås,
Trond G. Storemyr,
Frank Skretteberg,
Jon Andre Johnsen,
Bjarne Sætrenes.

**6. STYREHONORAR**

Det ble videre besluttet å utbetale NOK 23.696 pluss det generelle lønnstillegget for 2020 som var på 1,7 %, dvs NOK 24.099 i honorar til hver representant for de ansatte som honorar for deltagelse som medlemmer i styret for 2020. Det ble også besluttet å utbetale NOK 100.000 i honorar til styreformann i 2020, basert på egen avtale inngått med SCR-Sibelco NV.

**7. REVISJONSHONORAR**

Revisjonshonoraret til EY med totalt NOK 736.725 ble godkjent av aksjonæren.

Møtet ble deretter hevet.

Sandvika, 26. mai 2021

Martin Leman

Ragnar Hagen

Side 2 av 2

EY
Building a better working world

Statsautoriserte revisorer
Ernst & Young AS

Arnemannsveien 3, NO-3510 Hønefoss

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00
www.ey.no
Medlemmer av Den norske revisorforening

**UAVHENGIG REVISORS BERETNING**

Til generalforsamlingen i Sibelco Nordic AS

## Uttalelse om revisjonen av årsregnskapet

### Konklusjon

Vi har revidert årsregnskapet for Sibelco Nordic AS som består av balanse per 31. desember 2020, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen, og en beskrivelse av vesentlige anvendte regnskapsprinsipper og andre noteopplysninger.

Etter vår mening er årsregnskapet avgitt i samsvar med lov og forskrifter og gir et rettvisende bilde av selskapets finansielle stilling per 31. desember 2020, og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

### Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder de internasjonale revisjonsstandardene (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet i avsnittet *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*. Vi er uavhengige av selskapet i samsvar med de relevante etiske kravene i Norge knyttet til revisjon slik det kreves i lov og forskrift. Vi har også overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

### Øvrig informasjon

Øvrig informasjon omfatter informasjon i selskapets årsrapport bortsett fra årsregnskapet og den tilhørende revisjonsberetningen. Styret og daglig leder (ledelsen) er ansvarlig for den øvrige informasjonen. Vår uttalelse om revisjonen av årsregnskapet dekker ikke den øvrige informasjonen, og vi attesterer ikke den øvrige informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese den øvrige informasjonen med det formål å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom den øvrige informasjonen og årsregnskapet eller kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon. Dersom vi konkluderer med at den øvrige informasjonen inneholder vesentlig feilinformasjon, er vi pålagt å rapportere det. Vi har ingenting å rapportere i så henseende.

### Ledelsens ansvar for årsregnskapet

Ledelsen er ansvarlig for å utarbeide årsregnskapet i samsvar med lov og forskrifter, herunder for at det gir et rettvisende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet med mindre ledelsen enten har til hensikt å avvikle selskapet eller legge ned virksomheten, eller ikke har noe annet realistisk alternativ.

### Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, alltid vil avdekke vesentlig feilinformasjon. Feilinformasjon kan skyldes misligheter eller feil og er å anse som vesentlig

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dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke de økonomiske beslutningene som brukerne foretar på grunnlag av årsregnskapet.

Som del av en revisjon i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg

- identifiserer og anslår vi risikoen for vesentlig feilinformasjon i årsregnskapet, enten det skyldes misligheter eller feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av intern kontroll;
- opparbeider vi oss en forståelse av den interne kontrollen som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll;
- vurderer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimatene og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige;
- konkluderer vi på om ledelsens bruk av fortsatt drift-forutsetningen er hensiktsmessig, og, basert på innhentede revisjonsbevis, hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape betydelig tvil om selskapets evne til fortsatt drift. Dersom vi konkluderer med at det foreligger vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i årsregnskapet. Hvis slike tilleggsopplysninger ikke er tilstrekkelige, må vi modifisere vår konklusjon. Våre konklusjoner er basert på revisjonsbevis innhentet frem til datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapets evne til fortsatt drift ikke lenger er til stede;
- vurderer vi den samlede presentasjonen, strukturen og innholdet i årsregnskapet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet gir uttrykk for de underliggende transaksjonene og hendelsene på en måte som gir et rettvisende bilde.

Vi kommuniserer med styret blant annet om det planlagte omfanget av revisjonen, tidspunktet for vårt revisjonsarbeid og eventuelle vesentlige funn i vår revisjon, herunder vesentlige svakheter i den interne kontrollen som vi avdekker gjennom vårt arbeid.

## Uttalelse om øvrige lovmessige krav

### Konklusjon om årsberetningen

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, mener vi at opplysningene i årsberetningen om årsregnskapet, forutsetningen om fortsatt drift og forslaget til disponering av resultatet er konsistente med årsregnskapet og i samsvar med lov og forskrifter.

### Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendige i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

Hønefoss, 1. juni 2021
ERNST & YOUNG AS

*Revisjonsberetningen er signert elektronisk*

Håvard Norstrøm
statsautorisert revisor

PENNEO

*Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.*

*"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."*

**Håvard Norstrøm**
**Statsautorisert revisor**
På vegne av: Ernst & Young AS
*Serienummer: 9578-5997-4-227067*
*IP: 109.247.xxx.xxx*
*2021-06-01 19:53:08Z*

bank ID

*Penneo Dokumentnøkkel: PZA6A-WZY4U-SWY5F-XWO82-NUH2P-UMQJW*

# Sibelco Nordic AS

## Resultatregnskap (1000 kr.)

| DRIFTSINNTEKTER OG DRIFTSKOSTNADER | NOTE | 2020 | 2019 |
|---|---|---|---|
| Salgsinntekt | 2/23 | 955 288 | 1 036 580 |
| Annen driftsinntekt | | 15 085 | 5 436 |
| **Sum driftsinntekter** | | **970 373** | **1 042 016** |
| Logistikkostnader og provisjoner | | 270 459 | 291 239 |
| Endring i beholdning av ferdig tilvirkede varer | | 5 837 | 8 761 |
| Varekostnad | | 39 060 | 55 464 |
| Lønnskostnad | 3/12 | 204 759 | 214 154 |
| Ordinære avskrivninger | 4/5/15 | 66 044 | 66 243 |
| Annen driftskostnad | 3/20/22 | 266 488 | 250 142 |
| **Sum driftskostnader** | | **852 647** | **886 002** |
| **Driftsresultat** | | **117 726** | **156 014** |
| **FINANSINNTEKTER OG FINANSKOSTNADER** | | | |
| Utbytte fra datterselskaper | | 20 363 | 12 204 |
| Renteinntekt fra foretak i samme konsern | | 335 | 1 556 |
| Annen renteinntekt | | 0 | 1 |
| Annen finansinntekt | 7 | 54 137 | 16 535 |
| Rentekostnad til foretak i samme konsern | 23 | -8 696 | -13 161 |
| Annen rentekostnad | | -3 573 | -4 922 |
| Annen finanskostnad | 7 | -52 936 | -15 545 |
| **Netto finansresultat** | | **9 630** | **-3 332** |
| **Ordinært resultat før skattekostnad** | | **127 355** | **152 682** |
| Skattekostnad på ordinært resultat | 14 | 24 360 | 23 538 |
| **Ordinært resultat** | | **102 996** | **129 144** |
| **ÅRSRESULTAT** | | **102 996** | **129 144** |

# Sibelco Nordic AS

## Balanse pr 31.desember (1000 kr.)

| EIENDELER | NOTE | 2020 | 2019 |
|---|---|---|---|
| **Anleggsmidler** | | | |
| **Immaterielle eiendeler** | | | |
| Mineralrettigheter | 4 | 127 560 | 129 527 |
| Utsatt skattefordel | 14 | 21 310 | 15 116 |
| **Sum immaterielle eiendeler** | | 148 870 | 144 643 |
| **Varige driftsmidler** | | | |
| Tomter, bygninger og annen fast eiendom | 5 | 132 474 | 148 790 |
| Biler og transportmidler | 5 | 6 777 | 3 905 |
| Driftsløsøre, inventar, verktøy, kontormaskiner o.l. | 5 | 131 471 | 145 401 |
| Anlegg under utførelse | 5 | 92 230 | 53 624 |
| Aktivert verdi, avsetning opprydding | 5/15 | 56 956 | 39 940 |
| **Sum varige driftsmidler** | | 419 908 | 391 660 |
| **Finansielle anleggsmidler** | | | |
| Investering i datterselskap | 6 | 129 968 | 129 968 |
| Investeringer i andre selskaper | | - | - |
| Andre fordringer | 12/13/17 | 2 638 | 3 310 |
| **Sum finansielle anleggsmidler** | | 132 606 | 133 278 |
| **Sum anleggsmidler** | | **701 383** | **669 581** |
| **Omløpsmidler** | | | |
| **Varer** | 8 | 103 618 | 105 337 |
| **Fordringer** | | | |
| Kundefordringer | 13 | 87 504 | 95 929 |
| Andre fordringer | 9/13 | 43 400 | 141 149 |
| **Sum fordringer** | | 130 904 | 237 077 |
| **Bankinnskudd, kontanter o.l.** | 9 | 8 633 | 262 |
| **Sum omløpsmidler** | | **243 156** | **342 677** |
| **SUM EIENDELER** | | **944 539** | **1 012 258** |

# Sibelco Nordic AS

## Balanse pr 31.desember (1000 kr.)

| **EGENKAPITAL OG GJELD** | **NOTE** | **2020** | **2019** |
|---|---|---|---|
| **Egenkapital** | | | |
| **Innskutt egenkapital** | | | |
| Aksjekapital (102.176 aksjer á kr 1.000) | 10/11 | 102 176 | 102 176 |
| Overkursfond | 11 | 23 627 | 23 627 |
| **Sum innskutt egenkapital** | | 125 803 | 125 803 |
| **Opptjent egenkapital** | | | |
| Annen egenkapital | 11 | 137 568 | 137 575 |
| **Sum opptjent egenkapital** | | 137 568 | 137 575 |
| **Sum egenkapital** | | **263 370** | **263 378** |
| **Gjeld** | | | |
| **Annen langsiktig gjeld** | | | |
| Gjeld til kredittinstitusjoner | 13/18 | 161 000 | 278 000 |
| Forpliktelse opprydding | 15 | 150 304 | 115 077 |
| **Sum annen langsiktig gjeld** | | 311 304 | 393 077 |
| **Kortsiktig gjeld** | | | |
| Leverandørgjeld | 13 | 57 397 | 131 495 |
| Betalbar skatt | 14 | 31 729 | 28 353 |
| Skyldige offentlige avgifter | | 11 158 | 11 066 |
| Skyldig utbytte | | 102 996 | - |
| Forpliktelse opprydding | 15 | - | - |
| Annen kortsiktig gjeld | 13/15/18 | 166 586 | 184 890 |
| **Sum kortsiktig gjeld** | | 369 865 | 355 803 |
| **Sum gjeld** | | **681 169** | **748 880** |
| **SUM EGENKAPITAL OG GJELD** | | **944 539** | **1 012 258** |

Sandvika, 26 mai 2021

Ragnar Hagen
formann

Ove Sollid
Adm.dir/ styremedlem

Martin Leman

Arve Larsen

Øystein S. Pedersen

# Sibelco Nordic AS

## Kontantstrømoppstilling

(Beløp i NOK 1.000)

| | 2020 | 2019 |
|---|---|---|
| **KONTANTSTRØMMER FRA OPERASJONELLE AKTIVITETER:** | | |
| Ordinært resultat før skattekostnad | 127 355 | 152 682 |
| Periodens betalte skatt | -27 176 | -39 764 |
| Ordinære avskrivninger | 66 044 | 66 243 |
| Tap / (Gevinst) ved salg av anleggsmidler | -569 | -770 |
| Endring i varelager | 1 719 | 2 826 |
| Endring i kundefordringer | 8 425 | 62 342 |
| Endring i leverandørgjeld | -74 098 | -56 331 |
| Endring i andre tidsavgrensningsposter | 10 838 | -41 115 |
| **Netto kontantstrømmer fra operasjonelle aktiviteter** | **112 538** | **146 113** |
| **KONTANTSTRØMMER FRA INVESTERINGSAKTIVITETER:** | | |
| Utbetalinger ved kjøp av varige driftsmidler | -61 550 | -68 551 |
| Innbetalinger ved salg av varige driftsmidler | 648 | 1 535 |
| Utbetalinger ved kjøp av aksjer og andeler | 0 | 0 |
| Tap på finansiell investering, nedskrivning | 0 | 0 |
| **Netto kontantstrøm fra investeringsaktiviteter** | **-60 902** | **-67 016** |
| **KONTANTSTRØMMER FRA FINANSIERINGSAKTIVITETER:** | | |
| Betalt utbytte | 0 | -87 600 |
| Innbetalinger ved opptak av ny langsiktig gjeld | 0 | 85 000 |
| Innbetalinger/(utbetalinger) i konsernets konsernkontosystem | 103 735 | 53 458 |
| Utbetalinger ved nedbetaling av langsiktig gjeld | -147 000 | -130 000 |
| **Netto kontantstrøm fra finansieringsaktiviteter** | **-43 265** | **-79 142** |
| Netto endring i bankinnskudd, kontanter og lignende | 8 371 | -45 |
| Beholdning av bankinnskudd, kontanter og lignende pr 01.01. | 262 | 307 |
| **Beholdning av bankinnskudd, kontanter og lignende pr 31.12.** | **8 633** | **262** |

# Sibelco Nordic AS

## Noter til regnskapet 2020

### Note 1 Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapsloven og god regnskapsskikk i Norge.

**Inntekter varesalg**
Inntekt regnskapsføres når den er opptjent, altså når både risiko og kontroll i hovedsak er overført til kunden. Dette vil normalt være tilfellet når varen er levert til kunden. Inntektene regnskapsføres med verdien av vederlaget på transaksjonstidspunktet.

**Kostnader**
Kostnader regnskapsføres som hovedregel i samme periode som tilhørende inntekt. I de tilfeller det ikke er en klar sammenheng mellom utgifter og inntekter fastsettes fordelingen etter skjønnsmessige kriterier. Øvrige unntak fra sammenstillingsprinsippet er angitt der det er aktuelt.

**Hovedregel for vurdering og klassifisering av eiendeler og gjeld**
Eiendeler bestemt til varig eie eller bruk er klassifisert som anleggsmidler. Andre eiendeler er klassifisert som omløpsmidler. Fordringer som skal tilbakebetales innen ett år er klassifisert som omløpsmidler. Ved klassifisering av kortsiktig og langsiktig gjeld er tilsvarende kriterier lagt til grunn.

Anleggsmidler vurderes til anskaffelseskost, men nedskrives til virkelig verdi når verdifallet forventes ikke å være forbigående. Anleggsmidler med begrenset økonomisk levetid avskrives lineært, se note 5. Langsiktig lån balanseføres til nominelt mottatt beløp på etableringstidspunktet.

Omløpsmidler vurderes til laveste av anskaffelseskost og virkelig verdi. Kortsiktig gjeld balanseføres til nominelt mottatt beløp på etableringstidspunktet. Kortsiktig gjeld oppskrives ikke til virkelig verdi som følge av renteendring.

Enkelte poster er vurdert etter andre prinsipper og redegjøres for nedenfor.

**Valuta**
Transaksjoner i utenlandsk valuta omregnes til kursen på transaksjonstidspunktet. Pengeposter i utenlandsk valuta omregnes til norske kroner ved å benytte balansedagens kurs. Ikke-pengeposter som måles til historisk kurs uttrykt i utenlandsk valuta, omregnes til norske kroner ved å benytte valutakursen på transaksjonstidspunktet. Valutakursendringer resultatføres løpende i regnskapsperioden under andre finansposter.

**Immaterielle eiendeler**
Utgifter til immaterielle eiendeler er balanseført i den utstrekning kriteriene for balanseføring er oppfylt.

Goodwill henføres til utvinningsrettigheter og den avskrives nå med en takt som gjenspeiler forholdet mellom den enkelte forekomst sin totale størrelse og det faktiske antall tonn som blir produsert. Bokført verdi av goodwill nedskrives til virkelig verdi hvis denne antas å være lavere enn bokført verdi og verdifallet anses ikke å være av forbigående karakter (se note 4).

**Leasing/leieavtaler**
En leieavtale klassifiseres som finansiell eller operasjonell i samsvar med avtalens reelle innhold. Dersom det vesentligste av økonomisk risiko og kontroll knyttet til det underliggende leieobjekt er gått over på leietaker klassifiseres avtalen som finansiell og tilhørende eiendeler og forpliktelser balanseføres. Andre leieavtaler klassifiseres som operasjonelle.

**Aksjer i datterselskaper**
Investeringer i datterselskaper er balanseført til anskaffelseskost i selskapsregnskapet.
Investeringen blir nedskrevet til virkelig verdi dersom verdifallet ikke er forbigående.

**Varer**
Varer er vurdert til laveste av anskaffelseskost og netto salgsverdi. Egentilvirkede ferdigvarer og varer under tilvirkning er vurdert til full tilvirkningskost. Det foretas nedskrivning for påregnet ukurans.

**Fordringer**
Kundefordringer og andre fordringer oppføres til pålydende etter fradrag for avsetning til forventet tap.
Avsetning til tap gjøres på grunnlag av en individuell vurdering av de enkelte fordringer. I tillegg gjøres det for øvrige kundefordringer en uspesifisert avsetning for å dekke antatt tap.

**Kortsiktige plasseringer**
Kortsiktige plasseringer (aksjer og andeler vurdert som omløpsmidler) vurderes til laveste av anskaffelseskost og virkerlig verdi på balansedagen. Mottatt utbytte og andre utdelinger fra selskapene inntektsføres som annen finansinntekt.

**Innskuddsbaserte pensjonsordninger og pensjonskostnader**
En innskuddsbasert pensjonsordning er en ordning hvor det betales faste innskudd til et fond eller en pensjonskasse, og hvor selskapet ikke har noen juridisk elle underforstått plikt til å betale ytterligere innskudd. Pliktige innskudd innregnes som personalkostnader i resultatet når de påløper. Forskuddsbetalinger innregnes som eiendel i den grad innbetalte midler kan tilbakebetales eller fremtidige betalinger til ordningen reduseres. Selskapet har hovedsakelig innskuddsbaserte pensjonsordninger fra og med utgangen av 2016.

**Skatter**
Skattekostnaden sammenstilles med regnskapsmessig resultat før skatt. Skattekostnaden består av betalbar skatt og endring i netto utsatt skatt. Utsatt skatt og utsatt skattefordel er presentert netto i balansen.

**Balanseførte opprydningskostnader**
Selskapet er pålagt omfattende forpliktelser knyttet til opprydning og i standsetting etter at gruvedriften er opphørt, og selskapet har derfor fra og med 2010, valgt å gjøre avsetninger for de fremtidige forpliktelsene knyttet til opprydning og istandsetting. De fremtidige forpliktelsene er aktivert som en økt kostpris på gruven, med motpost kortsiktig og langsiktig gjeld. De deler av forpliktelsen som vil forfalle senere enn 12 måneder føres som langsiktig gjeld.

**Kontantstrømoppstilling**
Kontantstrømoppstillingen er utarbeidet etter den indirekte metode.
Kontanter og kontantekvivalenter omfatter kontanter, bankinnskudd og andre kortsiktige, likvide plasseringer.

## Note 2 Salgsinntekt

| | 2020 | 2019 |
|---|---|---|
| Pr virksomhetsområde: | | |
| Gruvedrift, mineralutvinning | 955 288 | 1 036 580 |
| **Sum** | **955 288** | **1 036 580** |
| | | |
| Pr geografisk marked: | | |
| Norge | 81 732 | 89 516 |
| EU | 672 172 | 764 500 |
| Resten av verden | 201 384 | 182 564 |
| **Sum** | **955 288** | **1 036 580** |

## Note 3 Lønnskostnad, antall ansatte, godtgjørelser, lån til ansatte mm

| **Lønnskostnad** | **2020** | **2019** |
|---|---|---|
| Lønn | 174 063 | 177 259 |
| Folketrygdavgift | 9 301 | 11 250 |
| Pensjonskostnader (se note 12) | 12 003 | 14 205 |
| Andre ytelser | 9 392 | 11 440 |
| **Sum** | 204 759 | 214 154 |
| Antall årsverk sysselsatt | 265 | 266 |
| | | |
| Lån til ansatte er totalt TNOK | 0 | 0 |

Lånene forrentes med den til enhver tid gjeldende norm-rente for lån i arbeidsforhold og tilbakebetales over 5 år. Daglig leder, aksjeeiere og styremedlemmer har ikke lån i selskapet.

| **Ytelser til ledende personer 2020** | **Daglig leder** |
|---|---|
| Lønn | 1 930 836 |
| Annen godtgjørelse | 120 000 |
| Diverse | 11 759 |
| Styrehonorar | 0 |
| **Sum** | 2 062 595 |

Daglig leder har bonusavtale med selskapet hvor selskapets styre vurderer personlig bonus som årlig er foreslått av styrets formann i tråd med Sibelcos policy. Bonusen er begrenset oppad til 10 % av grunnlønn. På visse vilkår innrømmes daglig leder etterlønn inntil 6 måneder.
Daglig leder inngår i den ordinære pensjonsordningen til selskapet.

Det er i 2020 utbetalt kr 147.392 i styrehonorar.

Selskapet har ingen forpliktelser knyttet til aksjeverdibaserte godtgjørelser til fordel for ansatte eller tillitvalgte.

**Revisor**

| Kostnadsført godtgjørelse til EY i 2020: | |
|---|---|
| for ordinær revisjon | 637 669 |
| for bistand i forbindelse med utarbeidelse av ligningspapirer | 52 250 |
| for andre tjenester | 46 806 |
| **Sum** | 736 725 |

Merverdiavgift er ikke inkludert i de oppgitte honorarene.

## Note 4 Immaterielle eiendeler

| | Mineralrettigheter |
|---|---|
| Anskaffelseskost 01.01: | |
| Stjernøy | 221 745 |
| Bryggja | 39 864 |
| Olivingruppen | 180 356 |
| Anskaffelseskost 01.01: | 441 965 |
| Tilgang/avgang 2020: | 0 |
| **Anskaffelseskost 31.12** | 441 965 |
| Akkumulerte avskrivninger 31.12 | 280 365 |
| Akkumulerte impairment-nedskrivninger 31.12 | 34 040 |
| **Bokført verdi pr. 31.12** | **127 560** |
| | |
| Årets avskrivninger | 1 967 |
| Årets nedskrivninger | 0 |

Mineralrettigheter henføres til utvinningsrettigheter og avskrives med en takt som gjenspeiler forholdet mellom den enkelte forekomst sin totale størrelse og det faktiske antall tonn som blir produsert fra forekomsten.

## Note 5 Varige driftsmidler

| | Tomter | Bygn. og annen fast eiendom | Driftsløsøre, inventar, verktøy m.v. | Biler og transportm. | Skip | Anlegg under utførelse | Aktivert opprydd.-avsetning | SUM |
|---|---|---|---|---|---|---|---|---|
| Anskaffelseskost 01.01 | 3 467 | 518 934 | 781 769 | 17 882 | 0 | 53 624 | 112 475 | 1 488 151 |
| Tilgang | 0 | 9 515 | 8 743 | 4 686 | 0 | 61 550 | 30 899 | 115 393 |
| Avgang | 0 | 0 | -8 005 | -414 | 0 | -22 944 | | -31 363 |
| **Anskaffelseskost 31.12** | 3 467 | 528 449 | 782 507 | 22 154 | 0 | 92 230 | 143 374 | 1 572 181 |
| | | | | | | | | |
| Akkumulerte avskrivninger 31.12 | 0 | 374 824 | 645 438 | 15 377 | 0 | 0 | 86 418 | 1 122 057 |
| Akkumulerte nedskrivninger 31.12 | 0 | 24 618 | 5 598 | | 0 | 0 | 0 | 30 216 |
| **Bokført verdi pr. 31.12** | **3 467** | **129 007** | **131 471** | **6 777** | **0** | **92 230** | **56 956** | **419 908** |
| | | | | | | | | |
| Årets avskrivninger | 0 | 25 851 | 22 673 | 1 669 | 0 | 0 | 13 884 | 64 077 |
| Årets nedskrivninger | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Årets reverserte nedskrivninger | 0 | 0 | -1 109 | 0 | 0 | 0 | 0 | -1 109 |
| | | | | | | | | |
| Økonomisk levetid | | 20 år | 10 år | 5 år | 12,5 år | | | |
| Avskrivningsplan | | Lineær | Lineær | Lineær | Lineær | | | |

Årets reverserte nedskrivninger relateres til restverdi ved salg.

## Note 6 Aksjer i datterselskaper.

| Firma | Ansk.-tidspunkt | Forretnings-kontor | Stemme og Eierandel | Anskaf-felseskost | Bokført verdi |
|---|---|---|---|---|---|
| Sibelco Poland Sp.zo.o, Gdansk, Polen | 25.04.98 | Polen | 100% | 144 640 | 129 914 |
| Olivin AS | 01.01.04 | Norge | 100% | 54 | 54 |
| | | | | 144 694 | 129 968 |

| Alle tall omregnet til NOK | Årets resultat | Egen-kapital |
|---|---|---|
| Sibelco Poland Sp.zo.o, Gdansk, Polen | 13 371 | 136 945 |
| Olivin AS | 0 | 120 |

Aksjer i datterselskaper regnskapsføres etter kostmetoden i selskapsregnskapet.

Sibelco Nordic AS og døtre konsolideres i regnskapet til SCR-Sibelco N.V som er konsernspiss. I henhold til reglene i regnskapsloven §3-8 blir det følgelig ikke utarbeidet noe eget konsernregnskap for Sibelco Nordic AS med døtre.

## Note 7 Annen finansinntekt/-kostnad

Andre finansinntekter består av:

| | 2020 | 2019 |
|---|---|---|
| Valutagevinst | 53 346 | 15 177 |
| Annen finansinntekt | 791 | 1 358 |
| **Sum** | 54 137 | 16 535 |

Andre finanskostnader består av:

| | 2020 | 2019 |
|---|---|---|
| Valutatap | -52 594 | -15 242 |
| Tap ved nedskriving av aksjer | 0 | 0 |
| Annen finanskost | -342 | -303 |
| **Sum** | -52 936 | -15 545 |

## Note 8 Varer

| | 2020 | 2019 |
|---|---|---|
| Driftsmateriell | 31 221 | 37 319 |
| Varer under tilvirkning | 8 721 | 8 309 |
| Ferdigvarer | 63 676 | 59 709 |
| **Sum** | 103 618 | 105 337 |

Det gjøres normalt kvartalsvis vurdering av standardkosten på de enkelte produkter, men grunnet implementering av nytt ERP-system i 2020 så har det ikke vært foretatt oppdatering av standardkoster i løpet av året. Det foreligger ikke mistanke om større endringer av standardkoster.

## Note 9 Likvider og andre kortsiktige fordringer

Selskapets likviditet er organisert i en konsernkontoordning hvor netto banksaldi daglig balanseres mot konsernspissens internbank. Dette innebærer at majoriteten av selskapets kontantbeholdning/overtrekk er ført som fordring/gjeld.
Selskapet har en kredittfasilitet på MEUR 6 som er ubenyttet pr 31.12.20.
Selskapet har bundne skattetrekksmidler, disse inngår i posten bankinnskudd og kontanter med TNOK 8.264

| | 2020 | 2019 |
|---|---|---|
| Fordring mot konsernbank | 51 333 | 158 542 |
| Gjeld mot konsernbank | -24 521 | -28 066 |
| Kontantbeholdning/overtrekk inkl i andre fordringer | 26 812 | 130 476 |
| Andre kortsiktige fordringer konsern | 0 | 0 |
| Andre kortsiktige fordringer | 16 588 | 10 673 |
| **Sum** andre kortsiktige fordringer | 43 400 | 141 149 |

## Note 10 Aksjekapital og aksjonærinformasjon

Aksjekapitalen i selskapet pr 31.12.20 består av 102.176 aksjer hver pålydende kr 1.000.

**Eierstruktur**
Aksjeeiet i Sibelco Nordic AS ble i 2020 overført fra Sibelco Nordic Region AB til S.C.R. Sibelco NV. Aksjonær i selskapet pr 31.12.20 var:

| | Antall aksjer | Eier-andel | Stemme-andel |
|---|---|---|---|
| S.C.R. Sibelco NV | 102 176 | 100% | 100% |
| **Totalt antall aksjer** | **102 176** | **100%** | **100%** |

Aksjer og opsjoner eiet av medlemmer i styret og adm. direktør: 0

Selskapet inngår i konsernregnskapet til S.C.R. Sibelco NV. For å få utlevert konsernregnskapet tas kontakt med Sibelco på forretningsadresse; Plantin en Moretuslei 1A, B-2018 Antwerp, BELGIUM.

## Note 11 Egenkapital

| | Aksje-kapital | Overkurs-fond | Sum Opptjent EK | SUM |
|---|---|---|---|---|
| **Egenkapital 31. desember 2019** | **102 176** | **23 627** | **137 574** | **263 377** |
| Årets endring i egenkapital: | | | | |
| Årets resultat | | | 102 996 | 102 996 |
| Avsatt utbytte | | | -102 996 | -102 996 |
| Endring IAS19, pensjon mot EK | | | -7 | -7 |
| **Egenkapital 31. desember 2020** | **102 176** | **23 627** | **137 568** | **263 370** |

## Note 12 Pensjonskostnader, -midler og -forpliktelser

Selskapet er pliktig til å ha tjenestepensjonsordning etter lov om obligatorisk tjenestepensjon. Selskapets pensjons-ordninger tilfredsstiller kravene i denne lov.

**Ytelsesbasert ordning avviklet i 2016**
Sibelco Nordic AS hadde en kollektiv pensjonsordning (ytelsesbasert) som ble avviklet i november 2016. Ordningen var overfinansiert og avviklingen av ordningen medførte at selskapet fikk et pensjonspremiefond som skal brukes til å betale fremtidige innskuddspremier. Fondet er rapportert som bundne midler under note 17 Garantier og pantstillelser.

**Innskuddsplaner**
Selskapet har en pensjonsordning som er en innskuddsbasert ordning der bedriften betaler årlige innskudd til ansattes pensjonsplaner. Samtlige ansatte i selskapet er omfattet av inskuddsbasert pensjon fra og med desember 2016. Innskudd i ordningen er på 5 % mellom 0 - 7,1 G og 10 % mellom 7,1 G - 12 G.

**Usikret driftspensjon**
Selskapet har en avtale om usikret driftspensjon med en tidligere ansatt. Det er i 2020 avsatt TNOK 519 (2019 TNOK 568) i regnskapet for forpliktelsen.

**AFP**
AFP-ordningen er en ytelsesbasert flerforetaks pensjonsordning, og finansieres gjennom premier som fastsettes som en prosent av lønn. Regnskapsmessig blir ordningen behandlet som innskuddsbasert pensjonsordning hvor premie-betalinger kostnadsføres løpende, og ingen avsetningen foretas i regnskapet. I 2019 utgjorde premien 2,5 % av lønn mellom 1G og 7,1 G.

Tilskudd til AFP ordningen inngår i regnskapslinjen lønnskostnader og utgjorde i 2020 TNOK 2.859 (2019 TNOK 3.106).

Fellesordningen for AFP offentliggjør ikke anslag på fremtidige premiesatser, men legger til grunn at premien for ny AFP må økes over tid for å imøtekomme forventninger om økte utbetalinger med tilstrekkelig bufferkapital.

Selskapet er solidarisk ansvarlig for to tredeler av pensjonen som skal utbetales til de arbeidstakere som til enhver tid fyller vilkårene. Ansvaret gjelder både manglende innbetaling og dersom premiesatsen viser seg å være utilstrekkelig.

Ved eventuell avvikling av ordningen har selskapet plikt til fortsatt premiebetaling for dekning av pensjonsutbetalinger til arbeidstakere som er tiltrådt eller som fyller vilkårene for avtalefestet pensjon på avviklingstidspunktet.

| **Pensjonskostnad ekskl AGA i resultat-regnskapet:** | **2020** | **2019** |
|---|---|---|
| Ytelsesbasert | 46 | -79 |
| Innskuddsbasert | 9 088 | 11 178 |
| AFP | 2 859 | 3 106 |
| Totalt | 11 993 | 14 205 |

| **Pensjon i balansen** | | |
|---|---|---|
| Pensjonsmidler (bundne midler, se note 17) | 53 | 1 050 |
| Pensjonsforpliktelse (usikret driftspesjon) | 519 | 568 |
| | -466 | 482 |

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## Note 13 Kundefordringer og mellomværende med selskap i samme konsern m.v.

**Kundefordringer**

| | 2020 | 2019 |
|---|---|---|
| Foretak i samme konsern | 39 579 | 32 445 |
| Sum eksterne kundefordringer | 47 925 | 63 484 |
| Sum kundefordringer totalt | **87 504** | **95 929** |
| | | |
| Realiserte tap på eksterne fordringer | 0 | 265 |
| Nedskrivning / reversert nedskrivning av ekstern fordring | -111 | -971 |
| Sum tap og nedskrivning | -111 | -706 |

**Øvrige mellomværende med foretak i samme konsern**

| | 2020 | 2019 |
|---|---|---|
| Lån til foretak i samme konsern | 525 | 525 |
| Andre kortsiktige fordringer | 26 741 | 130 476 |
| | | |
| Langsiktig gjeld til kredittinstitusjon | 161 000 | 278 000 |
| Leverandørgjeld | 25 086 | 28 729 |
| Annen kortsiktig gjeld | 117 677 | 149 115 |

Det er ikke avtalt tilbakebetalingsplan for langsiktige fordringer.

## Note 14 Skattekostnad

| **Årets skattekostnad fremkommer slik:** | **2020** | **2019** |
|---|---|---|
| Ordinært resultat før skattekostnad | 127 355 | 152 682 |
| Betalbar skatt | 31 729 | 28 354 |
| Avsatt for lite/mye betalbar skatt i fjor | -1 177 | 1 055 |
| Kostnadsført endring i utsatt skatt | -6 192 | -5 871 |
| Skattekostnad ordinært resultat | 24 360 | 23 538 |

**Skattekostnaden fordeler seg som følger på Norge og utland:**

| | 2020 | 2019 |
|---|---|---|
| Skattekostnad ordinært resultat | 24 360 | 23 538 |
| **Sum** | 24 360 | 23 538 |

| **Avstemming fra nominell til faktisk skattesats** | **2020** | **2019** |
|---|---|---|
| Ordinært resultat før skattekostnad | 127 355 | 152 682 |
| | | |
| Forventet inntektsskatt etter nom. skattesats 22% (22%) | 28 018 | 33 590 |
| | | |
| Skatteeffekten av følgende poster: | | |
| Ikke fradragsberettigede kostnader (inntekter) | -4 314 | -2 484 |
| Nedskrivning i aksjer | 0 | 0 |
| For lite (mye) betalt skatt | -1 177 | 1 055 |
| Endring i skattesats | 0 | 0 |
| Andre poster | 8 025 | -2 752 |
| Endring i utsatt skatt | -6 192 | -5 871 |
| Skattekostnad | 24 360 | 23 538 |
| Effektiv skattesats | 19,1% | 15,4% |

| **Spesifikasjon av skatteeffekten av midlertidige forskjeller:** | **2020 Forplikt.** | **2019 Forplikt.** |
|---|---|---|
| Anleggsmidler ( driftsmidler, immaterielle eiendeler, finansielle anleggsmidler) | -5 195 | -2 194 |
| Utsatt skatt av restatement pensjoner ført direkte mot mot egenkapitalen | -115 | -125 |
| Finansielle instrumenter | 0 | 0 |
| Regnskapsmessige avsetninger for forpliktelser | -20 657 | -16 650 |
| Omløpsmidler ( varer, fordringer, investeringer, bank og kontanter etc) | 4 657 | 3 854 |
| Netto utsatt skatteforpliktelse (-fordel) i balansen | -21 310 | -15 116 |
| | | |
| IAS19 mot egenkapital | 232 | 230 |
| Netto utsatt skatteforpliktelse (-egenkapitalen) i balansen | 232 | 230 |

Utsatt skatt og utsatt skattefordel er beregnet på alle forskjeller mellom regnskapsmessig og skattemessig verdi på eiendeler og gjeld. Utsatt skatt er beregnet på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier ved utgangen av regnskapsåret. Netto utsatt skattefordel balanseføres i den grad det er sannsynlig av denne kan bli nyttiggjort.

## Note 15 Andre avsetninger for forpliktelser

Selskapets gruvedrift er basert på forekomster som antas å kunne dekke produksjonsbehovet på dagens nivå i minst 20 år fremover. Det er pr 31.12.2020 avsatt MNOK 160,6 til å dekke eventuelle fremtidige opprydningsforpliktelser.
De foretatte reviderte beregninger i 2020 for opprydding gav ikke grunnlag for å endre avsetningsgrunnlagene for fremtidig opprydding.
Samlet aktivert verdi har likevel i 2020 gått opp, dette skyldes endring i beregningsforutsetninger.
Kostnadsføring av forpliktelsen skjer gradvis basert på de enkelte verk sin antatte gjenstående driftstid.

Avsetning for oppryddingsforpliktelser

| | 2020 | 2019 |
|---|---|---|
| Aktivert verdi | 143 374 | 112 475 |
| Avskrevet (se note 5) | -86 418 | -72 535 |
| Netto bokført eiendel | 56 956 | 39 940 |
| | | |
| Langsiktig forpliktelse | 150 304 | 115 077 |
| Kortsiktig forpliktelse | 10 283 | 546 |
| **Sum** | 160 587 | 115 623 |

## Note 16 Finansiell markedsrisiko

Selskapet er eksponert for endringer i valutakurser, spesielt EUR, da en vesentlig del av selskapets inntekter er i utenlandsk valuta. Selskapet benytter transaksjonsbasert sikring av valutaeksponering. Kontraktene balanseføres ikke, men kontraktene revalueres og selskapet bokfører urealisert gevint/tap ved hver månedsslutt.
Pr 31.12.2020 var det ingen åpne valutaterminkontrakter

## Note 17 Garantier og pantstillelser

| | 2020 | 2019 |
|---|---|---|
| Garantiansvar | 53 753 | 46 714 |

Av garantiansvaret pr 31.12.2020 er TNOK 43.055 garantier knyttet til datterselskap.
Resterende, TNOK 10.698 er knyttet til skattetrekkskonto, oppryddingsgarantier og sperrede midler for pensjonspremie.
Pr 31.12.2020 var saldo på skattetrekkskonto TNOK 8.264.
Selskapet har ingen pantstillelser.

## Note 18 Annen langsiktig gjeld

Selskapet har pr 31.12.2020 en gjeld på TNOK 278.000 (pr 31.12.2019 TNOK 425.000) til Sibelco-konsernets internbank Silfin, hvorav TNOK 161.000 (TNOK 278.000) er bokført som langsiktig gjeld og TNOK 117.000 (TNOK 147.000) er bokført som kortsiktig gjeld.
Den langsiktige gjelden skal tilbakebetales i årene 2022-2024.

### Note 19 Forskning og utvikling

Selskapet har ingen formell FOU-aktivitet, men i daglig drift har det vært noe aktivitet rettet mot anvendelse av olivinmaterialet samt videreutvikling av eksisterende produkter.

### Note 20 Andre driftskostnader

Hovedposter i andre driftskostnader består av:

| | 2020 | 2019 |
|---|---|---|
| Elektrisitet og drivstoff | 41 910 | 51 515 |
| Leiekostnader | 31 829 | 30 741 |
| Vedlikeholdsmateriell | 45 044 | 54 043 |
| Fremmedytelser | 30 852 | 22 274 |
| Reisekostnader | 1 964 | 5 522 |
| Diverse | 114 889 | 109 588 |
| Avsatt til opprydding | 0 | -23 541 |
| **Sum driftskostnader** | 266 488 | 250 142 |

### Note 21 Covid 19

Det har ikke inntruffet forhold etter regnskapsårets utgang som ikke er hensyntatt eller omtalt i årsoppgjøret og som er viktig for å bedømme selskapets resultat og stilling.

Koronakrisen har till viss grad påvirket selskapets leveranser til kunder innen stålindustrien. Stålverkene har ikke vært klassifisert som «samfunnskritiske» og har derfor vært underlagt strenge tiltak i Europa. Leveranser till øvrige kunder har blitt minimalt påvirket.

Korona-epidemien kommer med stor sannsynlighet også til å påvirke etterspørselen i 2021, men vår basisforretning er stabil.

### Note 22 Leasing / leieavtaler

Selskapet har operasjonelle leasing-avtaler for leie av servicebiler, diverse produksjonsmaskiner, passasjerbåt, lagerbygninger og diverse kontormaskiner.
Avtalene varer i hovedsak ut 2022 mens andre har lengre tidshorisont.
Selskapet har også husleieavtale for kontorleie i Sandvika i Bærum, avtalen er på 5 år og utgår 31.12.2021.
Det er i 2020 kostnadsført leiekostnader for leieavtaler med MNOK 31,8

### Note 23 Transaksjoner med nærstående parter

| **Tilknyttede selskaper** | **Eierandel** |
|---|---|
| Sibelco Poland, Sp.zo.o, al.gen. Jozefa Hallera 165, 80-146 Gdansk, Polen | 100% |

Øvrige tilknyttede selskaper er søsterselskaper.
Sibelco Nordic AS har foretatt flere forskjellige transaksjoner med tilknyttede selskaper gjennom året. Alle transaksjoner er foretatt som del av den ordinære virksomheten og til armlengdes priser.
De vesentligste transaksjonene er som følger:

| **Salg av ferdigvarer** | **2020** | **2019** |
|---|---|---|
| Til Sibelco Poland, Sp.zo.o | 116 499 | 103 262 |
| Til Sibelco Deutchland | 88 765 | 87 165 |
| Til Sibelco Spania | 52 035 | 60 438 |
| Til Sibelco Frankrike | 49 778 | 24 909 |
| Til Sibelco Italia | 29 604 | 39 629 |
| Til Sibelco UK | 21 786 | 29 612 |
| Til Sibelco Nordic AB | 21 001 | 23 621 |
| Til øvrige tilknyttede selskaper | 55 491 | 51 392 |

| **Kjøp av varer og tjenester** | **2020** | **2019** |
|---|---|---|
| Administrative støttetjenester (Management fee) | 58 175 | 61 373 |
| Råvarer og varer for videresalg (trading) | 20 143 | 21 563 |
| IT-tjenester | 5 078 | 7 362 |
| Øvrige kostnader | 4 258 | 1 699 |
| | | |
| Renteutgifter | 8 592 | 13 161 |
| Renteinntekter | 268 | 1 556 |

**Lån**
Sibelco Nordic AS har lån i morselskapets internbank Silfin NV.

Se note 13 for balanseførte verdier mot nærstående parter.

PENNEO

*Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.*

*"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."*

**Ragnar Hagen**
**Styreleder**
På vegne av: Sibelco Nordic AS
*Serienummer: 9578-5993-4-2764473*
*IP: 185.253.xxx.xxx*
*2021-05-27 06:43:28Z*
bank ID

**Arve Larsen**
**Styremedlem**
På vegne av: Sibelco Nordic AS
*Serienummer: 9578-5999-4-1490505*
*IP: 81.188.xxx.xxx*
*2021-05-27 07:36:54Z*
bank ID

**Ove Magne Sollid**
**Styremedlem**
På vegne av: Sibelco Nordic AS
*Serienummer: 9578-5998-4-1116877*
*IP: 81.188.xxx.xxx*
*2021-05-27 09:53:51Z*
bank ID

**Ove Magne Sollid**
**Administrende direktør**
På vegne av: Sibelco Nordic AS
*Serienummer: 9578-5998-4-1116877*
*IP: 81.188.xxx.xxx*
*2021-05-27 09:53:51Z*
bank ID

**Martin Leman**
**Styremedlem**
På vegne av: Sibelco Nordic AS
*Serienummer: 19710402xxxx*
*IP: 81.188.xxx.xxx*
*2021-05-27 11:40:04Z*
BankID

**Øystein Sedolf Pedersen**
**Styremedlem**
På vegne av: Sibelco Nordic AS
*Serienummer: 9578-5997-4-324909*
*IP: 77.222.xxx.xxx*
*2021-05-27 13:45:01Z*
bank ID

*Penneo Dokumentnøkkel: D837X-QQ5PM-EPH4M-HI7NS-5QOEK-4ZFIT*