

The FLS logo is positioned in the top-left corner of the page. It consists of the letters 'FLS' in a bold, white, sans-serif font, set against a dark blue rectangular background.

FLS

The background of the entire page is a wide-angle photograph of an open-pit mine. The sun is low on the horizon, creating a dramatic sunset with orange, yellow, and red hues in the sky. The mine's terraced levels and winding roads are silhouetted against the bright light. In the center of the mine, there are several pieces of heavy machinery and a small body of water.

Annual Report 2025

Annual Report
1 January – 31 December 2025

FLSmidth & Co. A/S
Havneholmen 2, 2450 Copenhagen SV, Denmark CVR no. 58180912

Contents

Management review

2025 strategic highlights	3
Letter from the Chair and the CEO	4

Highlights

Financial performance highlights 2025	8
Sustainability performance highlights 2025	9
Segments and key ratios	10
5-year key figures	11
2026 financial guidance	12

Business

FLSmidth at a glance	14
FLSmidth in the world	15
CORE'26 strategy and business model	16
Our company values	21

Performance

Service business	23
Product business	25
PC&V business	27
Discontinued activities	29
Financial performance	30

Governance

Risk management and risk mitigation	39
Corporate governance	41
Board of Directors	46
Executive Leadership Team	49
Remuneration	50
Shareholder information	51

Sustainability statement

General disclosures	55
Environment	63
Social	90
Governance	108
Appendix	114

Financial statements

Consolidated financial statements	123
Key accounting estimates and judgements	128
Parent company financial statements	181
Statement by Management	192
Independent auditor's report	193
Independent auditor's limited assurance report on sustainability statement	196
Forward looking statements	198

Other 2025 FLSmidth reports



Corporate Governance Statement 2025

In our Corporate Governance Statement, you can read more about how we have incorporated and follow the recommendations prepared by the Danish Committee on Corporate Governance.



Remuneration Report 2025

In our Remuneration Report, you can get a comprehensive overview of the remuneration of our Executive Leadership Team and our Board of Directors.

2025 strategic highlights

2025 marked a turning point for FLSmidth, completing our transition to a focused, pure-play mining technology and services company and positioning us for the next phase of our journey.



With the closing of the Cement divestment, our transition to a focused, pure-play supplier of technologies and services to the mining industry has been completed



We are establishing a focused and disciplined Products portfolio through continued de-risking and simplification—preparing the business for the next phase of our strategic journey



We have strengthened our commercial offering through a more customer-centric sales organisation and the continued optimisation of our global network, driving solid organic growth in both the Service and PC&V businesses



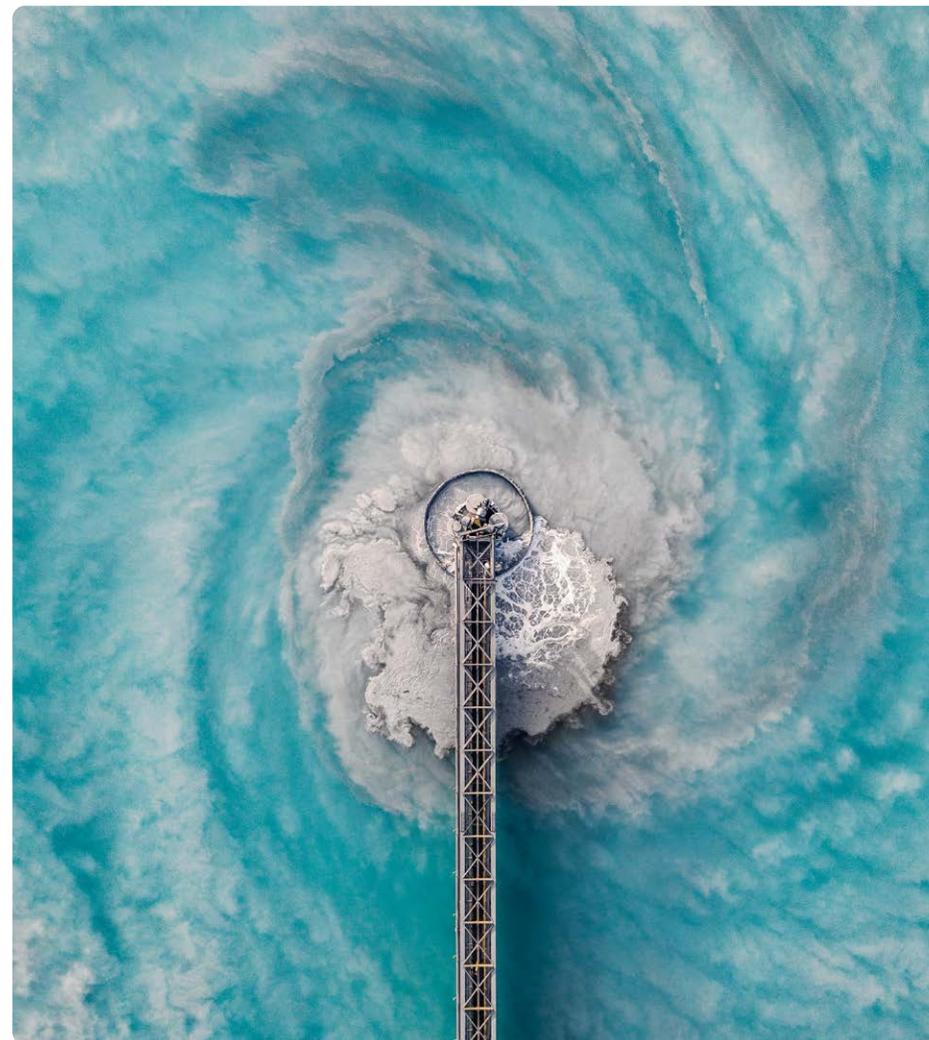
We have remained fully committed to delivering attractive shareholder returns, supported by the launch of a DKK 1.4bn share buy-back programme, the first such programme since 2013



We have shown continued improvements in our financial performance, underscored by an adjusted EBITA margin of 15.9% and free cash flow (exc. M&A) of DKK 640m for the year



Thickening solution in South America



Letter from the Chair and the CEO

Building on the progress achieved over recent years, 2025 marked an important turning point for FLSmidth. During the year, we completed our transition to a pure-play supplier of technologies and services to the global mining industry and delivered solid performance in a demand environment characterised by continued uncertainty, particularly around the timing of larger mining projects.

With the pure-play transition complete, FLSmidth will shift its strategic focus from reshaping its foundations to actively leveraging them. We enter the next phase of our journey as a more focused company, operating with a simpler and more scalable model, supported by a strong financial foundation and a sharpened value proposition for our customers. This positions us well to pursue profitable growth and long-term value creation over time.

Simplifying the organisation and sharpening our focus

Amid an ever-evolving macroeconomic and geopolitical landscape, we have remained firmly committed to simplifying and strengthening FLSmidth, both operationally, strategically and financially. A key milestone during the year was

the completion of the divestment of the Cement business, enabling full management attention and capital allocation towards our core Mining activities.

In parallel, we have continued to simplify our organisational and operational set-up. Progress during the year included further consolidation of office locations, continued delayering of the organisation and ongoing migration of support functions to our global business centres. These initiatives are designed to reduce complexity, improve efficiency and strengthen accountability across the organisation.

As part of this continued simplification, we also completed the sale of our long-standing corporate headquarters in Valby, which has served as FLSmidth's home since 1956. In combination with the ongoing establishment of our global business centres, the relocation of our corporate headquarters represents a practical and symbolic step in aligning our physical footprint with a modern, streamlined operating model, supporting greater agility and a clearer organisational structure going forward.



Mads Nipper, Chair



15.9%

Adjusted EBITA margin in 2025



Building on the progress achieved over recent years, 2025 marked an important turning point for FLSmidth. During the year, we completed our transition to a pure-play supplier of technologies and services to the global mining industry and delivered solid performance in a demand environment characterised by continued uncertainty, particularly around the timing of larger mining projects.



Toni Laaksonen, CEO

Together, these changes have shortened decision paths, increased transparency, optimised our cost structure and improved our ability to allocate resources towards the most attractive opportunities across the business.

Performance reflecting a more resilient business

A central objective of our journey has been to build a more resilient and stable business. In 2025, this ambition continued to translate into tangible results.

Our Services business delivered organic revenue growth of 9%, reflecting sustained customer demand for solutions that enhance productivity, reliability and sustainability across mining operations. This performance was supported by strategic initiatives implemented over recent years, including a sharper commercial focus, improved backlog management, a more customer-centric sales organisation and continued development of our global service footprint, enabling closer customer engagement and more consistent execution.

The pumps, cyclones & valves (PC&V) business delivered a particularly strong organic revenue growth of 12% for the year. This reflects both stable underlying market conditions and the impact of targeted investments in commercial capabilities and market coverage, which have strengthened our ability to capture demand and convert technical expertise into profitable growth.

By contrast, revenue in the Products business remained lower, with organic revenue growth amounting to -28% for the full year, reflecting continued de-risking, portfolio pruning and subdued market conditions for larger projects. While this has weighed on short-term revenue, these actions are deliberate and aimed at improving the long-term quality of the business.

At Group level, the adjusted EBITA margin for the year amounted to 15.9%, reflecting disciplined execution and continued progress on cost efficiency and an increasingly favourable business mix. Importantly, the growing contribution from Services and PC&V strengthens resilience in the current environment and provides a more stable platform from which to pursue growth as customer investment activity normalises.

Focus and coherence across the portfolio

The Products business will structurally deliver lower margins than our Services and PC&V businesses, reflecting both market characteristics and its role within the Group's portfolio. Our focus is therefore on managing this part of the business with discipline, predictability and capital efficiency.

During 2025, we continued to de-risk and simplify the Products portfolio through supply chain optimisation and a stronger emphasis on standardisation, repeatability and engineering discipline. The objective is to align engineering efforts more closely with customer requirements, ensuring

that complexity is applied selectively and priced appropriately.

Through this approach, the Products business is expected to support customer relationships and long-term value creation, while limiting volatility and strengthening the pull-through of Service and PC&V offerings across our mineral processing portfolio.

Financial strength and disciplined capital allocation

The progress achieved across the business has strengthened our financial position and provides a solid financial foundation and a high degree of financial flexibility. This enables us to pursue growth opportunities while maintaining disciplined capital allocation.

In June 2025, we launched a share buy-back programme of up to DKK 1.4 billion, the first such programme since 2013. In addition, we have recently announced the intention to initiate a new share buy-back programme of up to DKK 1.0 billion shortly after the release of our Q1 2026 financial results, subject to the necessary approvals. Together with dividends, these initiatives reflect our confidence in the quality and durability of our cash flows and a clear focus on delivering balanced and attractive shareholder returns.

At the same time, we remain committed to preserving financial flexibility to support organic investments, selective acquisitions and continued execution of our priorities.

Leadership transition and the next phase of our journey

During the year, Mikko Keto informed the Board of his decision to step down as Chief Executive Officer to pursue another opportunity outside FLSmidth. The Board would like to thank Mikko for his contribution to the company and his role in leading FLSmidth through a period of significant restructuring.

With the transition to a pure-play mining technology and services company now complete, FLSmidth stands at the beginning of a new phase in its development, and the Board is very excited that Toni Laaksonen will be leading the company through this next strategic phase.

Toni assumes the role as CEO with a clear mandate to build on the strengthened foundation of the company and to further develop our offering to customers across the mining value chain. The focus for the next phase will be on disciplined execution and profitable growth, leveraging FLSmidth's focused portfolio, simplified operating model and strong financial foundation.

The Board looks forward to continuing the close collaboration with Toni as FLSmidth moves into this next chapter of its journey.

Looking ahead

With a focused portfolio, a simpler operating model and strong financial flexibility, FLSmidth enters the next phase of its journey from a position of strength. While market conditions for large mining projects are expected to remain uncertain in the near term, we remain encouraged by the mining industry's long-term growth drivers, including sustained demand for critical minerals, the increasing complexity of mining operations, and the ongoing need for efficiency and productivity improvements. Further, the resilience of our Services and PC&V businesses, combined with the actions underway in Products, provide a solid platform for continued progress.

Over the longer term, the outlook for the mining industry remains supported by strong structural demand drivers. The global transition towards electrification, continued investment in renewable energy and the rapid expansion of data centres are all expected to drive sustained demand for key commodities, particularly copper. As these long-term trends translate into investment and execution, our priority is to continue strengthening our offering to our mining customers, supporting

them with technologies and services that enhance productivity, reliability and sustainability.

Thank you

In closing, we would like to thank all FLSmidth colleagues for their continued commitment and professionalism. Their expertise and dedication will remain central as the company moves into the next phase of its journey.

We also thank our customers, suppliers, partners and shareholders for their continued trust and support. We look forward to building on the progress achieved and shaping the next chapter of FLSmidth together.

Mads Nipper
Chair

Toni Laaksonen
CEO

01

Highlights

Financial performance highlights 2025	8
Sustainability performance highlights 2025	9
Segments and key ratios	10
5-year key figures	11
2026 financial guidance	12

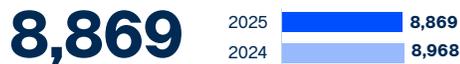


Financial performance highlights 2025

Service

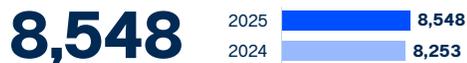
Order intake DKKm

▼ -1.1%



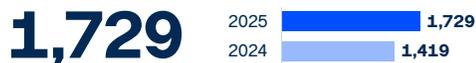
Revenue DKKm

▲ 3.6%



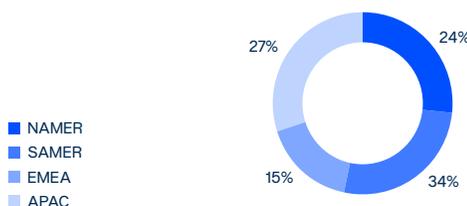
EBITA & EBITA margin DKKm - %

▲ 21.8%



20.2%

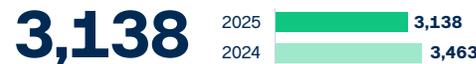
Revenue per region %



Products

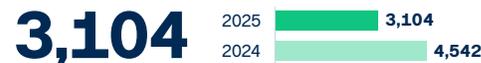
Order intake DKKm

▼ -9.4%



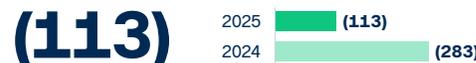
Revenue DKKm

▼ -31.7%



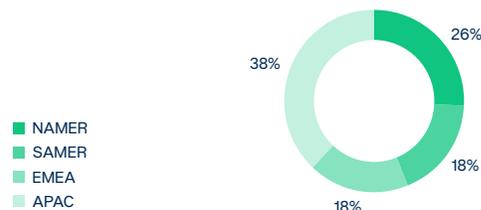
EBITA & EBITA margin DKKm - %

▲ 60.1%



-3.6%

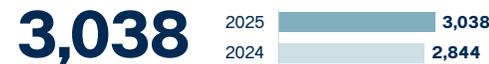
Revenue per region %



PC&V

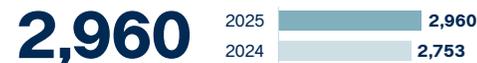
Order intake DKKm

▲ 6.8%



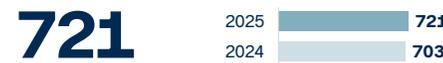
Revenue DKKm

▲ 7.5%



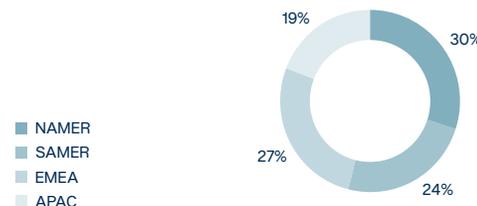
EBITA & EBITA margin DKKm - %

▲ 2.6%



24.4%

Revenue per region %



Continuing activities*

Order intake DKKm

▼ -1.9%



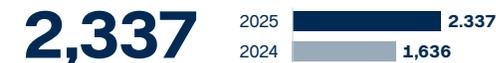
Revenue DKKm

▼ -7.2%



EBITA & EBITA margin DKKm - %

▲ 42.8%



16.0% (adj. 15.9%)

Cash flow from operating activities**

DKKm 996 ▲ from DKKm 640 in 2024

Earnings per share**

DKK 0.0 ▼ from DKK 17.8 in 2024

Net working capital ratio**

16.5% ▲ from 10.4% end of 2024

NIBD/EBITDA**

0.8x ▲ from 0.4x end of 2024

Note: All 2024 figures have been restated to reflect the continuing activities, excluding NCA.

* Consolidated figures for 2024 in right column for the continuing activities includes Non-Core Activities.

** For the year 2025, cash flow from operating activities (CFFO) reflects contributions from the Mining business throughout the entire year and from the Cement business until its divestment on 31 October 2025.

For 2024, both Mining and Cement are included for the full year. Key ratios for 2024 related to earnings per share, net working capital ratio and NIBD/EBITDA have not been restated.

Sustainability performance highlights 2025

We align our business with the core principles of environmental, social and governance responsibilities. In 2025, we continued to progress across all Science Based Targets and most key sustainability metrics, while maintaining stable performance on safety and strengthening initiatives aimed at driving future improvements¹.

Safety

Rate of recordable work-related accidents /million working hours



2.3 (target <1.0)

Unchanged



[Read more pages 99-100](#)

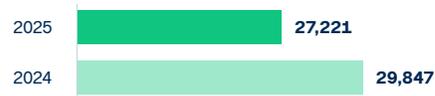
Scope 1 & 2 Greenhouse gas emissions²

tCO₂e (market-based)



27,221 (target <32,871)

▲ 8.8% improvement



[Read more page 69](#)

Women managers⁴

Percentage of all managers



16.0 (target >19.5%)

▲ 0.3%-points improvement



[Read more page 94](#)

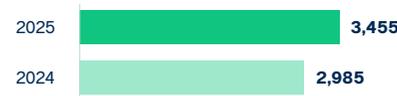
Scope 3 Economic intensity (use of sold products)³

tCO₂e/DKKm order intake



3,455 (target <4,069 by 2030)

▼ 15.7% deterioration



[Read more page 69](#)

Water

m³



139,007 (target 183,101)

▲ 10.9% improvement



[Read more page 77](#)

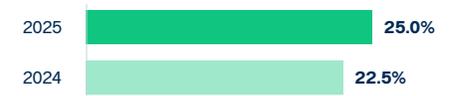
Spend with suppliers with science-based targets

Percentage of total spend



25.0 (target >30%)

▲ 2.5%-points improvement



[Read more page 69](#)

EU taxonomy - aligned revenue

Percentage of total revenue



19.6

▲ 9.7%-points improvement



[Read more page 87-88](#)

¹ All numbers presented represent the FLSmidth including discontinued activities. For more information related to our sustainability numbers for continuing business please refer to our sustainability statement pages 68, 71, 78, 96 and 99.

² 2024 number has been restated due to additional renewable energy certificates being purchased at our sites (previous value 30,638 tCO₂e).

³ Order intake has been adjusted to include discontinued business. Please refer to pages 87-88.

⁴ Women managers KPI now reflects a 12-month rolling average to reduce periodic volatility. 2024 figure has been restated to reflect the new methodology (previous value 16.4).

Segments and key ratios

Segments

Following the divestment of FLSmidth Cement, including its Air Pollution Control business, these operations were classified as discontinued activities and assets held for sale in the second quarter of 2025. Accordingly, FLSmidth revised its segment reporting to reflect its transition to a dedicated provider of technology and services for the mining industry.

As such, FLSmidth reports on the following three continuing segments: Service, Products, and Pumps, Cyclones & Valves (PC&V). On average, the PC&V segment is expected to comprise approximately 25% of equipment-related orders and 75% of aftermarket-related orders.

The segments for the continuing activities have been defined based on our go-to-market strategy and are consistent with FLSmidth's internal management and reporting structure. Comparative figures have been restated according to the new segment reporting. The performance of the segments is monitored at the level of operating profit before amortisation (EBITA).

Segmental assets and liabilities and related disclosures are not provided to management on a regular basis, and, accordingly, assets and liabilities for individual segments are not presented.

Reporting - Income statement for 2025 including comparative figures and balance sheet

After FLSmidth Cement's divestment was announced in June 2025, related financial results have been reported as discontinued activities.

Comparative figures related to the income statement have been restated to reflect the continuing activities. Consolidated comparative figures include the impact from the Non-Core Activities segment, which was reported as part of the continuing activities throughout 2024.

Assets and liabilities related to activities held for sale were presented as separate line items from 30 June as held for sale. Following the closing of the transaction on 31 October, these balances are no longer part of the Group balance sheet. Comparative balance sheet figures are not restated.

Key figures in the Annual Report 2025

Throughout the report, we present financial measures that are not defined according to IFRS. We refer to note 7.6 Alternative performance measures, and note 7.10 Definition of terms, for further information. Further, due to divestment of the Cement and Air Pollution Control businesses together with the separation of continuing and discontinued activities, there have been impacts on the calculation of these in this report.

Income statement and earnings ratios

The figures and ratios in both sections are based on continuing activities unless otherwise specifically stated in the text for each line item.

Cash flow

In the consolidated cash flow statement, cash flow from discontinued activities is included in the cash flow from operating, investing, and financing activities, combined with the cash flow from continuing activities.

Balance sheet

As at year end 2025, all line items in this section reflect the continuing activities only. Comparatives are not restated.

Financial ratios

For financial ratios where the numerator or denominator is derived from the income statement, as well as the capital employed ratio, figures relating to continuing activities only are used in both the current and comparative reporting periods. Specifically, financial ratios that include equity are based on income statement and balance sheet figures comprising both continuing and discontinued activities.

Share ratios

Share ratios are based on consolidated group figures, including both continuing and discontinued activities.

Sustainability performance figures

Sustainability performance figures are based on consolidated group figures, including both continuing and discontinued activities.

5-year key figures

DKKm	2021*	2022*	2023*	2024**	2025
Income statement					
Revenue	17,581	21,849	24,106	15,740	14,612
Gross profit ¹	4,180	5,076	5,960	5,006	5,110
EBITDA	1,401	1,300	1,761	1,890	2,571
EBITA	1,030	943	1,438	1,636	2,337
Adjusted EBITA	n/a	1,395	1,919	1,780	2,319
EBIT	668	619	1,200	1,434	2,054
Financial items, net	(81)	(67)	(146)	(218)	(83)
EBT	587	552	1,054	1,216	1,971
Profit/(loss) for the year, continuing activities	374	351	672	801	714
Profit/(loss) for the year, discontinued activities	(17)	1	(181)	229	(706)
Profit/(loss) for the year	357	352	491	1,030	8
Orders					
Order intake, continuing activities	19,233	24,644	21,376	15,333	15,045
Order backlog, continuing activities	16,592	23,541	17,593	11,358	10,893
Earning ratios					
Gross margin ¹	23.8%	23.2%	24.0%	31.8%	35.0%
EBITDA margin	8.0%	5.9%	7.3%	12.0%	17.6%
EBITA margin	5.9%	4.3%	6.0%	10.4%	16.0%
EBIT margin	3.8%	2.8%	5.0%	9.1%	14.1%
EBT margin	3.3%	2.5%	4.4%	7.7%	13.5%
Cash flow					
Cash flow from operating activities (CFFO)	1,449	968	623	640	996
Acquisitions of property, plant and equipment	(116)	(88)	(176)	(384)	(392)
Cash flow from investing activities (CFFI)	(273)	(2,310)	(257)	(508)	(517)
Free cash flow	1,176	(1,342)	366	132	479
Free cash flow adjusted for acquisitions and disposals of enterprises and activities	1,185	777	201	7	640
Balance sheet					
Net working capital	1,058	1,893	1,382	2,107	2,406
Net interest-bearing debt (NIBD)	889	(726)	(639)	(847)	(2,014)
Total assets	23,053	29,845	27,011	26,935	22,088
CAPEX	397	424	604	831	738
Equity	10,368	10,787	10,828	11,781	9,500
Dividend to shareholders, proposed	173	173	231	461	231

* 2021, 2022 and 2023 figures have not been restated. More information can be found in note 7.2.
 ** 2024 has been restated for the continuing activities including Non-Core-Activities.

Use of alternative performance measures. Throughout the report we present financial measures which are not defined according to IFRS Accounting Standards. We have included additional information in note 7.6 Alternative performance measures and 7.10 Definition of terms.

DKKm	2021*	2022*	2023*	2024	2025
Financial ratios					
Book-to-bill	109.4%	112.8%	88.7%	97.4%	103.0%
Order backlog / Revenue	94.4%	107.7%	73.0%	72.2%	74.5%
Return on equity	3.9%	3.3%	4.5%	9.1%	0.1%
Equity ratio	45.0%	36.1%	40.1%	43.7%	43.0%
ROCE, average	7.2%	5.9%	8.2%	9.2%	12.9%
Net working capital ratio, end	6.0%	8.7%	5.7%	10.4%	16.5%
NIBD / EBITDA	(0.6)x	0.6x	0.4x	0.4x	0.8x
Capital employed, average	14,384	15,888	17,552	17,867	18,047
Number of employees	10,117	10,977	9,377	5,745	5,494
Share ratios					
Cash flow per share, diluted	27.8	17.0	10.9	11.2	17.6
Earnings per share (EPS), diluted	6.9	6.5	8.7	17.7	0.0
Dividend yield	1.2	1.2	1.4	2.2	0.9
Dividend per share, proposed	3.00	3.00	4.00	8.00	4.00
Share price	244.30	251.70	287.20	356.00	445.00
Number of shares (1,000), end	57,650	57,650	57,650	57,650	57,650
Market capitalisation, end	14,084	14,511	16,557	20,523	25,654
Sustainability key figures					
Spend with suppliers with science-based targets	4.9%	7.7%	12.6%	22.5%	25.0%
Scope 1 and 2 greenhouse gas emissions (tCO ₂ e) market-based	34,737	39,079	38,022	29,847	27,221
Scope 3: Economic intensity Use of sold products (tCO ₂ e/DKKm order intake)	10,348	5,461	5,430	2,985	3,455
Water withdrawal (m ³)	201,997	178,064	167,610	156,022	139,007
Safety, Rate of recordable work-related accidents/ million working hours	1.9	1.5	2.7	2.3	2.3
Women managers	14.3%	14.3%	16.3%	15.7%	16.0%
EU taxonomy - aligned revenue		1.4%	6.2%	9.9%	19.6%

The financial ratios have been computed in accordance with the guidelines of the Danish Finance Society. Refer to note 7.10 Definitions of terms.

Assets and liabilities: 2024 figures are not restated and therefore include both continuing and discontinued activities.
 Return on equity: Continuing and discontinued activities. Equity for 2024 is not restated.
 ROCE, average: EBITA, continuing activities for 2025 and restated EBITA, continuing activities for 2024.
 Net working capital, end: Calculated on the basis of only continuing activities for 2025.
 NIBD / EBITDA: Based on EBITDA, continuing activities. Comparative EBITDA figure is restated.
 Capital employed: Capital figures are not restated for 2024.
 Cash flow per share: Cash flow generated from both continuing and discontinued activities.
 Earnings per share (EPS): Earnings from continuing and discontinued activities. Equity for 2024 is not restated.

2026 financial guidance

The 2026 financial guidance (ref. Company Announcement no. 09-2026) is maintained. As FLSmidth has now entered the final year of the CORE'26 strategy, the financial target for the full year 2026 (ref. Company Announcement no. 2-2023) is replaced by the 2026 financial guidance.

2025 realised performance

Revenue for 2025 was lower than our initial expectations for the year as a result of delayed execution of certain orders and unfavourable currency effects. The adjusted EBITA margin exceeded our initial expectations as a result of a more favourable revenue mix, resulting in a higher gross margin, and lower-than-expected SG&A costs.

2026 Organic revenue growth

Organic revenue growth is expected to be in the range of -1% to 4%. Organic revenue growth is measured at constant exchange rates and excludes the effects from acquisitions and disposals. The organic revenue guidance is partly secured through the order backlog, totalling DKK 10,893m at the end of 2025, of which 65% is expected to convert to revenue in 2026. As such,

achieving the 2026 guidance range requires that additional orders are secured within all business lines. As a result of the current exchange rates versus the Danish krone, the reported revenue growth is expected to be around one (1) percentage points lower than the expected organic revenue growth. The organic revenue growth guidance reflects the expectation of:

- Organic revenue growth of 2-5% in the Service business, supported by continued demand for productivity enhancing solutions to improve operational efficiency.
- Organic revenue growth in the Products business of -15% to -5% due to a reduced order backlog, which has resulted from the comprehensive pruning and de-risking of the product portfolio completed as well as the persistently low level of investment activity in the industry.
- Organic revenue growth of 4% to 7% in the Pumps, Cyclones & Valves (PC&V) business, supported by continued robust and active market conditions.

2026 adjusted EBITA margin

The adjusted EBITA margin is expected to be in the level of 15.5% to 16.5%. The adjusted EBITA margin is expected to benefit from strong, stable earn-

ings margins in the Service and PC&V businesses and planned profitability improvements in the Products business, supported by continued implementation of the corporate model, driving simplification, operational efficiency and improved commercial execution. The adjusted EBITA margin excludes costs related to the ongoing roll-out of our updated ERP platform. These costs are expected to amount to DKK 100m for the full year 2026. In addition, the adjusted EBITA margin excludes Other operating net income, including DKK 690m stemming from the sale of the Company's former corporate headquarters (ref. Company Announcement no. 9-2025), which will expectedly be recognised in Q1 2026.

Key assumptions for the financial outlook for the full year 2026

The above expectations are based on assumptions that the global or regional macroeconomic and political environment will not materially change business conditions for FLSmidth during 2026. This includes stable market conditions and customer investment levels in the mining industry, with no major regulatory or trade-policy changes that could affect project execution or operations. For more information about the expected sensitivities from key invoicing currencies, please refer to note 5.3.

2026 financial guidance



Organic revenue growth

-1% to 4%

Adj. EBITA margin

15.5% to 16.5%

02

Business

FLSmidth at a glance	14
FLSmidth in the world	15
CORE'26 strategy and business model	16
Our company values	21



FLSmidth at a glance



1882

Danish company founded
more than 140 years ago

5,494

employees using their unique
knowledge and capabilities to
meet our customers' needs

~125

countries across the globe
where we serve customers

~40

countries across the globe where
we have a local presence

14.6bn

in consolidated Group
revenue in 2025 (DKK)

FLSmidth in the world



- Corporate Centre, Copenhagen
- Global Business Centres
- Technology Center



North America
NAMER

26%

Share of revenue (25%)

25%

Share of employees (23%)



South America
SAMER

29%

Share of revenue (31%)

21%

Share of employees (27%)



Europe, Middle East & Africa
EMEA

18%

Share of revenue 18%

38%

Share of employees (31%)*



Asia & Australia
APAC

27%

Share of revenue (26%)

16%

Share of employees (19%)*

* As India is now included in the Europe/Middle East & Africa region in 2025, the comparative figures for 2024 have been restated accordingly. Numbers in brackets are comparative 2024 figures.

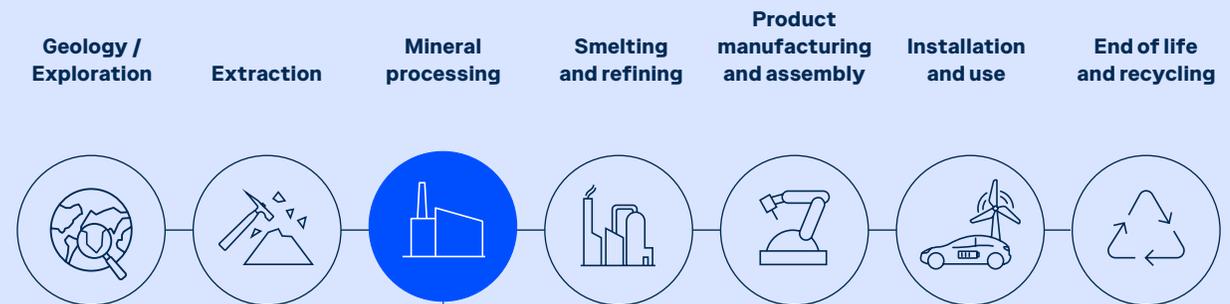
CORE'26 strategy and business model

We are a full flowsheet technology and service supplier for more sustainable mineral processing.

By providing the knowledge, technology and support necessary to enable progress and innovation, we support miners in meeting the world's demands for minerals. Today, we empower the future of mining.

Our proven technologies empower mining operations to enhance productivity, lower costs, improve safety, and reduce environmental impact. From the primary crusher onwards, we offer the full flow-sheet of mineral processing equipment, across commodities, and tailored to our customers' specific application requirements.

Mining value chain



Full flowsheet technology and service supplier for sustainable mineral processing



Fundamentals of our business

Underlying long-term demand for metals and minerals remains robust, driven by emerging middleclass, expansion of renewables, rapid adoption of electric vehicles and growing datacentre demand.

Our customers are committed to meeting the world’s demands for these metals and minerals. They face a triple challenge; producing more, more sustainably, and under more difficult conditions.

In mining, new discoveries and mine developments have decreased in the last decades, and miners are focusing on getting more out of existing operations to meet demand. As they increase production, our customers need to manage increasing operational challenges. These include declining ore grades, exploration and development of more remote and intricate deposits, interest rates and financing challenges, intensifying regulations, and geopolitical uncertainties. They also want and need to improve sustainable production methods (e.g., by reducing emissions, minimising power consumption, and conserving water).

Pure-play mining company

Following the divestment of Cement business on 31 October 2025 we are a pure-play mining company. As such, a new strategy will expectedly be released during 2026. Until then, we continue to use CORE’26 as the corporate strategy.

Our sole focus is on strengthening our Mining business’ market-leading position as a full flow-

sheet technology and service provider to the global minerals processing industry.

In 2025, we have increased our transparency by reporting all three business lines (Service, Products and Pumps, Cyclones & Valves) as separate Profit & Loss centres.

Executing our Strategy

Our CORE’26 strategy continues to form the basis for strong performance and consistent value creation, as we progress on our transformation towards a more resilient and profitable mining - service and technology business. In 2025, we have continued to implement the strategic choices defined in CORE’26.

In our next strategy cycle, we will be shifting focus from transforming the business and portfolio towards setting FLSmidth up for longer-term growth.

Purpose

Our purpose is ‘Mining for a sustainable world’. Mining is crucial to the global energy transition and the future demands from the growing middle-class population worldwide. The road to carbon-neutral emissions requires an extraordinary increase in the supply of minerals essential to the energy transition, including copper, lithium, nickel and cobalt.

We are empowering the future of mining: We provide miners with the knowledge, technology and support they need to enhance their minerals processes efficiently.

Mining for a sustainable world

Sustainability

Building a better future for our employees, society and the planet

Service

Global partner for life-cycle performance and sustainability

Technology

The complete provider for process and product technologies

Performance

Accelerating profitability through core business, simplification and balanced risk

Delivering solutions for tomorrow's mine

FLSMIDTH Mission Zero

Our goal is to help them meet the increasing global demand for minerals in a responsible and more sustainable manner.

Mission

Our mission is 'delivering solutions for tomorrow's mine'. We continue to leverage our ability to innovate, improve and produce world class offerings across the full flowsheet and lifecycle.

Focus areas

Our CORE'26 strategy has four focus areas:

- Sustainability
- Technology
- Service
- Performance

These focus areas are further detailed into concrete strategic initiatives for each Business Line, linked to goals and cascaded through the organisation. This ensures alignment between strategic ambitions and operational execution, strengthening our ability to deliver on our targets across our business.

Sustainability

Building a better future for our employees, society and the planet.

As a key sustainability partner for our customers, we address the impacts, risks and opportunities in our value chain which include addressing our scope 1, 2 and 3 emissions to achieve our Science Based Targets:

At the heart of our sustainability approach is a commitment to creating a positive impact on people, society, and the planet. As a trusted sustainability partner, we proactively manage the impacts, risks, and opportunities across our entire value chain, addressing scope 1, 2, and 3 emissions in line with our Science Based Targets. Through our customer-focused, technology-driven MissionZero program, we empower our customers to accelerate their journey toward more sustainable operations, helping them secure their license to operate and obtain permits for new mining projects. Our market-leading High Pressure Grinding Rolls (HPGR) technology and the related capital and service orders in 2025 are a prime example of a high-tech product with a significant impact on sustainability and a captive service opportunity.

We also set rigorous standards for our suppliers to reduce risk throughout our supply chain and take responsibility for the environmental, social, and governance aspects of our own operations. Our commitments are embedded in a robust policy framework, guiding our actions and progress toward a more sustainable future.

Technology

The complete provider for processing technology.

As a technology leader, we are in a unique position to enable our customers to move towards mining for a sustainable world. Our investments into innovation and digitalisation are critical to

remain a market leader and to deliver on our mining strategy.

Our customers in mining are facing increasing operational challenges. These lead to more complex and costly operations that challenge their performance. This calls for advanced technical solutions, which is where FLSmidth has a leading position and a competitive edge.

Service

Global partner for life-cycle performance and sustainability.

Service is at the heart of our business – it is the key to customer productivity and the main driver of our profitability. As a leader in the industry with a significant installed base across the world, leveraging this is key to our future success. A higher service share allows us to maintain a healthy, stable business despite the cyclical nature of the industry.

In 2025, we have further extended our network and continued our investments into consumables and improving the 'ease of doing business' with FLSmidth. Our service centres offer a full range of services, including repairs, upgrades, and rebuilds, all aimed at extending the lifespan of our customers' mining equipment and enhancing their productivity.

Early in the year, with the acquisition of Scott Specialized Rubber & Engineering (SSRE) a manu-

facturing company based in Pretoria, South Africa, we have strengthened our consumables offering within our market-leading portfolio in milling and grinding.

We also continued to optimise our 'back end' service processes and our supply chain network, focusing on faster turnaround times for quotes and deliveries and precise delivery estimates and times.

Performance

Accelerating profitability through core businesses, simplification and balanced risk.

Our portfolio transformation and the successful execution of the initiatives within the Sustainability, Technology and Service focus areas ultimately contribute to our overall performance and growth.

With now being a 'pure-play' mining business, we have also continued to simplify our organisational setup with a smaller corporate centre, more decision power in the operational business lines and leveraging Global Business Centres (GBCs) in India, Mexico and Romania.

Our business model

With more than 140 years of engineering expertise, FLSmidth today is a leading supplier to the global mining industry. We deliver full flowsheet technologies and services, optimising asset efficiency while managing risk and prioritising environmental impact to meet the world's demands for metals and minerals.

Our value proposition is to empower our customers to optimise production and meet global metals and mineral demands responsibly. This proposition is anchored in our industry expertise, a foundation built on trust and proficiency, a team of highly skilled professionals, a significant installed base and a commitment to sustainability and technological innovation.

Two market dynamics are the foundation for our business model: capital investments and production levels.

Capital investments include new capacity and capacity expansions as well as replacements and upgrades in existing facilities, allowing us to introduce advanced technology and innovations for new sites and modernise current operations. Capital investments are cyclical, lumpy and subject to general and customer-specific economic conditions.

Steadily growing production levels drive the profitability and operating expenses of our customers, including the day-to-day costs of energy, maintenance, labour, water recycling and other materials. Our expertise is crucial in enhancing operational efficiency for our customers, and we leverage our large installed base to build a stable, recurring service business.

With less greenfield mines being built, our overall strategic focus in Mining continues to shift towards a service-centric business. We pursue fewer large, complex orders and target more high-margin service offerings.

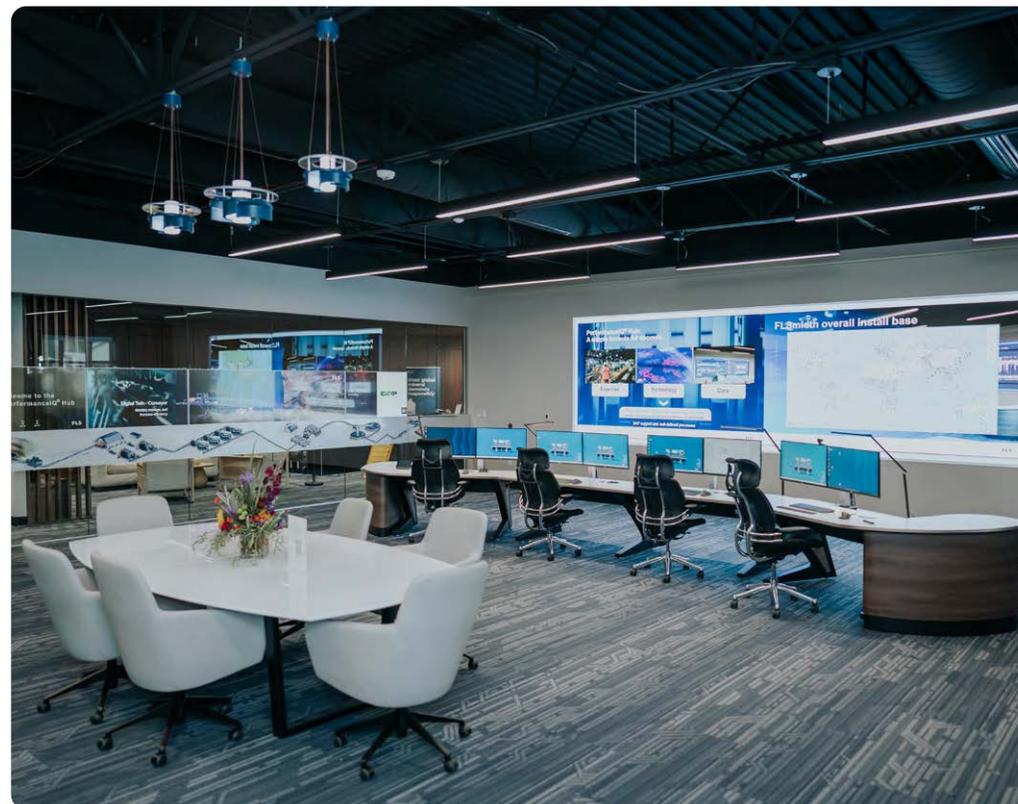
The products we supply often generate business opportunities far exceeding their initial investment over their lifecycle. We support our customers throughout this lifecycle, capturing a substantial share of service-related revenue. Lifecycle profitability is a key consideration in our decision-making and contract engagements, with set profitability guidelines for both our Service, Products and PC&V businesses and their combined lifecycle offerings.

Innovation and product development are prioritised to align with our sustainability and service-focused objectives.

Our strategy emphasises an asset-light model and a streamlined setup. Localising our service footprint whilst consolidating our supply chain as well as our manufacturing and assembly centres are key. This ensures organisational efficiency and prompt delivery.



Performance IQ Hub in
Salt Lake City, Utah



How we create value

We depend on

Our people and engagement

We recognise the importance of attracting, developing and retaining a highly qualified, diverse and value-based workforce.

Our industry know-how

Our solutions are built on our deep industry know-how, strong customer relationships, our large installed base, solid supplier networks and world-class offerings.

Our financial strength

Our solid and flexible capital structure supports our strategic journey and continued shareholder value creation.

Solid market fundamentals

Despite ongoing global macroeconomic and geopolitical turmoil, the long-term demand for minerals and metals remains resilient.

Delivering solutions for tomorrow's mine

CORE'26

Technology

As a technology leader, we are in a unique position to enable our customers to move towards mining for a sustainable world.

Performance

The successful execution of the initiatives identified within the Sustainability, Technology and Service focus areas ultimately contribute to our overall performance and growth.

Sustainability

As a key sustainability partner for our customers, we can drive significant progress across the industry value chain.

Service

Service is at the heart of our business. As a leader in the industry with a significant installed base across the world, leveraging this is key to our future success.

Value created for

Our customers

Based on a deep knowledge of customer needs, we help them overcome challenges, enhance efficiency and improve their sustainability performances.

Our employees

Employment and working conditions must be safe, fair and non-discriminatory to ensure that FLSmidth remains an attractive workplace.

Our shareholders

Our ongoing transformation aims at delivering sustained value creation for our shareholders. In addition, we target a dividend pay-out ratio of 30-50% of net profit.

Our planet

Through MissionZero, we help our customers reduce their environmental impact of their operations through improved energy efficiency as well as greater throughput and capture rates.



Our company values

Our values

Our transformation and strategy execution are truly rooted in our company values, encapsulated as 'TEACH' - Trust, Empowerment, Accountability, Collaboration, and Honesty. These values foster strong internal engagement and shape our interactions with customers, business partners, suppliers, shareholders and communities.

People & Engagement

People are at the centre of FLSmidth. Our role in the green transition and the transformation journey we have embarked on are inspirational and to deliver, we need talented colleagues who share the FLSmidth values and ambitions going forward. As we operate a global

business with more than 100 nationalities, finding the right people, developing them and retaining them remain key to FLSmidth's future success. Diversity, equity, and inclusion are therefore important elements in our continuous search for innovation and operational excellence across the company. We have a strong focus on our global employer branding, in-house talent development and the well-being of our employees. We continue to conduct monthly wellbeing and engagement surveys globally to obtain dynamic feedback.

We believe that diverse teams perform better and focus on ensuring that our organisation is diverse in terms of gender, background, education, nationalities, etc. All managers and employees have a role in creating a diverse and inclusive organisation.



Mackay Service Centre
Queensland, Australia



Trust

We are trustworthy and believe others are as well



Empowerment

We have the necessary autonomy to drive results



Accountability

We take ownership to get it done



Collaboration

We proactively work together to achieve success



Honesty

We are transparent and act with good intent

03

Performance

Service business	23
Product business	25
PC&V business	27
Discontinued activities	29
Financial performance	30



Service business

The Service business delivered 14% organic growth in order intake in 2025, supported by the strategic initiatives implemented over recent years, including a more customer-centric sales organisation and the continued development of our service centre network.

Market outlook and trends

Demand for services remained stable and active, as miners continued to enhance their current operations and alleviate flowsheet constraints. Activity in the service market was consistent with prior periods, supported by sustained demand for performance-enhancing solutions that enable customers to capitalise on elevated metal prices, while simultaneously reducing operating costs.

Gold projects remain particularly active, with miners indicating a stronger outlook for gold

Service

DKKm	Q4 2025	Q4 2024*	Change (%)	2025	2024*	Change (%)
Order intake	2,511	2,351	7%	8,869	8,968	-1%
Order backlog	5,060	5,129	-1%	5,060	5,129	-1%
Revenue	2,370	2,213	7%	8,548	8,253	4%
Other operating net income	90	7	1,186%	147	37	297%
Transformation and separation costs	(61)	(25)	144%	(139)	(99)	40%
Adjusted EBITA**	502	388	29%	1,721	1,481	16%
Adjusted EBITA margin	21.2%	17.5%		20.1%	17.9%	
EBITA	531	370	44%	1,729	1,419	22%
EBITA margin	22.4%	16.7%		20.2%	17.2%	

* All 2024 numbers have been restated to reflect the continuing activities.

** To illustrate the underlying business performance, we present an adjusted EBITA margin, which excludes costs related to our ongoing transformation activities and the separation of the Mining and Cement businesses as well as items reported as other operating net income.

compared to other metals. Short lead times continue to be essential for customers seeking to enhance recoveries and maintain high production rates.

In North America, there has been an improvement in activity over the year as customers gained greater clarity on recent US tariff measures, which supported a gradual recovery in project planning.

However, ongoing hesitation among mining companies to approve capital expenditure programmes has negatively impacted the timing of several larger modernisation and upgrade projects, as well as the delivery of certain first-time spare parts.

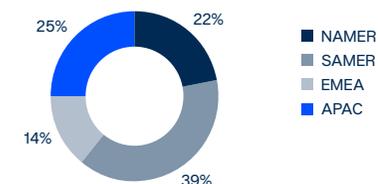
Order intake development in Q4 2025

Organically, Service order intake increased by 14% compared to Q4 2024, driven by increased orders for consumables and modernisations, supported by strong activity in the South American and African markets. Total Service order intake increased by 7% compared to Q4 2024.

Order intake development in 2025

Organically, Service order intake increased by 4% compared to 2024. The organic growth was driven by solid performance in key markets, particularly South America and Africa, with strong momentum. Total Service order intake declined by 1% to DKK 8,869m compared to 2024.

Order intake split by Region Q4 2025



Growth in order intake and revenue in Q4 2025 (vs. Q4 2024)*

	Order intake	Revenue
Organic	14%	15%
Acquisitions/divestments	0%	0%
Currency	-7%	-8%
Total growth	7%	7%

* Growth is calculated on a like-for-like basis. As such, the growth numbers do not include revenue and organic growth from the Non-Core Activities segment in 2024.

Service business

Order backlog

The order backlog decreased to DKK 5,060m at the end of 2025 compared to DKK 5,129m at the end of 2024. The book-to-bill ratio was 105.9% and 103.8% in Q4 2025 and for the full year 2025, respectively.

Revenue development in Q4 2025

Organically, Service revenue increased by 15% compared to Q4 2024, mainly as a result of the execution of certain larger modernisation and consumables orders and supported by the strengthening of our global supply chain and more effective backlog management. Total Service revenue increased by 7% to DKK 2,370m compared to Q4 2024.

Revenue development in 2025

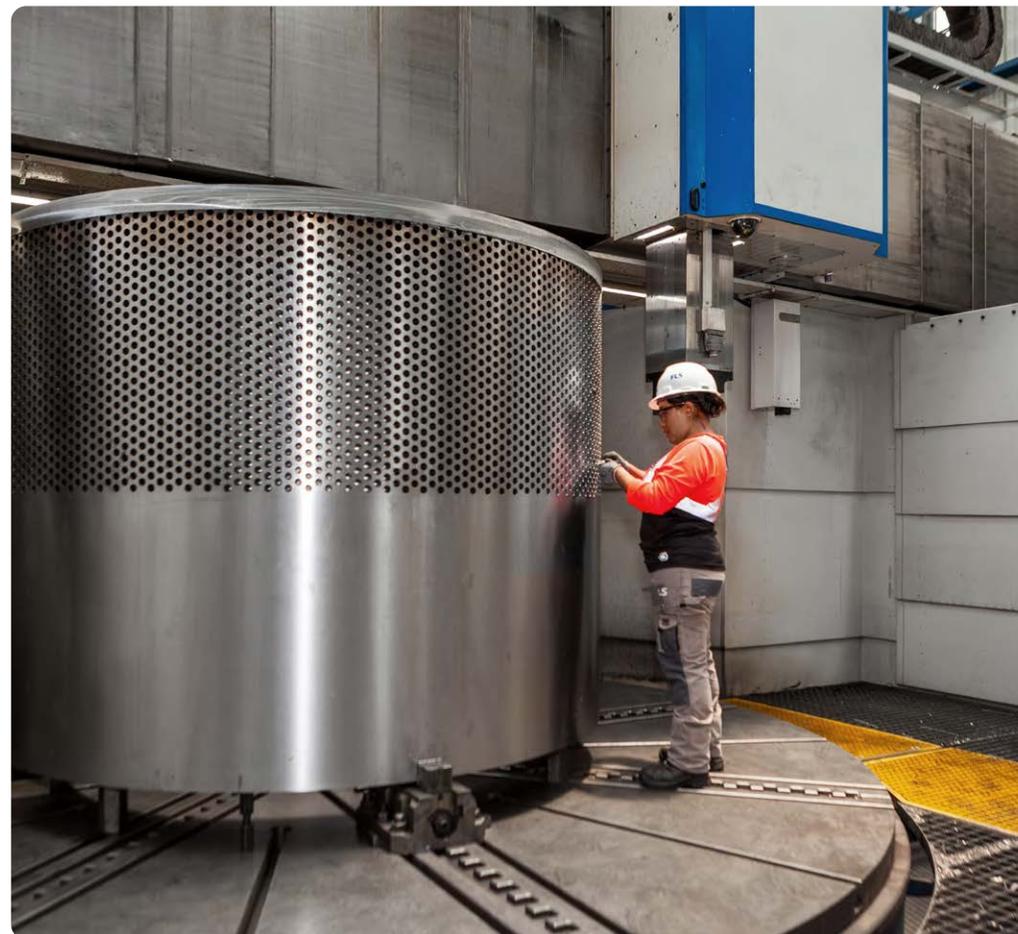
Organically, Service revenue increased by 9% compared to 2024, primarily as a result of the strengthening of our global supply chain and more effective backlog management. Total Service revenue increased by 4% to DKK 8,548m compared to 2024.

EBITA development in Q4 2025

The adjusted EBITA margin was 21.2% when excluding transformation and separation costs of DKK 61m and other operating net income of DKK 90m, which primarily related to the sale of a facility site in Turkey and a property in India during the period. Including these items, EBITA increased to DKK 531m corresponding to an EBITA margin of 22.4% compared to DKK 370m corresponding to an EBITA margin of 16.7% in Q4 2024. The year-on-year increase was supported by the relatively higher revenue in the quarter.

EBITA development in 2025

The adjusted EBITA margin was 20.1% when excluding transformation and separation costs of DKK 139m as well as other operating net income of DKK 147m. Including these items, EBITA increased to DKK 1,729m corresponding to an EBITA margin of 20.2% compared to DKK 1,419m corresponding to an EBITA margin of 17.2% in 2024.



Service Centre technician,
South America

Products business

During 2025, the products market continued to experience subdued market conditions, as uncertainty persisted regarding the timing of several larger scale mining projects.

Despite commodity prices remaining relatively high during the quarter, persistent uncertainty relating to US tariff measures, the longer-term price levels for minerals and metals as well as broader macroeconomic conditions, have continued to weigh on global demand.

Market outlook and trends

The products market remains subdued, with some clients expressing caution regarding investment in larger brownfield and greenfield projects.

In line with trends observed in the service market, activity within gold-related projects has demonstrated greater resilience compared to other metals, buoyed by a more positive outlook. Consequently, there is potential for smaller gold

projects to materialise in the near-to-medium term. Customers also remain highly focused on solutions with shorter lead times that support improved recoveries and help sustain production levels in current operations.

Order intake development in Q4 2025

Organically, Products order intake increased by 28% compared to Q4 2024. Two large orders totalling DKK 605m were announced in Q4 2025, whereas no large orders were announced in Q4 2024. Total Products order intake increased by 21% to DKK 1,120m compared to Q4 2024.

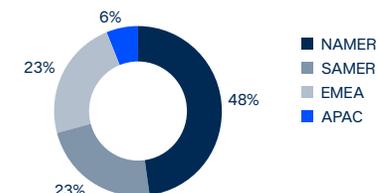
Order intake development in 2025

Organically, Products order intake decreased by 5% compared to 2024. Three large orders were announced in 2025, whereof two had a combined value of DKK 605m. The value for the remaining order was not disclosed. In 2024, three large orders totalling DKK 1.0bn were announced. Total Products order intake decreased by 9% to DKK 3,138m compared to 2024.

Order backlog

The order backlog decreased to DKK 4,838m at the end of 2025 compared to DKK 4,976m at the end of 2024. The book-to-bill ratio was 120.8% and 101.1% in Q4 2025 and for the full year 2025, respectively.

Order intake split by Region Q4 2024



Growth in order intake and revenue in Q4 2025 (vs. Q4 2024)*

	Order intake	Revenue
Organic	28%	-15%
Acquisitions/divestments	0%	0%
Currency	-7%	-6%
Total growth	21%	-21%

* Growth is calculated on a like-for-like basis. As such, the growth numbers do not include revenue and organic growth from the Non-Core Activities segment in 2024.

Products

DKKm	Q4 2025	Q4 2024*	Change (%)	2025	2024*	Change (%)
Order intake	1,120	928	21%	3,138	3,463	-9%
Order backlog	4,838	4,976	-3%	4,838	4,976	-3%
Revenue	927	1,175	-21%	3,104	4,542	-32%
Other operating net income	29	2	1,350%	70	13	438%
Transformation and separation costs	(5)	(15)	-67%	(56)	(60)	-7%
Adjusted EBITA**	39	(31)	-226%	(127)	(236)	-46%
Adjusted EBITA margin	4.2%	-2.6%		-4.1%	-5.2%	
EBITA	63	(44)	-243%	(113)	(283)	-60%
EBITA margin	6.8%	-3.7%		-3.6%	-6.2%	

* All 2024 numbers have been restated to reflect the continuing activities.

** To illustrate the underlying business performance, we present an adjusted EBITA margin, which excludes costs related to our ongoing transformation activities and the separation of the Mining and Cement businesses as well as items reported as other operating net income.

Products business

Revenue development in Q4 2025

Organically, Products revenue decreased by 15% compared to Q4 2024. The decline was primarily a reflection of the subdued market conditions, resulting in a reduced order intake through the year, as well as delayed execution of orders within certain product groups. Total Products revenue decreased by 21% to DKK 927m compared to Q4 2024.

Revenue development in 2025

Organically, Products revenue decreased by 29% compared to 2024, driven by the continued softness in the market conditions, resulting in a reduced order intake through the year, as well as delayed execution of certain orders. Total Products revenue decreased by 32% to DKK 3,104m compared to 2024.

EBITA development in Q4 2025

The adjusted EBITA margin was 4.2% when excluding transformation and separation costs of DKK 5m and other operating net income of DKK 29m, supported by the sequentially higher level of revenue in the quarter. Including these items, EBITA increased to DKK 63m corresponding to an EBITA margin of 6.8% compared to DKK -44m in Q4 2024, corresponding to an EBITA margin of -3.7%.

EBITA development in 2025

The adjusted EBITA margin was -4.1% when excluding transformation and separation costs of DKK 56m as well as other operating net income of DKK 70m, which primarily related to the sale of a facility site in Turkey and a property in India during the period. Including these items, EBITA increased to DKK -113m corresponding to an EBITA margin of -3.6% compared to DKK -283m in 2024 corresponding to an EBITA margin of -6.2%.



Large ball mills, grinding technology

PC&V business

The Pumps, Cyclones & Valves (PC&V) business delivered 12% organic growth in order intake in 2025, supported by a significant ramp-up of the commercial front end with increased presence at customer sites.

Market outlook and trends

Throughout 2025, the market for pumps, cyclones, and valves demonstrated resilience, supported by stable to modestly increasing production volumes and sustained high metal prices.

While the project business continued to experience subdued activity, impacting overall growth, FLSmidth achieved robust organic growth compared to the previous year's fourth quarter.

Customer demand remained strong for smaller scale equipment solutions that enhance throughput and operational efficiency demonstrated by a significant increase in product sales.

Order intake development in Q4 2025

Organically, PC&V order intake increased by 21% compared to Q4 2024, driven by an increased level of equipment sales at customer sites demonstrating the benefits of the recently strengthened sales force. Total PC&V order intake increased by 15% to DKK 772m compared to Q4 2024.

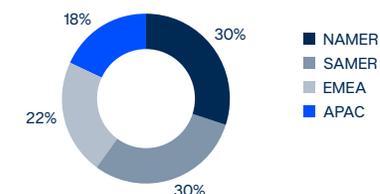
Order intake development in 2025

Organically, PC&V order intake increased by 12% for the full year compared to 2024. The year-on-year increase was driven by a higher level of both equipment and aftermarket-related orders across the globe. The order intake in 2025 was supported by a strategically important order from an Indian miner and steelmaker for all pumps and cyclones associated with a greenfield expansion. Total PC&V order intake increased by 7% to DKK 3,038m compared to 2024.

Order backlog

The order backlog decreased to DKK 995m at the end of 2025 compared to DKK 1,042m at the end of 2024. The book-to-bill ratio was 99.5% and 102.6% in Q4 2025 and for the full year 2025, respectively.

Order intake split by Region Q4 2025



PC&V

DKKm	Q4 2025	Q4 2024*	Change (%)	2025	2024*	Change (%)
Order intake	772	672	15%	3,038	2,844	7%
Order backlog	995	1,042	-5%	995	1,042	-5%
Revenue	776	790	-2%	2,960	2,753	8%
Other operating net income	44	0	-	45	0	-
Transformation and separation costs	(25)	(8)	213%	(49)	(32)	53%
Adjusted EBITA**	194	221	-12%	725	735	-1%
Adjusted EBITA margin	25.0%	28.0%		24.5%	26.7%	
EBITA	213	213	0%	721	703	3%
EBITA margin	27.4%	27.0%		24.4%	25.5%	

* All 2024 numbers have been restated to reflect the continuing activities.

** To illustrate the underlying business performance, we present an adjusted EBITA margin, which excludes costs related to our ongoing transformation activities and the separation of the Mining and Cement businesses as well as items reported as other operating net income.

Growth in order intake and revenue in Q4 2025 (vs. Q4 2024)*

	Order intake	Revenue
Organic	21%	4%
Acquisitions/divestments	0%	0%
Currency	-6%	-6%
Total growth	15%	-2%

* Growth is calculated on a like-for-like basis. As such, the growth numbers do not include revenue and organic growth from the Non-Core Activities segment in 2024.

PC&V business

Revenue development in Q4 2025

Organically, PC&V revenue increased by 4% compared to Q4 2024, driven by effective management of the equipment-related order backlog as well as of the related aftermarket orders. Total PC&V revenue decreased by 2% compared to Q4 2024 to DKK 776m.

Revenue development in 2025

Organically, PC&V revenue increased by 12% compared to 2024, driven by a higher level of aftermarket-related revenue supported by the increase of the installed base as well as the restructuring of our supply chain and closer presence to customers, which has resulted in an overall better execution of orders. Total PC&V revenue increased by 8% compared to 2024 to DKK 2,960m.

EBITA development in Q4 2025

The adjusted EBITA margin was 25.0 % when excluding transformation and separation costs of DKK 25m and other operating net income of DKK 44m, which primarily related to the sale of a facility site in Turkey and a property in India during the period. Including these items, EBITA was DKK 213m corresponding to an EBITA margin of 27.4% compared to DKK 213m in Q4 2024 corresponding to an EBITA margin of 27.0%.

EBITA development in 2025

The adjusted EBITA margin was 24.5% when excluding transformation and separation costs of DKK 49m as well as other operating net income of DKK 45m. Including these items, EBITA increased to DKK 721m corresponding to an EBITA margin of 24.4% compared to DKK 703m in 2024 corresponding to an EBITA margin of 25.5%.



WFGD gMAX cyclones in Power Plant with KREBS valves

Discontinued activities

Following the announced agreements to divest FLSmidth Cement, including the Air Pollution Control business, both businesses have been classified as held for sale and discontinued activities.

Divestment of FLSmidth Cement

On 20 June 2025, FLSmidth announced that it had entered into an agreement to divest its Cement business as a share deal to an affiliate of Pacific Avenue Capital Partners for a total initial consideration of EUR 75m, corresponding to approximately DKK 550m (Enterprise Value), plus a conditional deferred cash consideration of up to EUR 75m, corresponding to approximately DKK 550m (ref. Company Announcement no. 10-2025).

The transaction includes all related employees, assets, intellectual property and technology with the exception of certain legacy contracts, which have been retained by FLSmidth.

The transaction closed on 31 October 2025.

Divestment of the Air Pollution Control business

On 30 June 2025, FLSmidth announced that it had entered into an agreement to divest its Air Pollution Control (APC) business to Rubicon Partners.

The transaction included all related assets, including intellectual property, technology, employees and order backlog.

The transaction closed on 30 December 2025.

Profit and loss in 2025

The loss from discontinued activities amounted to DKK 706m in 2025 and was negatively impacted by impairment charges totalling DKK 633m.

For further information about discontinued activities, please refer to note 2.11 and note 2.12.



Cement factory in Anhovo, Slovenia



Consolidated financial performance Q4 2025

Continuing activities

DKKm	Q4 2025	Q4 2024*	Change (%)	2025	2024*	Change (%)
Order intake	4,403	3,951	11%	15,045	15,333	-2%
Hereof service order intake	2,511	2,351	7%	8,869	8,968	-1%
Hereof products order intake	1,120	928	21%	3,138	3,463	-9%
Hereof PC&V order intake	772	672	15%	3,038	2,844	7%
Order backlog	10,893	11,358	-4%	10,893	11,358	-4%
Revenue	4,073	4,240	-4%	14,612	15,740	-7%
Hereof service revenue	2,370	2,213	7%	8,548	8,253	4%
Hereof products revenue	927	1,175	-21%	3,104	4,542	-32%
Hereof PC&V revenue	776	790	-2%	2,960	2,753	8%
Gross profit	1,409	1,437	-2%	5,110	5,006	2%
Gross margin	34.6%	33.9%		35.0%	31.8%	
SG&A cost	(705)	(869)	-19%	(2,801)	(3,163)	-11%
SG&A ratio	17.3%	20.5%		19.2%	20.1%	
Other operating net income	163	5	3,160%	262	47	457%
Transformation and separation costs	(91)	(48)	90%	(244)	(191)	28%
Adjusted EBITA	735	548	34%	2,319	1,780	30%
Adjusted EBITA margin	18.0%	12.9%		15.9%	11.3%	
EBITA	807	505	60%	2,337	1,636	43%
EBITA margin	19.8%	11.9%		16.0%	10.4%	
Number of employees	5,494	5,745	-4%	5,494	5,745	-4%

* All 2024 numbers have been restated to reflect the continuing activities and Consolidated numbers include Non-Core Activities.
 ** Growth is calculated on a like-for-like basis. As such, the growth numbers do not include revenue and organic growth from the Non-Core Activities segment in 2024.
 *** To illustrate the underlying business performance, we present an adjusted EBITA margin, which excludes costs related to our ongoing transformation activities and the separation of the Mining and Cement businesses as well as items reported as other operating net income.

Order intake in Q4 2025

Organically, order intake increased by 19% in Q4 2025 compared to Q4 2024, driven by all three segments. Two large Products order with a combined value of DKK 605m were announced in the quarter. No large Products orders were announced in Q4 2024.

Total order intake increased by 11% in Q4 2025 to DKK 4,403m compared to Q4 2024. There was no order intake in the Non-Core Activities segment in Q4 2024.

Service, Products and PC&V comprised respectively 57%, 25% and 18% of total order intake in Q4 2025, compared to 60%, 23% and 17%, respectively, in Q4 2024.

Order backlog and maturity in Q4 2025

The order backlog increased by 3% to DKK 10,893m compared to Q3 2025 but decreased by 4% compared to Q4 2024. The year-on-year decline was primarily driven by a lower order intake in the Products business as a result of the comprehensive de-risking and portfolio pruning completed over the recent years as well as the continued softness of the market conditions.

Growth in order intake in Q4 2025 (vs. Q4 2024)**

	Service	Products	PC&V	FLSmidth Group
Organic	14%	28%	21%	19%
Acquisitions/divestments	0%	0%	0%	0%
Currency	-7%	-7%	-6%	-8%
Total growth	7%	21%	15%	11%

Growth in revenue in Q4 2025 (vs. Q4 2024)**

	Service	Products	PC&V	FLSmidth Group
Organic	15%	-15%	4%	4%
Acquisitions/divestments	0%	0%	0%	0%
Currency	-8%	-6%	-6%	-8%
Total growth	7%	-21%	-2%	-4%

Order intake split by segments, Q4 2025



Consolidated financial performance Q4 2025

Backlog maturity

FLSmidth Group	
2026	65%
2027	28%
2028 and beyond	7%

Revenue in Q4 2025

Organically, revenue growth was 4% to Q4 2025 driven by Service and PC&V. Total revenue declined by 4%, driven by a negative currency effect of 8%.

The quarter-on-quarter organic increase was primarily driven by increased revenue in Service offset by reduction in both Products and PC&V. Non-Core Activities contributed with DKK 62m in revenue in Q4 2024.

Service, Products and PC&V comprised respectively 58%, 23% and 19% of the total revenue in Q4 2025, compared to 52%, 28% and 19%, respectively, in Q4 2024. Non-Core Activities comprised 1% of the total revenue in Q4 2024.

Profit in Q4 2025

Gross profit and margin

Gross profit decreased by 2% to DKK 1,409m in Q4 2025, compared to DKK 1,437m in Q4 2024. The corresponding gross margin increased to 34.6% compared to 33.9% in Q4 2024. The increase was primarily a reflection of a higher share of revenue from the Service and PC&V businesses and the ceasing of the lower margin Non-Core Activities segment in Q1 2025. In Q4 2025 total research and development costs (R&D) amounted to DKK 37m, representing 0.9% of revenue (Q4 2024: 1.8%). R&D decreased as a result of planned lower spending.

Research & development costs

DKKm	Q4 2025	Q4 2024
Production costs	5	22
Capitalised	32	54
Total R&D	37	76

SG&A costs

Sales, general and administrative costs (SG&A) decreased by 19% to DKK 705m compared to DKK 869m in Q4 2024, reflecting the positive effects from the ongoing simplification of our operating model, especially within support functions and in the Products business.

Currencies had a favourable impact on SG&A of DKK 41m in the quarter.

SG&A costs as a percentage of revenue decreased to 17.3% in Q4 2025 compared to 20.5% in Q4 2024.

EBITA and margin

The adjusted EBITA margin for Q4 2025 was 18.0% when excluding transformation and separation costs of DKK 91m and other operating net income, which primarily related to the sale of a facility site in Turkey and a property in India during the period, of DKK 163m in Q4 2025. Including these items, EBITA increased to DKK 807m, corresponding to an EBITA margin of 19.8%, compared to an EBITA margin of 11.9% in Q4 2024. The EBITA margin was positively affected by the improved gross margin and lower SG&A costs.

Non-Core Activities impacted EBITA negatively by DKK 34m in Q4 2024. Excluding the Non-Core Activities, the EBITA margin would have been 12.7% in Q4 2024.

Amortisation of intangible assets

Amortisation of intangible assets amounted to DKK 126m (Q4 2024: DKK 44m), primarily driven by impairment charges relating to certain projects that are no longer in use.

Backlog



Revenue & EBITA margin



EBITA



Consolidated financial performance Q4 2025

Financial items

Net financial items amounted to DKK -23m in Q4 2025 (Q4 2024: DKK -31m), of which net interest amounted to DKK -28m (Q4 2024: DKK -19m), foreign exchange and fair value adjustments amounted to DKK 4m (Q4 2024: DKK -8m) and loss from associates amounted to DKK 2m (Q4 2024: DKK -5m).

Tax

The adjusted effective tax rate for Q4 was 32.0%.

In light of recent macroeconomic and regulatory developments, as well as operational considerations, we have reassessed where taxable income is expected to be generated over the coming years. As a result, we have recognised an impairment of deferred tax assets in Denmark of approximately DKK 600 million in the fourth quarter of 2025, as at 31 December 2025.

The impairment is an accounting adjustment and does not represent a loss of the underlying tax assets, which are expected to be recovered over a longer period than that applied for recognition purposes.

Tax in Q4 2025, including the impairment of deferred tax assets, amounted to an expense of DKK 810m (2024: DKK 147m), corresponding to an effective tax rate of 123.5% (2024: 34%).

Profit for the period

The net loss in Q4 2025 was DKK -282m (Q4 2024: DKK 360m). While earnings before tax from continuing activities improved significantly compared to 2024, the net result was negatively impacted by the impairment of deferred tax assets in Q4 2025.

Capital in Q4 2025

Cash flow from operating activities

Cash flow from operating activities (CFFO) amounted to DKK 3m in Q4 2025 (Q4 2024: DKK 621m). The cash flow was positively impacted by higher earnings but was more than offset by changes in net working capital, including a build-up of inventories and the effect from the divestment of the Cement business. In Q4 2024, CFFO was positively impacted by favourable changes in net working capital.

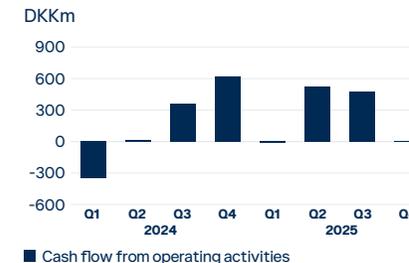
Cash flow from investing activities

Cash flow from investing activities amounted to DKK -69m (Q4 2024: DKK -222m). Q4 2025 outturn was positively impacted by lower spend on intangibles combined with a cash inflow from the sale of various properties, offset by a net outflow from the divestment of the Cement business.

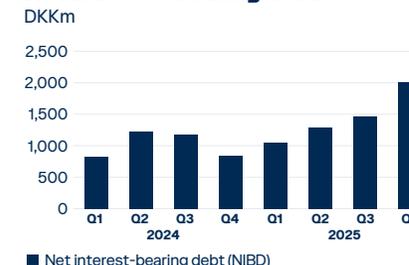
Free cash flow

Free cash flow (the sum of cash flow from operating and investing activities) amounted to DKK -66m in the quarter (Q4 2024: DKK 399m). Free cash flow adjusted for business acquisitions and disposals amounted to DKK 70m in Q4 2025 (Q4 2024: DKK 422m).

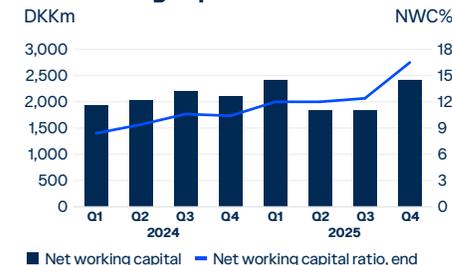
Cash flow



Net interest-bearing debt



Net working capital



Consolidated financial performance full year 2025

Order intake in 2025

Organically, order intake increased by 3% compared to 2024 driven by the Service and PC&V businesses.

In Products, three large orders were announced in 2025, whereof two had a combined value of DKK 605m. The value for the remaining order was not disclosed. By comparison, three large orders total-ing DKK 1.0bn were announced in 2024.

Total order intake decreased by 2% in 2025. Non-Core Activities contributed with DKK 58m in order intake in 2024.

Growth in order intake in 2025 (vs. 2024)*

	Service	Products	PC&V	FLSmidth Group
Organic	4%	-5%	12%	3%
Acquisitions/ Divestment	0%	0%	0%	0%
Currency	-5%	-4%	-5%	-5%
Total growth	-1%	-9%	7%	-2%

Order backlog

The order backlog declined by 4% to DKK 10,893m compared to DKK 11,358m as of the end of 2024. The decline was mainly driven by the de-risking of our backlog, including the execution and wind-down of the backlog in the Non-Core Activities segment during 2024. The book-to-bill ratio was 103.0% in 2025 (2024: 97.4%).

Based on the order backlog maturity profile, 65% (2024: 65%) of the order backlog is expected to convert into revenue in 2026, while 28% (2024: 28%) and 7% (2024: 7%) are expected to convert in 2027 and in 2028 and beyond, respectively.

Revenue in 2025

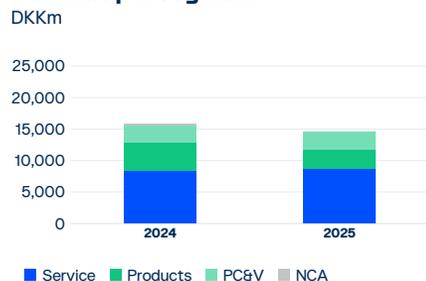
Organically, revenue decreased by 1% compared to 2024. Total revenue decreased by 7% to DKK 14,612m in 2025, compared to 2024. The year-on-year decline was primarily driven by lower revenue in Products, as a result of the delayed execution of orders with certain product groups. In addition, Non-Core Activities contributed with DKK 192m of revenue in 2024. The decline was partly offset by higher revenue in Service and PC&V businesses.

Service Products and PC&V comprise 59%, 21% and 20% of the total in 2025, respectively, compared to 52%, 29% and 18%. Non-Core Activities comprised 1% of total revenue in 2024.

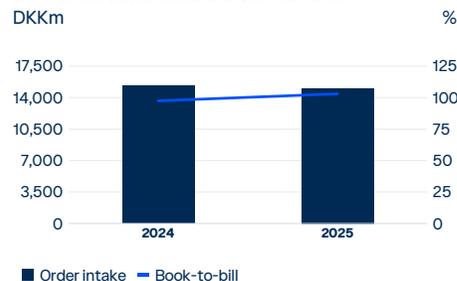
Growth in revenue in 2025 (vs. 2024)*

	Service	Products	PC&V	FLSmidth Group
Organic	9%	-28%	12%	-1%
Acquisitions/ divestments	0%	0%	0%	0%
Currency	-5%	-4%	-4%	-6%
Total growth	4%	-32%	8%	-7%

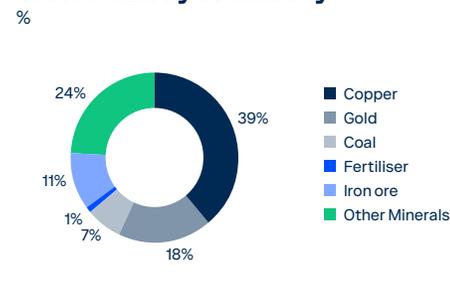
Revenue per segment



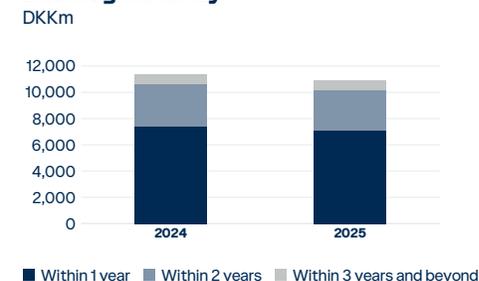
Order intake and book-to-bill



Order intake by commodity



Backlog maturity



* Growth is calculated on a like-for-like basis. As such, the growth numbers do not include revenue and organic growth from the Non-Core Activities segment in 2024.

Consolidated financial performance full year 2025

Profit

Gross profit and margin

Gross profit increased by 2% to DKK 5,110m in 2025, compared to DKK 5,006m in 2024. The corresponding gross margin increased to 35.0% compared to 31.8% in 2024. The increase was primarily a reflection of a higher share of revenue from the Service and PC&V businesses and evidence of the positive impact of the de-risking strategy in Products business.

Research and development costs reported in production costs amounted to DKK 64m. The R&D costs mainly related to several innovations, including new and more sustainable technologies to support the carbon neutral programme, as well as digital solutions across the flowsheets.

Capitalisation of R&D costs for the year were lower compared to 2025. The decrease is due to planned reduction in R&D activity.

Research & development costs

DKKm	2025	2024
Production costs	64	103
Capitalised	120	170
Total R&D	184	273

SG&A costs

Sales, general and administrative costs (SG&A) decreased by 11% compared to 2024. The decrease was primarily driven by the continued transformation journey, which included rightsizing of our corporate headquarters. Currencies had a favourable impact on SG&A of DKK 99m in 2025.

The SG&A costs as a percentage of revenue decreased to 19.2% in 2025 compared to 20.1% in 2024 following continued rightsizing and organizational efficiency measures.

EBITA and margin

The adjusted EBITA margin amounted to 15.9%, excluding transformation and separation costs of DKK 244m, as well as other operating net income of DKK 262m. Other operating net income includes a gain of DKK 202m from the sale of buildings in 2025. Including these items, EBITA increased to DKK 2,337m corresponding to an EBITA margin of 16.0% compared to DKK 1,636m corresponding to an EBITA margin of 10.4%. Non-Core Activities impacted EBITA negatively by DKK 203m in 2024. Excluding Non-Core Activities, the EBITA margin would have been 11.7% in 2024.

Financial position

By the end of 2025, FLSmidth had DKK 6.1bn of available committed credit facilities (2024: DKK 6.3bn) of which DKK 3.9bn remained undrawn

(2024: DKK 4.8bn). The committed credit facilities have a weighted average time to maturity of 4.6 years (2024: DKK 2.4 years).

Credit facilities of DKK 1.1bn and DKK 5.0bn were refinanced in 2025 and will mature in 2029 and 2031, respectively. Additionally, FLSmidth has DKK 0.8bn of uncommitted credit facilities available.

Financial items

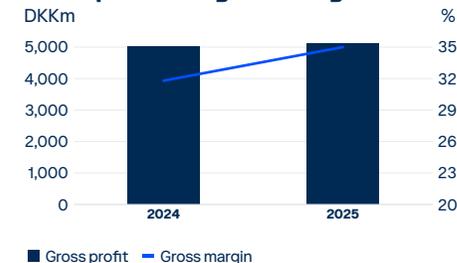
Net financial items amounted to an expense of DKK -83m (2024: DKK -218m), of which net interest cost, including interest from leasing, amounted to DKK -83m (2024: DKK -97m). Loss from associates accounted to DKK 0m (2024: DKK -43m). In 2024, the loss was related to impairments, foreign exchange and fair value adjustments of DKK 19m.

Tax

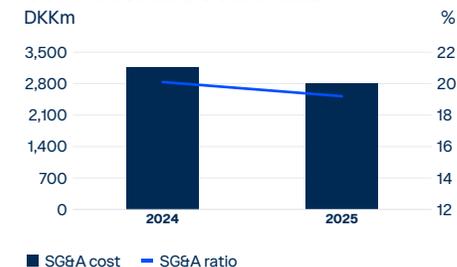
The adjusted effective tax rate for the year was 33.3%.

In light of recent macroeconomic and regulatory developments, as well as operational considerations, we have reassessed where taxable income is expected to be generated over the coming years. As a result, we have recognised an impairment of deferred tax assets in Denmark of approximately DKK 600m in the fourth quarter of 2025, as at 31 December 2025.

Gross profit and gross margin



SG&A cost and SG&A ratio



EBITA by segment



Consolidated financial performance full year 2025

The impairment is an accounting adjustment and does not represent a loss of the underlying tax assets, which are expected to be recovered over a longer period than that applied for recognition purposes.

Tax for the year, including the impairment of deferred tax assets, amounted to an expense of DKK 1,257m (2024: DKK 415m), corresponding to an effective tax rate of 63.8% (2024: 34.2%).

Profit for the year

The net profit for 2025 was DKK 8m, compared to a profit of DKK 1,030m in 2024.

Earnings per share

Earnings per share decreased from DKK 17.7 in 2024 to DKK 0.0 per share in 2025 as a result of reduction in profit in 2025, which is predominately attributable to the impairment and loss on sale from the divestment of the Cement business inclusive the write down of deferred tax assets.

Employees

For the continued activities, the number of employees decreased to 5,494 at the end of 2025 from 5,745 by end of 2024. The decrease was driven by continued restructuring and optimisation in the continuing business, partly offset by increase in the commercial frontend and consumables initiatives in the service segment.

Capital

Balance sheet

Total assets amounted to DKK 22.1bn on 31 December 2025, a reduction of DKK 4.8bn from 31 December 2024. This relates predominately to the divestment of the Cement business and the impairment of the deferred tax asset.

Net working capital

Net working capital increased by DKK 299m since Q4 2024, primarily as a result of the divestment of the Cement business, for which net working capital to a large extent was characterised by a relatively higher level of prepayments from customers and trade payables. The year-on-year increase was further driven by a higher level of

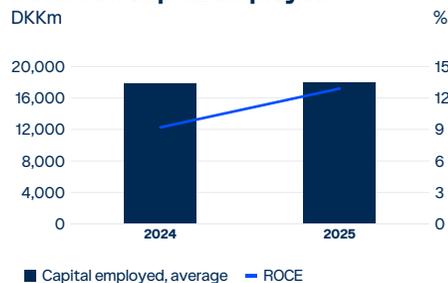
inventories in the stand-alone Mining business to support our growth ambitions. The net working capital at Q4 2025 reflects the continuing activities only.

Net working capital made up DKK 2,406m at the end of 2025 (2024: DKK 2,107m). The corresponding net working capital ratio was 16.5% (2024: 10.4%).

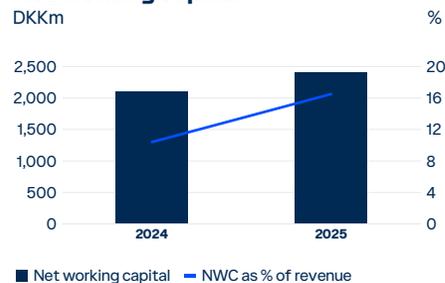
Return on capital employed

The average return on capital employed (ROCE) increased to 12.9% (2024: 9.2%), driven by higher EBITA, partly offset by an increase in underlying net working capital.

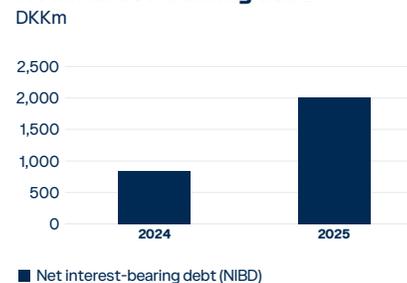
Return on Capital employed



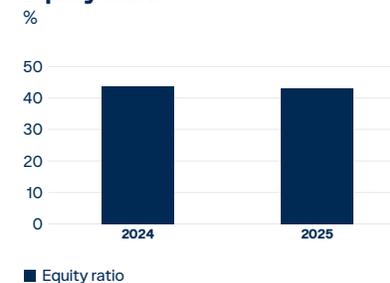
Net working capital



Net interest-bearing debt



Equity ratio



Consolidated financial performance full year 2025

The average capital employed for 2025 increased by DKK 180m, to DKK 18,047 (2024: 17,867m).

As of the end of 2025, capital employed totaled DKK 17,616m, reflecting a decrease of DKK 861m compared to year-end 2024, primarily attributable to the divestment of the Cement business, which accounted for DKK 698m. At the end of 2025, intangible assets (cost price) amounted to DKK 12,891m, including goodwill, patents, rights, and customer relations. Property, plant, and equipment were valued at DKK 2,319m, while net working capital stood at DKK 2,406m.

Supply chain financing

Utilisation of supply chain financing decreased during 2025 to DKK 234m (2024: DKK 515m).

Net interest-bearing debt

Net interest-bearing debt (NIBD) amounted to DKK 2,014m at the end of 2025, compared to DKK 847m at the end of 2024.

Financial gearing (NIBD/EBITDA) remained low at 0.8x (2024: 0.4x) and was thus well below our capital structure target of <2.0x.

Equity

The equity at the end of 2025 decreased to DKK 9,500m (end of 2024: DKK 11,781m), mainly due to negative currency adjustments of DKK 830m related to foreign entities, share buy-back programme of DKK 1,033m, and DKK 458m in dividends paid. The equity ratio was 43.0% at the end of 2025 (2024: 43.7%).

Treasury shares

The holding of treasury shares at the end of 2025 increased to 2,974,931 shares (2024: 813,075), corresponding to approximately 5.2% (2024: 1.4%) of the total share capital.

Treasury shares not intended to be cancelled after share buy-back programmes are used to hedge sharebased incentive programmes.

Share buy-back programme

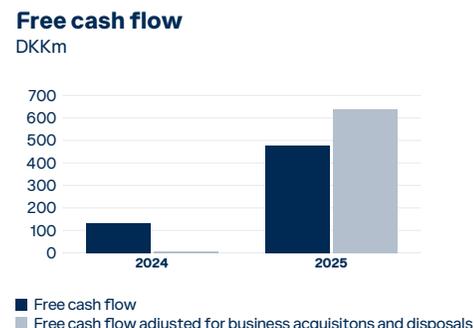
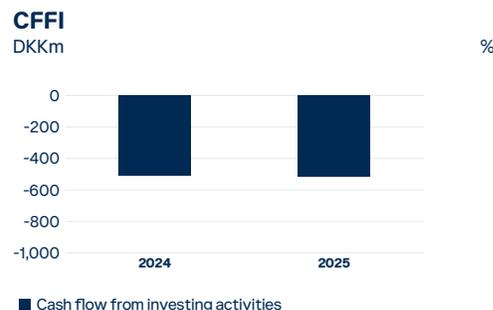
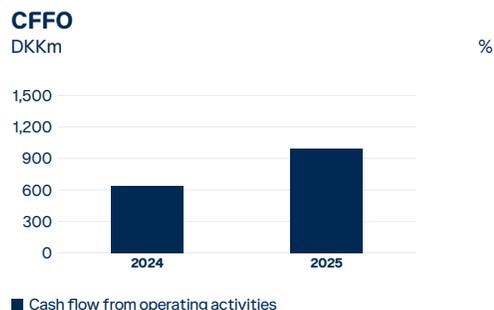
FLSmidth launched a DKK 1,400m share buy-back programme in 2025 to be completed no later than 20 March 2026 (ref. Company Announcement no. 12-2025). At 31 December 2025, the number of shares repurchased was 2,432,288.

Dividend

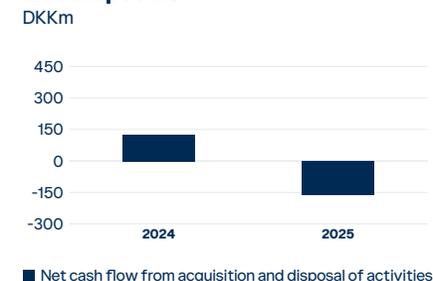
The Board of Directors will propose at the Annual General Meeting that a dividend of DKK 4.00 per share corresponding to a dividend yield of 0.9% (2024: 2.2%) will be distributed for 2025. The total dividend proposed amounts to DKK 231m.

Cash flow from operating activities

Cash flow from operating activities (CFFO) increased to DKK 996m in 2025 compared to DKK 640m in 2024. The year-on-year increase was driven by higher earnings and the benefit of reduced tax cash payments. This year-on-year increase was partly offset by negative changes in the net working capital.



Cash flow from business acquisitions and disposals



Consolidated financial performance full year 2025

Cash flow from investing activities

Cash flow from investing activities (CFFI) amounted to DKK -517m in 2025 compared to DKK -508m in 2024. The 2025 outturn was positively impacted by lower spend on intangibles combined with a cash inflow from the sale of various properties, offset by a net outflow from the divestment of the Cement business.

Free cash flow

Free cash flow amounted to DKK 479m compared to DKK 132m in 2024. Free cash flow adjusted for business acquisitions and disposals amounted to DKK 640m in 2025 compared to DKK 7m in 2024.

Cash flow from financing activities

Cash flow from financing activities amounted to a cash outflow of DKK 899m in 2025 compared to a cash outflow of DKK 413m in 2024. The year-on-year increase reflects the cash outflow associated with the share buy-back programme and higher dividend payout offset by the cash inflow from the refinancing of the debt facilities.

Cash position

Cash and cash equivalents amounted to DKK 594m on 31 December 2025 compared to 1,070m at 31 December 2024.

Restricted cash

Cash and cash equivalents includes bank balances in countries with currency restrictions or other restrictions preventing the funds to be readily available at parent company level. Focused repatriation efforts reduced restricted cash to DKK 409m at 31 December 2025 from DKK 517m at 31 December 2024.

Other business

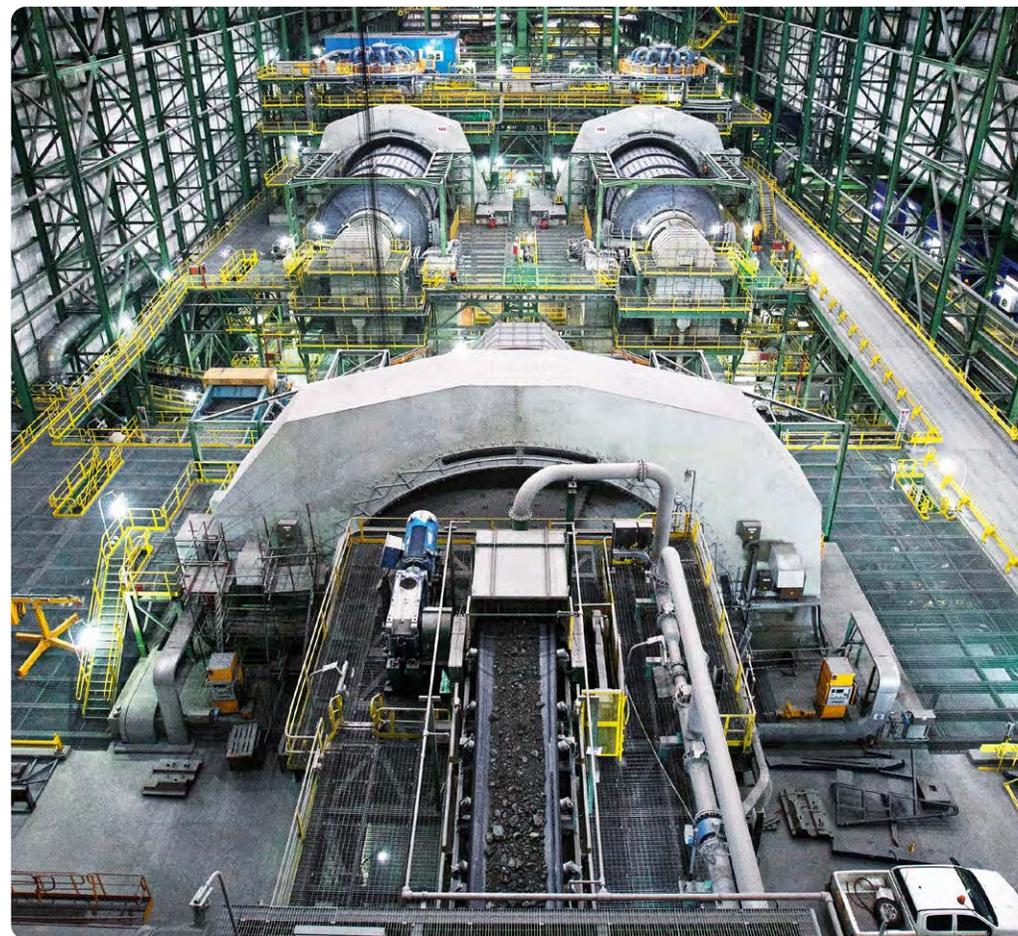
Subsequent events

On 4 February 2026 (ref. Company Announcement no. 08-2026), FLSmidth announced that Toni Laaksonen had been appointed Chief Executive Officer, succeeding Mikko Keto who left the company to pursue an opportunity outside FLSmidth. In addition to assuming the role as CEO, Toni Laaksonen will on an interim basis maintain his previous role as Service Business Line President.

We are not aware of any other subsequent matters, that could be of material importance to FLSmidth's financial position.



Underground crushing stations, zinc and lead mine in the Kyzylorda Region, Kazakhstan



04

Governance

Risk management and risk mitigation	39
Corporate governance	41
Board of Directors	46
Executive Leadership Team	49
Remuneration	50
Shareholder information	51



Risk management

Intro

FLSmidth operates globally and is exposed to risks associated with our industry, operational activities, and the diverse markets in which we are present. Our Enterprise Risk Management (ERM) framework is designed to continuously evaluate how potential threats and opportunities may impact the achievement of our long-term strategic objectives as well as our short-term operational plans. This proactive approach ensures that both strategic and operational risks are identified, assessed, and managed effectively.

Governance

The Board of Directors holds the overall responsibility for maintaining a robust risk and compliance management framework at FLSmidth. The Executive Leadership Team is accountable for managing risks and ensuring effective mitigation, while also identifying related opportunities.

Key risks are regularly reviewed and discussed by both the Executive Leadership Team and the Board of Directors. The Executive Leadership Team evaluates the risk map and presents the most significant risks for dialogue with the Board of Directors. This ongoing process of assessment and discussion creates a structured and comprehensive approach, enabling informed decisions on which risks to avoid, which to mitigate, and how to remain agile in responding to new or sudden changes in the risk landscape.

2025 Risk Review

The 2025 risk landscape encompasses both strategic and operational risks, which are outlined on the following page together with their potential impacts and mitigation measures.

This year’s risk review indicates an overall risk profile broadly consistent with last year, though notable changes have occurred within the five key risk themes: Market Trends, Geopolitics, Cybersecurity, Sustainability, and Compliance. All identified risks are considered likely to materialise and could represent significant challenges.

Geopolitical and regional political tensions remain elevated, alongside persistent concerns about climate change.

As a global technology-driven company, FLSmidth is exposed to increasing cybersecurity threats, including data breaches, ransomware attacks, and disruptions to critical systems. These risks are amplified by the growing complexity of digital operations and the reliance on cloud-based platforms and remote connectivity. Cybersecurity remains a top priority for FLSmidth.

The global market for mining solutions continues to face intensified competition. These competitors often operate with lower cost structures. This trend poses a risk to market share and margins, especially in regions where cost sensitivity is high.

To mitigate this risk, FLSmidth focuses on delivering high quality solutions and superior lifecycle value, leveraging digitalisation, and strengthening customer partnerships to maintain competitiveness in a rapidly evolving market.

Project risks have been effectively mitigated through our “Value over Volume” approach, prioritizing contribution margin over total order intake and revenue. This disciplined strategy, combined with portfolio de-risking by eliminating low-margin, high-risk projects, has supported consistent underlying EBITA performance.

The 2025 risk review is aligned with the double materiality assessment in relation to sustainability matters, please refer to pages 57-58 for more information.

5 key risks

Annual review

As part of the annual risk review, key risks were reassessed to ensure they accurately reflect the exposures that could impact the delivery of our CORE’26 strategic focus areas.

The key risks remain unchanged in terms of the overall five risk themes from 2024, demonstrating a stable risk profile. The table below summarises changes in risk assessments compared with the prior year.

Risk	Movement	
Market Trends	Unchanged	→
Geopolitics	Increased	↗
Cybersecurity	Unchanged	→
Sustainability	Unchanged	→
Compliance	Unchanged	→

Risk mitigation

	Market Trends	Geopolitics	Cybersecurity	Sustainability	Compliance
Description 	<p>Slowdown continues and recovery will take time. Business activity in Products is exposed to the developments in the global economy and Service business only to a limited degree.</p>	<p>Geopolitical events like war, trade barriers, political disorder.</p>	<p>Cybersecurity and digital transformation risks.</p>	<p>Diverging stakeholder focus on environmental and social issues.</p>	<p>FLSmidth' legal and regulatory landscape is complex, and we sometimes work in jurisdictions that can be considered risky. The company could be subject to investigations by authorities in case of violations of international sanctions, anti-corruption laws and anti-trust regulations.</p>
Potential Impact 	<p>Customers may experience limited access to capital as they balance growth ambitions with increased capital discipline, despite strong demand for energy-transition minerals.</p> <p>This may lead to delayed or cancelled projects and longer investment decision cycles, resulting in reduced or more volatile order intake, pressure on margins, and delays in the execution of strategic priorities.</p>	<p>Geopolitical tensions and trade restrictions may disrupt supply chains, leading to delays, higher costs, and material shortages. Increased instability may also reduce market visibility through weaker demand, delayed investments, or restricted access to certain markets, negatively impacting revenue and profitability.</p>	<p>A cybersecurity breach could significantly disrupt business operations and lead to associated financial compliance and reputational impacts. Currently, the flat network topology presents a risk of broader ransomware reach, while gaps in privilege access management (PAM) could increase exposure to data exfiltration. Prioritizing network segmentation and PAM can effectively mitigate these vectors.</p>	<p>Evolving global ESG regulations and differing geopolitical approaches may increase operational complexity and compliance requirements. In certain regions, developments may negatively affect demand for products supporting a green transition. Given our customers' significant environmental and social impacts, risks can negatively impact their 'licence to operate' and thereby our profitability.</p>	<p>Non-compliance may result in significant fines, damages and loan defaults as well as additional compliance requirements, along with significant reputational harm.</p>
Mitigation 	<ul style="list-style-type: none"> • A stable Service business helps mitigate market cyclicality. • Ongoing focus on simplification and value over volume to protect margins. • Strengthen and increase the share of the product portfolio with lower sensitivity to economic conditions. See more on the focus on Products business on page 25. 	<ul style="list-style-type: none"> • Diversify sourcing and logistics • Strategic supplier selection. • Continuously seeking for value over volume • Maintain strategic inventories • Sales and service diversification 	<ul style="list-style-type: none"> • Data Protection, Resiliency and Continuity and Patching. • Identity and Access Management, Network Hardening and Segmentation • Disaster Recovery Planning and Testing and Continued Awareness. 	<ul style="list-style-type: none"> • Embedded controlling and data compliance framework. See more on page 61. • Embedded targets in management remuneration. See explanation on sustainability linked remuneration KPI's on page 61. • Structured governance framework, including policies, procedures, and supervisory body on sustainability matters. See page 61. • Embedded sustainability core competencies in key business functions • Continuous monitoring of regulatory trends and customer expectations. 	<ul style="list-style-type: none"> • Continuously monitor legislative framework, including international sanctions and anti-corruption regimes, and adjust FLS compliance framework accordingly. • Conduct and act on risk assessments of compliance risks for FLSmidth. • Maintain and develop third party management procedure and standards. • Maintain and develop whistleblower hotline and procedures for internal investigations. • Maintain and develop controls to avoid sanctions violations. • Training and awareness raising for employees.

Corporate governance

The Board of Directors continuously evaluates the work of Executive Leadership Team by specifying targets and assessing at what level or degree such targets have been met.

Framework

The Board of Directors believes that effective corporate governance has a positive impact for the company’s shareholders, employees, customers and other stakeholders. Thus, the Board of Directors regularly reviews the company’s corporate governance framework and policies and assesses the need for any adjustments

in light of the company’s activities, the statutory requirements and the Danish Corporate Governance Recommendations.

The following statement constitutes the company’s statutory reporting according to Section 107b of the Danish Financial Statements Act.

Governance structure

The company’s shareholders exercise their rights at the general meeting. Any shareholder has the right to raise questions, and resolutions can generally be passed by a simple majority of votes cast, unless statutory provisions or the company’s articles of association require a qualified majority of votes. Pursuant to the company’s articles of association, the adoption of a resolution to amend

the company’s articles of association or to wind up the company requires that the resolution is passed by not less than two thirds of the votes cast as well as of the share capital represented at the general meeting.

FLSmidth maintains a clear division of responsibility and separation between the Board of Directors and the Executive Leadership Team. The Executive Leadership Team is responsible for the day-to-day business of the company, and the Board of Directors oversees the Executive Leadership Team and handles overall managerial issues of a strategic nature.

Board of Directors

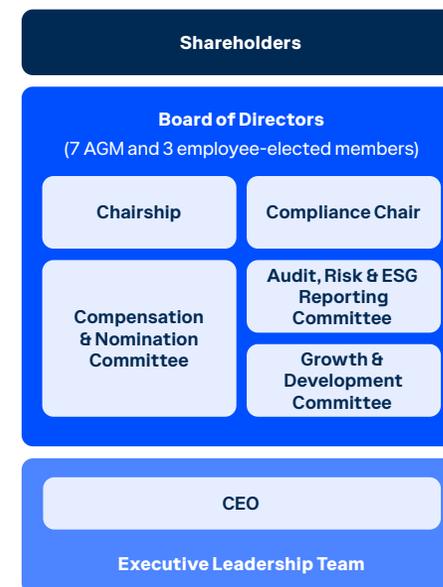
The Board of Directors consists of board members elected at the Annual General Meeting and board members elected pursuant to the provisions in the Danish Companies Act on employee representation.

The Board of Directors currently consists of ten members, seven members elected at the Annual General Meeting and three members elected by and among the company’s employees.

The board members elected at the Annual General Meeting shall be no less than five and no more than eight members in order to maintain a small, competent and quorate Board of Directors.

	2025	2024
Number of registered shareholders (1,000)	43	46
Treasury shares (1,000)	2,975 (5.2%) ¹	813 (1.4%)
Number of shares held by the Board and Executive Leadership Team (1,000)	59	99
Total Board of Directors remuneration (DKK)	7.3m	7.0m
Total Executive Leadership Team remuneration (DKK)	23.6m	38.4m
Number of members of the Board of Directors (elected at the AGM)	7	6
Independent members of the Board of Directors (excluding employee elected)	100%	100%
Number of board committees	3	3
Number of board meetings held (overall meeting attendance in %)	19 (98%)	18 (96%)

¹ 39,000 shares purchased just before year-end are pending clearance.



For additional governance information refer to: <https://fls.com/en/company/governance>

board membership profiles that reflect substantial managerial experience from internationally operating industrial companies and that match FLSmidth's company values.

At least one member of the Board of Directors must have CFO experience or similar background from a major listed company, and amongst the other members there should be a strong representation of experienced CEOs from major internationally operating and preferably listed companies. Further, most board members elected at the Annual General Meeting should hold competencies in general management including strategy development, financing and market dynamics, international controls and accounting as well as the acquisition and sale of companies. In addition, it is preferable that board members have a background in the capital goods sector with expertise in products and services.

For a description of the competencies of the Board of Directors, refer to pages 46-48.

All seven members of the Board of Directors elected at the Annual General Meeting are independent in the opinion of the board considering the criteria specified by the Danish Committee on Corporate Governance, which is an independent body promoting corporate governance best practice in Danish listed companies.

As part of its annual plan, the Board of Directors performs an annual self-evaluation to evaluate the contribution, engagement and competencies of

its individual members. The Chair is responsible for the evaluation. The overall conclusions of the 2025 board evaluation were satisfactory.

Compensation & Nomination Committee

The Compensation & Nomination Committee consists of Mads Nipper (Chair), Christian Bruch, Thrasyvoulos Moraitis and Rune Wichmann.

In 2025, the Compensation & Nomination Committee met five times.

Main activities in 2025 related to the normal review and approval of total rewards for the Executive Leadership Team. This included setting STIP and LTIP key performance indicators, weighting of KPIs and target setting. In addition, the normal review and updating of Board of Director competencies was completed. Lastly, the Board of Directors finalised a plan to conduct succession planning and commenced plan execution.

Audit, Risk & ESG Reporting Committee

The Audit, Risk & ESG Reporting Committee consists of Anne Louise Eberhard (Chair), Lars Engström and Anna Kristiina Hyvönen who are all considered independent and have considerable insight and experience in financial matters, accounting and auditing in listed companies.

The Chair of the Audit, Risk & ESG Reporting Committee is when appointed as Chair automatically appointed as the Compliance Chair as well.

In 2025, the committee met five times and the committee's main activities were to consider specific financial risks, including tax risks, accounting and auditing matters, as well as paying special attention to financial processes, internal control environment and cyber-security.

Particular focus areas in 2025 have been the continued finance transformation and outsourcing, the OneMining programme, and the operational and legal separation of the Cement business. Further, focus has also been on the ESG reporting (CSRD), ESG risks as well as EU Taxonomy.

The Growth & Development Committee

To directly support the transformation agenda of the company, the Technology Committee was expanded into the Growth & Development Committee in 2025. The committee consists of three board members, Thras Moraitis (Chair), Rune Wichmann and Lars Engström.

The Growth & Development Committee met three times in 2025. The three meetings focused on growth, both inorganic and organic, including technology and innovation. The main objectives in 2025 were to establish the committee KPIs, discuss key strategic themes such as data-driven growth-related decision-making, review ongoing R&D projects, and evaluate M&A opportunities.

Executive Leadership Team

Following the divestment of our Cement business and the transition to a more focused operating

model, the former Group Executive Management has been renamed the Executive Leadership Team. The new name reflects our simplified company structure and reinforces the importance of clear leadership and cohesive execution. The Executive Leadership Team of FLSmidth comprises the CEO and CFO, both formally registered with the Danish Business Authority.

In addition, the broader Executive Leadership Team currently includes four Executive Vice Presidents (EVPs). Business Line EVPs hold full Profit & Loss responsibility for their respective business lines.

During the year, the following changes occurred within the Executive Leadership Team:

- Toni Laaksonen, who joined FLSmidth in June 2025 has been appointed new Chief Executive Officer as of February 2026. His predecessor Mikko Keto, has stepped down from the position and will leave FLSmidth during the first half of 2026.
- Julian Soles joined as President, Products business line in May 2025 and Toni Laaksonen joined as President, Service business line in June 2025.
- Mikko Tepponen, Chief Digital Officer & Chief Operations Officer and Annette Høi Butt Ternstrup, Head of Group Legal and General Counsel, left their positions in June and February 2025. Their roles will not be replaced at the Executive Leadership Team level.



Looking ahead, the Executive Leadership Team remains focused on delivering growth and simplifying the organisation to enable faster decisions, stronger execution, and improved customer delivery across all areas.

Gender representation on the Board of Directors and at other management levels of FLSmidth & Co. A/S

This statement is made in accordance with the Danish Gender Balance Act section 107f.

At the end of 2025, the gender representation among the seven members of the Board of Directors elected by the general meeting of FLSmidth & Co. A/S was not considered balanced, as the underrepresented gender accounted for 28.57% of these members.

The company therefore expects that the statutory target of at least 40% representation of the underrepresented gender will not be met by the compliance date required under the Danish Gender

Balance Act but is expected to be achieved no later than 2028.

Among the board members elected by the employees, 33.33% were women and 66.67% were men. Accordingly, the FLSmidth Group is considered gender balanced in accordance with the Act.

The Board of Directors remains committed to improving gender balance and in 2025 the Board of Directors adopted a new Board Selection Process to ensure transparent, objective and gender-neutral recruitment and nomination practices.

The process includes clear evaluation criteria for candidate qualifications, experience and diversity. Where two or more candidates are equally qualified, preference will be given to the underrepresented gender in accordance with the Act.

FLSmidth & Co. A/S expects to make progress toward the statutory target through upcoming Board of Directors renewals and succession planning.

The Nomination Committee monitors compliance annually and reports on progress and initiatives to the Board of Directors and shareholders.

At the end of 2025, other management levels within FLSmidth & Co A/S comprised two members registered as Executive Management. Due to the limited number of members, statutory thresholds regarding gender representation are not applicable in this context.

Presentation of financial statements and internal controls

To ensure the high quality of the FLSmidth Group's financial reporting, the Board of Directors and the Executive Leadership Team have adopted a number of policies, procedures and guidelines for the presentation of the financial statements and internal controls which can be found at: www.fls.com/en/company/governance

Report on Data Ethics Policy

In 2022, FLSmidth introduced its Data Ethics Policy. The policy addresses the data ethics principles applied by FLSmidth as well as the approach to data processing covering all relevant data types. When using artificial intelligence and the like, we strive to ensure that the results are not discriminatory or biased.

The short- and long-term consequences of data processing activities, especially when new technology is applied, are considered and the impact on the data subjects are taken into account.

Security of data is important to us. FLSmidth adheres to the six fundamental ethical values developed by the expert group on data ethics to the Danish Data Ethics Council.

For additional information in accordance with Section 99d of the Danish Financial Statements Act, refer to: <https://fls.com/en/legal/data-ethics>

Sustainability Report

Every year since 2010 we have published a stand-alone Sustainability Report, Corporate Governance Statement, Tax Report and Remuneration Report as a supplement to the Annual Report. Details regarding the diversity policy applied to management in accordance with section 107d are provided in IRO 16 on page 94.

However, as of 2024, our Sustainability Statement became an integrated part of the Annual Report following the requirements of the EU's Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS).

For information on where to find each disclosure see pages 115-119.

Gender representation in FLSmidth & Co. A/S

Governing body		Total number of members	Underrepresented gender in percentage
Board of Directors	Elected at the AGM	7	28.57%
	Employee elected	3	33.33%
Other management levels ¹	Registered management	2	NA

¹ Other management levels only relates to employees in the FLSmidth & CO A/S entity.

Report on compliance with Recommendations on Corporate Governance

Pursuant to the rules set out in the Nasdaq Nordic Main Market Rulebook for Issuers of Shares, Danish listed companies must provide a statement on how they address the Recommendations on Corporate Governance issued by the Danish Committee on Corporate Governance in December 2020 based on the 'comply or explain' principle: <https://corporategovernance.dk/english>

FLSmidth's position on each specific recommendation is summarised in the Corporate Governance Statement which has been prepared pursuant to section 107b of the Danish Financial Statements Act and is available at: <https://fls.com/en/company/governance/governance-reports>

In the opinion of the Board of Directors, FLSmidth complies with all the Corporate Governance Recommendations applicable to Danish listed companies, except recommendation 3.5.1 related to external assistance in connection with evaluation of the Board of Directors, where the company only complies partially. The Board of Directors only engages external assistance in the evaluation if deemed relevant. However, each member of the Board of Directors has the right to request external assistance in the evaluation.



Service Centre,
Mongolia



Board of Directors



Mads Nipper
Chair



Christian Bruch
Vice Chair



Anne Louise Eberhard



Thrasyvoulos Moraitis



Anna Kristiina Hyvönen

Age	59	55	62	63	57
Nationality	Danish	German	Danish	British/Greek	Finnish
Gender	Male	Male	Female	Male	Female
Member of the Board of Directors since	2022 (elected at the AGM), Chair since 2025. Chair of the Compensation & Nomination Committee	2025 (elected at the AGM). Member of the Compensation & Nomination Committee	2017 (elected at the AGM). Chair of the Audit, Risk & ESG Reporting Committee	2019 (elected at the AGM). Chair of the Technology Committee and member of the Compensation & Nomination Committee	2024 (elected at the AGM). Member of the Audit, Risk & ESG Reporting Committee
Number of shares in FLSmidth	1,220	0	2,000	1,000	100
Executive and non-executive positions in Denmark	Chair of the Board of Directors of MacArtney Underwater Technology Group A/S	None	Chair of the Boards of Directors of Bavarian Nordic A/S, Finansiell Stabilitet SOV, and Den Danske Unicef Fond. Vice Chair of the Board of Directors of Copenhagen Airports A/S. Member of the Board of Directors of VL52 ApS, and Director of EA Advice ApS, Member of the Advisory Board of the Center for Strategic CSR, and Faculty Member at Copenhagen Business School (CBS Executive, Board Education)	None	None
Executive and non-executive positions outside Denmark	None	President and CEO of Siemens Energy AG (DE), Chief Sustainability Officer with Siemens Energy AG (DE)	None	CEO of Serra Verde Group (CH). Advisor and principal in Vision Blue Resources (UK). Member of the Board of Directors of Reload Greece Foundation (UK)	Chair of the board of directors of Duell Corporation (FI), Member of the board of directors of Neste Oyj (FI) and SRV Yhtiöt Oyj (FI)

Board of Directors



Lars Engström

Rune Wichmann

Nour Amrani

Saleh Kamal

Henrik Jørgensen

Age	62	49	44	36	60
Nationality	Swedish	Danish	Belgian	Egyptian	Danish
Gender	Male	Male	Female	Male	Male
Member of the Board of Directors since	2025 (elected at the AGM). Member of the Audit, Risk & ESG Reporting Committee and the Growth & Development committee	2025 (elected at the AGM). Member of the Compensation & Nomination and Growth & Development Committees	2025 (elected by the employees)	2025 (elected by the employees)	2025 (elected by the employees)
Number of shares in FLSmidth	0	0	797	0	0
Executive and non-executive positions in Denmark	None	Partner with Altor Equity Partners A/S, and member of the Board of Directors of Multiwing Group A/S and Norican A/S	None	None	None
Executive and non-executive positions outside Denmark	Member of the board of directors of Normet Group Oy (FI), Alcadon Group AB (SE) and Kalmar Oyj (FI). Advisor with Boart Longyear Ltd. (CA)	Member of the Board of Directors of VTU Engineering (AU), Permascand AB (SE), Ludvig & Co. AB (SE), Ideal of Sweden AB (SE)	None	None	None

Board competencies

	Mads Nipper (Chair)	Christian Bruch (Vice Chair)	Anne Louise Eberhard	Thrasyvoulos Moraitis	Anna Hyvönen	Lars Engström	Rune Wichmann	Nour Amrani (E)	Saleh Kamal (E)	Henrik Jørgensen (E)
CEO (operational) experience	■	■		■		■				
Finance, Audit Committee, Accounting, Treasury			■		■	■	■			
Strategy Development	■	■	■	■	■	■	■			
M&As, Joint ventures, Alliances			■	■			■			
Capital markets, Listed company experience	■	■	■	■	■	■				
Risk Management, Legal, Compliance	■	■	■					■		
HR, Total Rewards & Labour							■		■	■
Safety, Health, Environment, Sustainability	■	■	■	■	■			■	■	■
Digital transformation, Technology advancement	■	■	■	■	■					
Mining Industry Knowledge/Experience				■		■		■	■	
Commercial and Project excellence	■				■	■	■			
Related Industrial experience		■					■			
Service, Aftermarket experience					■	■	■			

(E) = Employee-elected

Executive Leadership Team



Toni Laaksonen



Roland M. Andersen



Cori Petersen



Pat Turner



Julian Soles

Title	Chief Executive Officer and Interim Service Business Line President. Employed by FLSmidth since 2025*	Chief Financial Officer. Employed by FLSmidth since 2020*	Chief People Officer and Global Business Services, Executive Vice President Employed by FLSmidth since 2016	Pumps, Cyclones and Valves (PC&V) Business Line President. Employed by FLSmidth since 1982	Products Business Line President. Employed by FLSmidth since 2025
Age	43	57	56	65	48
Nationality	Finnish	Danish	American	American	British
Gender	Male	Male	Female	Male	Male
Education	Master of Science (Technology) from Tampere University of Technology. Bachelor of Science (Economics) from University of Vaasa University of Vaasa.	MSc Corporate Finance, Executive Management Programme, London Business School	BS in Business Administration: Human Resource Management, Senior Professional in Human Resources. Certified by Human Resource Certification Institute	MBA, Business Administration and Management, BS Metallurgical Engineering	Bachelor of Engineering and Master of Science degrees in naval architecture and offshore engineering from University College London. MBA from the University of Houston
Number of shares in FLSmidth	0	40,816	10,248	0	0
Past experience	President and CEO, Glaston Corporation; Senior Vice President, Materials Processing business line / McCloskey, Metso; Vice President, Parallel High-End Aggregates business line, Metso; Global Sales Director, Performance Services, Metso.	CFO with NKT (2015-2020) and interim CEO with NKT (2018-2019). Prior to that various CFO roles in multiple countries for A.P. Moller – Maersk, Cybercity, Telenor, Torm	Director Human Resources, US, FLSmidth (2016), Director, Human Resources, North America, FLSmidth (2017). Various managerial positions in Rio Tinto (2011-2016). Various managerial and specialist positions (1987-2011)	Formerly various positions with FLSmidth: President, Region North America (2019-2022), Senior VP Global Product Line Management (2018-2019), President of FLSmidth Krebs Product Company (2010-2018), VP of Sales Krebs and FLSmidth Krebs (1994-2010), CFO Krebs (1992-1994), Various sales position with Krebs (1982-1992)	CEO of First Mode; Head of Technology Development, Mining and Sustainability at Anglo American; Naval architect, Rig manager, Operations manager at Transocean
Non-executive positions	Member of the Board of Directors of Junttan Oy	None	None	None	None

* Registered with The Danish Business Authority. Trading in FLSmidth shares by executives and associated persons is only reported for executives registered with the Danish Business Authority.

Note: On 18 February 2025, FLSmidth announced the appointments of Julian Soles as President, Mining Products Business Line and Toni Laaksonen as President, Mining Service Business Line. On 4 February 2026, FLSmidth announced the appointment of Toni Laaksonen as Chief Executive Officer. Please refer to page 43 for more information.

Remuneration

Total remuneration to Board of Directors and Executive Leadership Team registered with Danish Business Authority decreased compared to 2024.

Total remuneration decreased compared to 2024, primarily due to decrease in number of Executive Leadership Team members from nine (9) to six (6).

Base salary

The former CEO and the CFO did not receive a base salary increase in 2025 because of other long incentives being offered instead.

Short-term incentive programme

The pay-out under the short-term incentive programme reflects that average performance for the financial KPIs (service order intake, adjusted EBITA margin and CFFO) were above target.

Long-term incentive programme

In 2025, management received a pay-out close to maximum for the long-term incentive programme (LTIP) for the performance period 2022-2024. The KPIs for the 2025 LTIP grant are: Nominal EBITA and EBITA-margin, service order intake, total shareholder return and a sustainability KPI.

Other incentives

A new Restricted Share Units (RSU) award vesting in 2028 was granted to the former CEO and CFO in 2025 in lieu of a salary increase. The 2023 long-term incentive vested 1/3 for both in 2025. The remaining 2/3 was forfeited for the former CEO upon stepping down, while the CFO's remaining portion remains outstanding until 2026.

The former CEO's 2023 long-term cash incentive bonus partly vested in 2025 after completion of the NCA and Cement business sales. The remaining portion was forfeited, when he stepped down before final vesting.

Remuneration of Executive Leadership Team

The Board of Directors has adopted overall guidelines for incentive pay for the Executive Leadership Team establishing a framework for variable salary components in order to support FLSmidth's short- and long-term goals. The purpose is to ensure that the remuneration structure does not lead to imprudence, short-term behaviour or unreasonable risk acceptance on the part of the Executive Leadership Team.

The Compensation & Nomination Committee considers on a regular basis the Executive Leadership Team's remuneration.

The total remuneration of the Executive Leadership Team consists of the following components:

- Base salary
- Short-term incentives in the form of a cash bonus (up to 75% of annual base salary)
- Long-term incentives in the form of performance shares (up to 100% of base salary)
- Other incentives of up to 150% of the annual base salary in cash and/or in shares
- Up to 18 months' notice in the event of termination of employment and severance payment of a maximum of 6 months' base salary
- Customary benefits such as company car, telephone, etc.

Remuneration of the Board of Directors

The Board of Directors' total remuneration consists of an annual cash payment for the current financial year, which is submitted for approval at the Annual General Meeting. The Board of Directors' fees are normally pre-approved by the General Meeting for the year in question and then finally approved by the shareholders at the following year's General Meeting. In approving the final fees, shareholders may take unexpected workload into consideration and increase the preliminarily approved fees for all or some members of the Board of Directors. The Board of Directors' fees do not include incentive-based remuneration.

Cash payment was the same for 2025 as for 2024 and consists of a base fee of DKK 475,000 to each Board member, graded in line with additional tasks and responsibilities as follows:

- Ordinary Board members 100% of the base fee
- Board Vice Chair 200% of the base fee

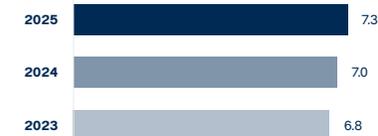
- Board Chair 300% of the base fee
- Audit, Risk & ESG reporting Committee Chair fee DKK 300,000
- Other Committee Chair fee DKK 250,000
- Committee members fee DKK 125,000

The Chair and Vice Chair of the Board of Directors do not receive extra fees for serving on Board Committees. The fee structure has been unchanged since 2024.

The remuneration report can be found here: <https://fls.com/en/company/governance/remuneration>

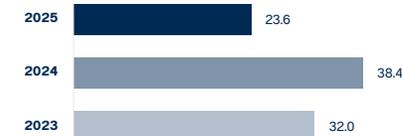
Total remuneration of the Board of Directors

DKKm



Total remuneration of Executive Management registered with the Danish Business Authority

DKKm



Shareholder information

Total shareholder return was 26.9% in 2025. A dividend of DKK 4.00 per share is proposed.

Capital and share structure

FLSmidth & Co. A/S is listed on the Nasdaq Copenhagen stock exchange. The share capital is DKK 1,153,000,000 (unchanged from 2024) and the total

number of issued shares is 57,650,000 (unchanged from end of 2024). Each share entitles the holder to 20 votes. At the end of 2025, FLSmidth held a total of 2,974,931 shares equal to approximately 5.2% of the total share capital, as treasury shares.

The FLSmidth shares are included in 133 Danish, Nordic, European and global share indices. This includes the Danish OMXC25 index.

Share price development in 2025

Share price DKK



At the time of issuing the 2025 financial statements for FLSmidth & Co. A/S, the company had approximately 43,000 registered shareholders (2024: ~46,000). Major shareholders owning more than 5% of the share capital and of the votes were Altor Invest 7 AS, Tjuvholmen Allé 19, 0252 Oslo and Lundbeckfond Invest A/S, Scherfigsvej 7, 2100 Copenhagen Ø. When excluding major shareholders and certain other related shareholdings, the free float of FLSmidth's outstanding shares is estimated to be approximately 68%.

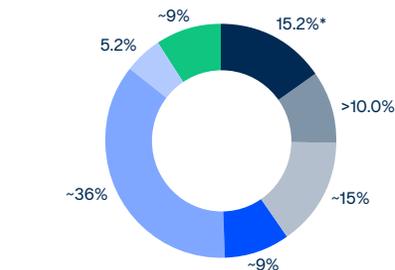
Based on available information, it has been estimated that approximately 15% of the share capital is held by private investors, with the vast majority being held by Danish private investors. Further, 71% was held by institutional investors. Of the institutional ownership, approximately 20% was held by Danish investors (including Lundbeckfond Invest A/S).

Return on the FLSmidth share in 2025

The total return on the FLSmidth share in 2025 was 26.9% (2024: 25.3%), calculated as share price appreciation and dividends paid. By comparison, the Danish Copenhagen 25 index increased by approximately 2.7% in 2025. The share price ended the year at DKK 445.00 compared to DKK 356.00 at the end of 2024, having traded between DKK 250.00 and DKK 517.00 during the year.

Shareholder structure

As of 31 December 2025 (%)



- Altor Invest 7 AS
- Lundbeckfond Invest A/S
- Retail investors
- Danish Institutional**
- International institutional***
- FLSmidth & Co. A/S
- Other

* Altor Invest 7 AS have publicly disclosed their position of 15.2%

** Excluding Lundbeckfond Invest A/S

*** Excluding Altor Invest 7 AS

Total shareholder return was included as a KPI in the long-term incentive programme during 2025. The average daily traded volume was 115,519 shares, representing an increase of approximately 2% compared to 2024.

Capital structure and allocation

FLSmidth takes a conservative approach to capital structure with an emphasis on relatively low debt, leverage and financial risk. The Board of Directors' priorities for capital structure are as follows:

- Leverage ratio (NIBD/EBITDA) < 2x
- Dividend pay-out ratio of 30-50% of net profit

In addition, the Board of Directors' priority for capital allocation is to ensure a strong balance

Share and dividend key figures

	2021	2022	2023	2024	2025
CFPS (cash flow per share), DKK (diluted)	27.8	17.0	10.9	11.2	17.6
EPS (earnings per share), DKK (diluted)	6.9	6.5	8.7	17.7	0.0
BVPS (book value per share), DKK	180	187	188	204	165
DPS (dividend per share), DKK, proposed	3.00	3.00	4.00	8.00	4.00
Pay-out ratio (%)	48	49	47	45	2,883
Dividend yield (dividend as percent of share price end of year)	1.2	1.2	1.4	2.2	0.9
FLSmidth & Co. A/S share price, end of year, DKK	244.30	251.70	287.20	356.00	445.00
Listed number of shares (1,000), end of year	57,650	57,650	57,650	57,650	57,650
Number of shares excl. own shares (1,000), end of year	56,725	56,736	56,736	56,837	54,636
Average number of shares (1,000), (diluted)	52,080	56,879	57,137	57,334	56,601
Market capitalisation, DKKm	14,084	14,511	16,557	20,523	25,654

sheet while allowing for growth investments and value-adding M&A. Excess cash may be distributed either via share buy-back programmes or extraordinary dividends.

The Board of Directors will propose at the Annual General Meeting that a dividend of DKK 4.00 per share (2024: DKK 8.00 per share), corresponding to a dividend yield of 0.9% and a pay-out ratio of 2,883%, is to be distributed in 2026. In addition, FLSmidth has announced the intention to initiate a new share buy-back programme of up to DKK 1.0bn shortly after the release of its Q1 2026 financial results (ref. Company Announcement no. 11-2026).

FLSmidth Investor Relations

FLSmidth maintains an open and active dialogue with the capital markets and aims for a well-diversified shareholder base across geography, investment style, and investment horizon. Accordingly, the purpose of FLSmidth Investor Relations is to:

1. Ensure compliance with relevant rules and regulations for companies listed on the Nasdaq Copenhagen stock exchange;
2. Ensure that FLSmidth is perceived as a visible, accessible, reliable and professional company by the capital markets;
3. Ensure that relevant, accurate, balanced and timely information is made available to the capital markets as basis for regular trading and fair pricing of the shares; and
4. Ensure the Board of Directors and Executive Leadership Team are informed of relevant insights from engagement with investors, analysts, and other capital market stakeholders through open and active dialogue, including reporting, announcements, presentations, meetings, and events.

FLSmidth & Co. A/S is generally characterised as a capital goods or industrials company and is currently being covered by 16 equity analysts, nine of which are based outside Denmark.

For further details, please see: <https://fls.com/en/investors/the-share/analyst-coverage>

Financial calendar 2026

24 Mar 2026	Annual General Meeting
13 May 2026	Q1 2026 Interim Financial Report
19 Aug 2026	H1 2026 Interim Financial Report
11 Nov 2026	9M 2026 Interim Financial Report

Share information

Market	Nasdaq Copenhagen
Symbol	FLS
ISIN	DK0010234467
Number of shares	57,650,000
Share capital (DKK)	1,153,000,000
Votes per share	20
Sector	Construction and Materials
ICB code	5010
Segment	Large
Share price end of year	DKK 445.00

All investor relations materials and investor relations contact information are available to investors at the company website: <https://fls.com/en/investors>

05

Sustainability statement

General disclosures	55
Environment	63
Social	90
Governance	108
Appendix	114



Understanding sustainability and CSRD-aligned reporting

Sustainability is about meeting today's needs without compromising the future. It considers environmental, social and governance (ESG) factors to ensure businesses operate responsibly and create long-term value.

FLSmidth is reporting under the Corporate Sustainability Reporting Directive (CSRD), the regulation from the European Green Deal, aimed at supporting the European market transitions to a carbon neutral economy. Through this reporting, we address our actual and potential impacts on people and the planet, as well as how sustainability related factors could impact our business, both now, and in the future.

To align with these requirements, we perform a robust double materiality assessment, to identify key areas essential for our focus and reporting. Our approach ensures that we consider all ESG topics and we build on previous materiality assessments and existing methodologies.

We also focus on the quality of our ESG data, as we know this is the essential foundation to build our actions upon and monitor our progress.

The following sustainability statement is designed to give clear and transparent insight into how we work with sustainability. We aim to provide direct linkages from our identified areas of materiality to the policies, actions, targets and key performance indicators we have in place to drive progress.

2025 marked our second year of reporting in accordance with the CSRD reporting requirements, which are underpinned by the European Sustainability Reporting Standards (ESRS). Following the adoption of the Omnibus package, we will continue to develop our reporting and align it with the updated standards once they come into force.

Additionally, the Sustainability Statements contain forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by FLSmidth. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

This report also provides a comprehensive overview of our actions and performance in relation to the Ten Principles of the UN Global Compact and the Sustainable Development Goals (SDGs).

How to read our impacts, risks and opportunities

For each sustainability topic, we use a chart and illustration to show how the identified Impacts, Risks and Opportunities (IROs) relate to our business. The chart indicates whether we are disclosing a negative impact, positive impact, opportunity or risk. It shows whether the IRO is actual or potential, where in the value chain it applies, and the applicable time horizon. For simplicity, the time horizon shown (short, medium, or long-term) reflects when the event is first expected to occur, but the event may continue into other time horizons as well.

Key acronyms in this section

CBAM	Carbon Border Adjustment Mechanism
CO₂e	Carbon dioxide equivalent
CSRD	Corporate Sustainability Reporting Directive
DEFRA	Department for Environment, Food and Rural Affairs
DE&I	Diversity, equity and inclusion
DMA	Double materiality assessment
ESRS	European Sustainability Reporting Standards
GHG	Greenhouse gas emissions
IEA	International Energy Agency
ILO	International Labour Organization
IPCC	Intergovernmental Panel on Climate Change
IROs	Impacts, risks and opportunities
ISSB	International Sustainability Standards Board
MSCI	Morgan Stanley Capital International
OECD	Organisation for Economic Co-operation and Development
REACH	EU Registration, Evaluation, Authorisation and Restriction of Chemicals
SBTI	Science Based Targets initiative
UNGPs	United Nations Guiding Principles on Business and Human Rights

General disclosures

This sustainability statement aims to provide transparent, relevant and reliable insights into how sustainability is embedded at FLSmidth. Guided by strong governance, we integrate sustainability principles into our strategic decisions, daily operations and culture. With clearly defined roles, responsibilities and accountability mechanisms, we ensure effective monitoring, management and continuous improvement of our sustainability performance.

Sustainability at FLSmidth	56
Double materiality assessment	57
Stakeholder engagement	59
Impacts, risks and opportunities across our value chain	60



Sustainability at FLSmidth

FLSmidth is a pure play supplier of technologies and services to the mining industry. In 2025, we completed the divestment of the cement business, marking a strategic shift that now positions mining as our core focus. This transition enables us to concentrate our sustainability initiatives and innovation efforts exclusively on advancing responsible mining practices and supporting the industry's transformation.



Toni Laaksonen,
CEO



We serve customers in approximately 125 countries and with a local presence in approximately 40 countries and with 5,494 employees worldwide. [See our key geographies breakdown on page 95.](#)

Global economic development and the energy transition are driving increased demand for minerals. This industry is integral to meet the needs of a growing middle class, which requires a substantial supply of minerals such as copper, lithium, nickel and cobalt. Mining operations impact the environment through CO₂e emissions, water usage, land use and waste generation. Notably, 98% of the emissions across our value chain arise from the use of our products by customers throughout their operational life, presenting us a significant opportunity to drive change. Innovation is essential to achieving transformative goals while meeting these demands. Recognising this, our MissionZero programme is at the heart of our ongoing commitment to providing technologies and services that help customers significantly reduce their environmental footprint.

There is growing recognition of the societal and environmental challenges associated with developing new greenfield operations. Therefore, we enable customers to maximise the potential of their existing operations by offering services, spare parts, upgrades and retrofits. Our proven technologies empower mining operations to

enhance productivity, lower costs, improve safety, and reduce environmental impact of mining operations. We offer comprehensive service packages devoted to process optimisation, maximising uptime and maintaining or improving efficiency; such as lifecycle services, advanced process control solutions, spare parts and field services. See www.flsmidth.com for more detail on our solutions.

We have pledged not to pursue any new greenfield projects connected to coal. Our approach is to assist our current customers as they transition to cleaner energy and gradually phase out coal, prioritising solutions that use resources most efficiently. In 2025, revenue from coal-related activities was 7% of total revenue. This amounted to approximately DKK 1 bn which is a reduction of DKK0.4bn from 2024. Other fossil fuel sectors generated about 1% of overall revenue¹.

Sustainability is integrated into the core of the company's business processes. This involves ensuring that environmental, social and governance (ESG) considerations are a fundamental element of decision-making processes across all relevant business functions. Supported by clear responsibilities and standardised processes, we are establishing a structured approach allowing us to set realistic targets, take corresponding actions and continuously track our progress.

To further advance our sustainability integration, we have developed and implemented our Sustainability Blueprint, a strategic tool that guides our sites toward greater sustainability by providing actionable insights, tailored guidance, success stories, and progress tracking, thereby supporting local teams in implementing best practices and achieving site-specific sustainability goals. Our range of digital tools, including performance dashboards, an ESG consolidation software integrated into our financial consolidation system, and live data platforms, help us maintain a structured and data-driven approach to sustainability, enabling us to set ambitious targets, implement effective actions, and track our progress consistently across the organisation.

This integration of ESG considerations into our operations not only aligns with global sustainability expectations but also drives greater business value by enhancing operational efficiency, strengthening stakeholder relationships and ensuring long-term resilience. [See a description of our business model on pages 17-19.](#)

¹ FLSmidth does not directly generate revenue from executing fossil fuel exploration, mining, extraction, production, processing, storage, refining or distribution. In 2025 FLSmidth, reclassified its ESRS sector to Machines and Systems

Double materiality assessment

Methodology

Our double materiality assessment has been developed considering potential and actual impacts, risks and opportunities (IROs) in our own operations and both upstream and downstream in our value chain.

Our impact assessment considered both positive and negative impacts on society and the environment from our own operations and business relationships. Our financial assessment assessed sustainability-related risks and opportunities associated with our business model.

Assessing impacts, risks and opportunities

To comprehensively identify and evaluate sustainability-related IROs, in our first approach in 2024, we engaged a broad range of stakeholders and leveraged diverse sources of information. Our process included workshops and interviews with internal subject matter experts and business leaders, supported by analyses of environmental impact assessments, whistleblower reports, industry networks, employee engagement surveys, and other internal and external documentation. The assessment originated from our strategy and business model and included evaluating specific activities, business relationships, geographies and dependencies that lead to a heightened risk of adverse impacts.

Upstream impacts were assessed in collaboration with procurement colleagues, supply chain and

Environment

- E1 Climate change
- E2 Pollution
- E3 Water & Marine resources
- E4 Biodiversity & Ecosystems
- E5 Resource use & Circular economy

Social

- S1 Own workforce
- S2 Workers in the value chain
- S3 Affected communities
- S4 Consumers and end-users

Governance

- G1 Business conduct



human rights specialists, while environmental impacts related to FLSmidth's operations were evaluated at all sites.

Downstream impacts were assessed through direct engagement with a major mining customer and through proxies, particularly where direct engagement with affected communities was not feasible. Proxies included input from internal specialists, industry standards and specialised tools.

Financial risks and opportunities were identified through consultations with internal stakeholders from departments such as customer relations, finance, legal and HR. These risks are monitored and managed in line with our enterprise risk management (ERM) procedures.

We have considered the connections between impacts and dependencies with our risks and opportunities. For example, we identified a connection between the energy transition stimulating demand for key commodities and the potential increased negative environmental impact of the associated mining activities.

Governance structures underpinning our IRO assessments ensure a thorough evaluation of business conduct across all locations, transactions and customer engagements in the mining industry.

In 2025 we reviewed and updated the DMA with a simplified approach. We have engaged additional

internal stakeholders as part of the process and used additional available quantitative data that was collected during the 2024 reporting cycle. The divestment of the cement business was considered but had no significant impact on our results, as no IROs were identified specifically for cement in the original DMA. We have also incorporated feedback on the 2024 DMA from financial institutions and lessons learned from 2024 reporting, including peers. We have also used case studies for determining value-chain IROs. Based on the assessment of our material IROs and the 2025 review, we have identified the material topical standards to be reported on. These are depicted in the figure to the left, in which we include main change from 2024 DMA.

Key change at standard level has been the impact of Affected Communities, which has moved to be only financially material as a 'license to operate' risk. Negative impact downstream in the value chain has been reduced based on re-assessment of FLSmidth's business model and link to value-chain boundaries.

Key changes to sub-standards have been pollution to air, which based on collected 2024 data falls out of scope in 'own operations' but remains material in our value chain, and substances of concern, which has been descoped from 'own operations' based on 2024 data showing low volumes. Instead we will continue to monitor it as a safety topic. See an IRO overview for comparison between 2024 to 2025 reporting on [page 120-121](#).

Double materiality assessment (continued)

Time horizon

Time horizons for IROs are specified according to the earliest occurrence. Where we have identified a short-term or medium-term horizon, the IRO could potentially continue to a longer time horizon.

Impacts

As per the ESRS guidance, the average of the three parameters of 'scale', 'scope', and 'irremediable character' have been used in the scoring

of the 'severity' of our impacts. The likelihood of the impact occurring is then evaluated to give the final impact score. In instances of a negative impact on human rights, a scoring of five in either scale, scope or irremediable character results in a material impact scoring.

Risks and opportunities

When scoring risks and opportunities, we utilised our ERM methodology (see pages 39-40) to ensure

consistency and relevance to the business². We evaluated the magnitude of the risk or opportunity against seven drivers of value creation or costs: financial, legal/regulatory, reputation, human capital, customers, operational and strategic. When quantification in monetary terms was not possible, largely due to the complexity of defining exact values for potential sustainability risk scenarios, we applied qualitative assessments.

With the integration of sustainability into our business processes, we aim to ensure the long-term resilience of our business and its ability to address our actual and potential IROs now and in the future.

We recognise that our IROs may change over time due to the dynamic nature of our operational landscape, but expect them to remain relatively consistent year over year.

Thresholds

Materiality thresholds were set at 'significant'. This means that IROs scored as 'significant', 'high' and 'severe', and their associated ESRS topics, are deemed material.

Several factors may influence our IROs, including entering new markets or other emerging sectors. We have not identified any current or future financial effects for which there is significant risk of material adjustment.

Resilience of our strategy

Last year, we conducted an organisation-wide resilience analysis, covering all aspects of the company's operations and strategic planning. We have evaluated the resilience of our strategy and the capacity of our business model to address our material impacts and risks and our ability to take advantage of our material opportunities. We see that our product and service portfolio empowers our customers to reduce their environmental and safety impacts and directly addresses material IROs.

We are committed to continuously improving our methodology and processes for identifying and evaluating IROs by enhancing data quality and insights from our value chain. This will allow us to quantify our IROs more accurately. Similarly, we will continue to integrate our materiality assessment with our overall risk management processes to ensure a holistic approach to identifying and mitigating risks.

Scale: How grave is the impact?	Scope: How widespread is the impact?	Irremediable character: How difficult would it be to (remedy or correct) the issue?
5 Absolute	5 Global/total	5 Non-remediable/irreversible
4 High	4 Widespread	4 Very difficult to remedy or long-term
3 Medium	3 Medium	3 Difficult to remedy or mid-term
2 Low	2 Concentrated	2 Remediable with effort (time & cost)
1 Minimal	1 Limited	1 Relatively easy to remedy short-term
0 None	0 None	0 Very easy to remedy

Likelihood	Materiality
5 Actual (occurring)	Severe
4 Very likely	High
3 Likely	Significant
2 Possible	Medium
1 Unlikely	Low
0 Very unlikely	

² Using the ERM methodology, sustainability risks are not prioritised relative to other business risks

Stakeholder engagement

At FLSmidth we actively engage with key internal and external stakeholders, recognising their insights and perspectives as essential to advancing our MissionZero programme and sustainability objectives.

Stakeholder dialogue is conducted through various channels, including surveys, employee workshops, investor meetings, customer collaborations, supplier assessments, industry partnerships, and community engagement initiatives. Stakeholder interests and views are integrated into our impact, risk and opportunity assessments, informing the strategic decisions of our management and Board of Directors.



Industry and sustainability reporting standards and frameworks/ ESG rating agencies

We work with a continuous improvement approach, identifying relevant reporting areas for our sector and assessing our progress against industry reporting standards and frameworks (TCFD, TNFD, ISSB, SDGs and UNGCP) and ESG ratings (CDP, Ecovadis, Sustainalytics, MSCI and ISS-Corporate).

Supply chain workers/Suppliers

We engage with suppliers through risk based onsite assessments of key suppliers, including employee dialogues. This enables us to identify and ensure mitigating actions in our supply chain.

Policy makers and indirect decision-makers

We engage regularly with international organisations to provide expertise, share experiences, exchange ideas, gain insights into their expectations, helping to inform policy makers. We are members of, and engage with, industry associations and advocacy groups to promote policy frameworks and regulations that help accelerate the green transition and to gain knowledge about stakeholder groups that we might affect unknowingly or indirectly.

Customers

We partner with customers to support them in achieving their sustainability ambitions. Through these partnerships, we maintain continuous dialogue to understand their expectations, needs, and emerging concerns, gaining valuable insights that guide our shared progress to support the green transition.

Investors

We engage regularly with current and potential investors to discuss the performance and expectations of our sustainability ambitions and strategies.

Audit, Risk and ESG Reporting Committee

We report to the committee on progress in key sustainability metrics and activities, including the results of our double materiality assessment. The committee provides feedback and guidance about plans and activities.

Current and future employees

In addition to regular engagement with their direct manager, employees can provide anonymous feedback and input through quarterly surveys, and are expected to attend quarterly townhall meetings with the Executive Leadership Team and business line managers. Periodic roundtable discussions between employees and management are also held to gather targeted feedback. We engage with potential future employees by offering summer internships and PhD programs designed to attract and cultivate the next generation of professionals in the mining industry. Through these programmes we gain valuable insight into what is needed in the industry to ensure a diverse and sustainable talent pipeline for the future.

Local communities/media/NGOs

We listen to the needs and expectations of the local communities in which we operate. Our Social Action Programme supporting employee-led initiatives across health and safety, humanitarian aid, environment, and education, also serves as a channel to engage with and gain insights from local communities.



Impacts, risks and opportunities across our value chain

	Upstream	Own Operations	Downstream
ESRS E1 Climate change	<ul style="list-style-type: none"> 1 CO₂e emissions — → Page 65 	<ul style="list-style-type: none"> 1 CO₂e emissions — → Page 65 2 Energy optimisation ⚡ → Page 66 	<ul style="list-style-type: none"> 1 CO₂e emissions — → Page 65 3 MissionZero portfolio & environmental stewardship + ⚡ → Page 66
ESRS E2 Pollution	<ul style="list-style-type: none"> 4 Air pollution from production — → Page 74 		<ul style="list-style-type: none"> 5 Tailings solution offerings + → Page 74
ESRS E3 Water		<ul style="list-style-type: none"> 6 Water withdrawal — → Page 76 	<ul style="list-style-type: none"> 3 MissionZero portfolio & environmental stewardship + ⚡ → Page 76
ESRS E4 Biodiversity			<ul style="list-style-type: none"> 7 Depletion of natural resources and land-use change — → Page 79 8 License to operate ! → Page 79 9 Reducing mining footprint + → Page 79
ESRS E5 Circularity	<ul style="list-style-type: none"> 10 Virgin raw materials — → Page 82 11 Sourcing of materials ! → Page 82 	<ul style="list-style-type: none"> 12 Waste generated — → Page 82 	<ul style="list-style-type: none"> 13 Product design & refurbishment + → Page 82 14 Sales of services (spareparts & maintenance) ⚡ → Page 82
ESRS S1 Own workforce		<ul style="list-style-type: none"> 15 Working conditions — + → Page 91 16 Equal treatment + ! → Page 91 17 Talent attraction & retention ! → Page 91 18 Health and safety — + → Page 91 	
ESRS S2 Workers in the value chain	<ul style="list-style-type: none"> 19 Work-related rights — ! → Page 101 		<ul style="list-style-type: none"> 20 Product safety ⚡ → Page 101
ESRS S3 Affected communities			<ul style="list-style-type: none"> 8 License to operate ! → Page 106
ESRS G1 Business conduct	<ul style="list-style-type: none"> 21 Relationships with suppliers — → Page 109 	<ul style="list-style-type: none"> 22 Corruption and bribery — ! → Page 109 	<ul style="list-style-type: none"> 23 Lobbying activities ⚡ → Page 109

General disclosures

Governance and oversight of sustainability

The Board of Directors is deeply engaged in our sustainability initiatives, overseeing critical decisions, setting long-term targets and supporting our sustainability ambitions. Their activities include quarterly reviews of sustainability matters, including progress against targets, conducting an annual sustainability review and approving relevant policies. All members of the board are independent and non-executive members.

The Audit, Risk and ESG Reporting Committee oversees the effectiveness of the risk control and management systems and assesses the potential impact of material sustainability IROs.

The Executive Leadership Team, acting as the Sustainability Board, holds overall accountability for the direction, progress and focus of our sustainability efforts and targets and receives quarterly reports on specific sustainability KPIs.

In 2025, the results of the review of the DMA were presented to the Executive Leadership Team and the Audit, Risk and ESG Committee. The Board of Directors received documentation, process descriptions and results of the DMA process for relevant decision-making.

The Chief People Officer and Global Business Services, EVP is accountable for the implemen-

tation of sustainability strategy, with the Head of ESG being responsible to develop and implement this strategy and report progress to the Executive Leadership Team. The Chief People Officer and Global Business Services, EVP is also responsible for Global Business Services, which supports policy adoption across the organisation. The Group CFO is accountable for the regulatory and data requirements under CSRD reporting.

Management and the Board of Directors receive information and training on current and evolving regulatory matters and material sustainability IROs. We ensure relevant expertise by upskilling our own workforce or bringing in experts where needed.

[See our Corporate Governance section for more information on pages 41-45.](#)

Risk management and internal controls over sustainability reporting

Internal control systems are in place to identify and manage risks in financial and sustainability reporting, guided by set policies, procedures, and controls. Key risks include reliance on manual processes and maintaining completeness of new data points. Actions being taken include standardising tools to reduce manual work and improving data validation through analytical data processes

and through the ESG consolidation system. Risks are prioritised according to their level of severity.

We have a dedicated ESG data team and separate ESG Finance team that are responsible for optimising the record to report process for ESG data and ensure effective risk controls.

Integration of sustainability-related performance in incentive schemes

The long-term incentive programme connects the Executive Leadership Teams' performance to sustainability objectives. For the 2025 programme, 15% of achievement is linked to four sustainability KPIs: scope 1 & 2 emissions, economic intensity, total recordable injury rate (TRIR), and the proportion of women in the workforce. These KPIs are included in the remuneration policy, tying variable compensation to long-term sustainability targets. Each KPI is measured against a three-year average target improvement for 2025-2027 and assigned a 3,75% weighting. The Board of Directors conducts an annual review of the schemes to ensure consistency with the organisation's sustainability strategy and current practices, aiming to balance sustainability and financial considerations.

Statement on due diligence

	Page
Embedding due diligence in governance, strategy and business model	56, 61, 91, 101, 106
Engaging with affected stakeholders in all key steps of the due diligence	57, 59, 74, 76, 79, 82, 91, 92-93, 103, 109
Identifying and assessing adverse impacts	57, 65-66, 73-74, 76, 79-82, 91, 101, 106, 109
Taking actions to address those adverse impacts	67-68, 75, 77, 80, 83-86, 93-100, 103-105, 107, 110-113
Tracking the effectiveness of these efforts and communicating	68-69, 75, 77-78, 80, 86, 100, 103-105, 107, 113

General basis for preparation of sustainability statement

FLSmidth's sustainability statement has been prepared on the same consolidated basis as the consolidated financial statements with the reporting period running from 1 January to 31 December 2025.

During the preparation of the sustainability statement, we identified IROs encompassing both our upstream and downstream value chain.

General disclosures

In accordance with our revisited DMA, we have revised several policies this year to ensure alignment with these findings while ensuring a simplified approach.

The report includes data and information related to our own operations and value chain. For key sustainability KPIs related to Scope 1 & 2 (market based) emissions, Scope 3 Economic intensity (use of sold products), water withdrawal, percentage of women managers and safety (See [sustainability highlights on page 9](#)), 2025 targets disclosed reflect milestones related to our 2030 targets from our 2019 baseline.

No information corresponding to intellectual property, know-how or the results of innovation has been omitted from the sustainability statement. Neither are we exempted from disclosing any impending developments or matters that are currently in the course of negotiation.

The report is prepared in compliance with sections 99a of the Danish Financial Statements Act and EU taxonomy regulation disclosure requirements.

The full sustainability statement have received limited assurance. See [the auditor's limited assurance report on page 196-197](#).

Incorporation by reference

Disclose requirement	Page where the information can be found
ESRS 2 GOV-1, GOV-2	Pages 41-45

Disclosures in relation to specific circumstances

Sources of estimation and outcome uncertainty

For climate related metrics, we use the internationally recognised standard, GHG Protocol, as the basis for our emissions calculations methodology and align with the ESRS requirements when applicable. This year our emissions calculations has not been impacted by the ESRS requirements.

In general terms, where we have not been able to collect actual data, we use assumptions and estimates for the reporting of the relevant data points. We reassess our methodology for using estimates and judgements on a regular basis as data access becomes better and with the ongoing development of ESG reporting. Please see our accounting policies including descriptions of assumptions, estimates and sources used for each metric.

In the event of restating non-financial data, we restate in accordance with our internal policy.

Changes in preparation or presentation of sustainability information

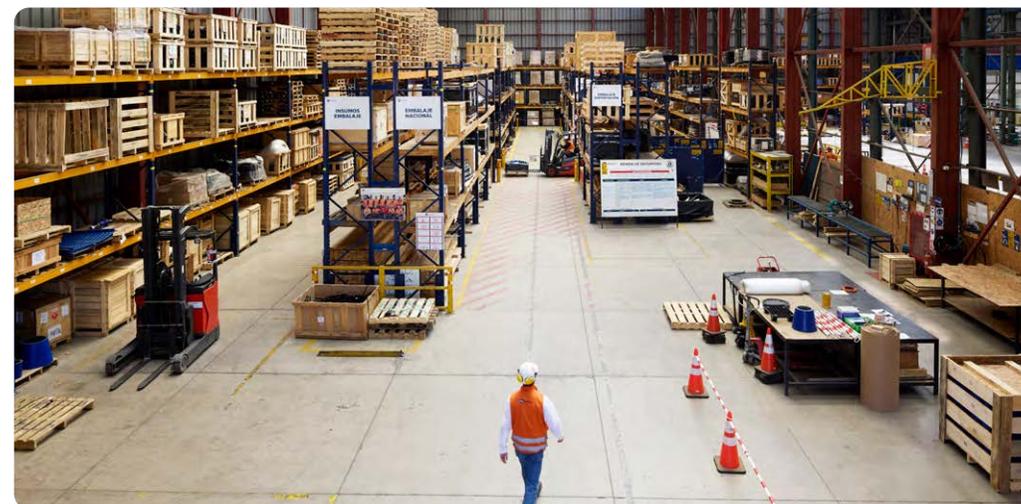
Following the 2025 review and amendments to the DMA, we have reviewed the descriptions and scope of our identified IROs. As part of this process, we have introduced changes to simplify them and to ensure a clearer, more strategic approach. As a result of the review, we have also

removed pollution in our own operations from the scope, and therefore excluded the narrative and metrics related to substances of concern. See [the overview of changes to the IROs on page 120-121 and an overview of KPI changes on page 119](#).

In 2025, we have a restatement to our scope 2 market-based emissions for 2024 due to additional renewable energy certificates purchased at our sites (See [page 71](#)).

For information on where to find each disclosure on ESRS, see [pages 115-119](#).

Following the divestment of the cement business, certain KPIs are presented both as Continuing activities and combined Cement and Mining. Where not explicitly stated, KPIs are reported including both Cement and Mining figures. Certain social KPIs measured per 31. December cover only Continuing activities. Comparative numbers and baselines will be recalculated in 2026 to reflect the divestment of the cement business.



Environment

As a full flowsheet solutions provider to the mining industry, we focus on reducing the environmental impact of our own operations and value chain, working with our key partners to address impacts related to climate change, water, pollution, biodiversity and natural resources.

Environment	64
Climate change	65
Climate-related risks and opportunities	73
Pollution	74
Water	76
Biodiversity	79
Circularity	82
EU Taxonomy	87



Environment

At FLSmidth, we recognise that true sustainability starts with robust and accountable practices. As part of this commitment, our environmental management system is ISO 14001 certified, demonstrating our dedication to ongoing improvements and responsible operations at all our locations and throughout our entire value chain.



Our environmental commitments are detailed in our Environmental Policy, which applies to the entire company, our employees and subsidiaries. It also applies to any company acting on behalf of or in the name of FLSmidth, specifying that the company will advocate commitments consistent with the policy when engaging with suppliers and business partners.

To address environmental challenges in our value chain we are committed to providing comprehensive, full flowsheet mineral processing equipment and services designed for sustainable mining operations and collaborating with our suppliers to minimise impacts.

We align our practices with national and EU regulations related to water, pollution, chemicals, biodiversity and waste.

We are committed to identifying, assessing and managing our impacts, risks and opportunities related to the environment through our environmental management system, certified according to ISO 14001. This system is implemented in our operational sites, where assessments on specific environmental aspects are performed and environmental monitoring is carried out through audits, assessments of legal compliance and environmental indicators and improvement actions.

As defined in our Environmental policy, the Board of Directors and the CEO are responsible for overseeing critical decisions, setting targets, conducting periodic reviews and supporting FLSmidth's environmental related ambitions. The Executive Leadership Team holds overall accountability for the direction, progress and focus of our environmental efforts and targets and is responsible for evaluating the performance and effectiveness of the environmental management system, including the review of the identified environmental risks and opportunities and the effectiveness of actions taken. The Chief People Officer and Global Business Services, EVP is responsible for implementation of our commitments to minimise our environmental impacts. Local site managers are responsible for reviewing the site environmental performance and implementation of the site environmental plan, site safety inspection records, and incident investigation reports.

To further strengthen our internal environmental competence, a digital e-learning course was developed in 2025 to provide more practical guidance to key employees related to environmental management and assessment of impacts, risks, and opportunities. Additionally, all FLSmidth employees have access to the UN Global Compact Academy, which provides online training on sustainability topics, including environmental matters. Targeted environmental training has been made mandatory for key employees.

Climate change

Assessing impacts, risks and opportunities

Climate-related IROs were assessed by screening our current and planned activities in alignment with the TCFD recommendations, in different scenarios, in the short, medium and long-term.

Scenario analyses considered both physical and transition risks using pathways aligned with the Paris Agreement (1.5°C) and higher-temperature scenarios informed by global models such as those from the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA).

By using multiple scenarios, we can cover the most plausible risks and uncertainties. This helps assess physical and transitional risks. Key drivers taken into consideration include water scarcity, extreme weather events, macroeconomic trends, energy usage and mix, technology assumptions and evolving regulatory pressures to evaluate impacts of delayed climate action.

Our assessment indicates no material climate-related risks to our operations. [See more details on this assessment on page 57-58.](#)

We consider an indirect climate-related risk in our upstream stage of the value chain, related to sourcing of materials, as scarcity of raw materials has the potential to increase procurement costs

and purchasing deals; this is described in Circularity section, as IRO 11 on [page 82.](#)

Identified opportunities are aligned with our ambition to be a trusted sustainability partner for our customers. Through customer-focused, technology-driven solutions, we contribute to more sustainable mining operations.

IRO 1: CO₂e emissions

Upstream

Negative impact: Procurement of raw materials to manufacture our products, mainly steel, which emits significant CO₂e emissions in the production process.

Own operations

Negative impact: CO₂e emissions from energy consumption (electricity and fuel) related to our operations.

Downstream

Negative impact: CO₂e emissions generated from the use of our products, if not run on renewable energy sources (scope 3, category 11 Use of sold products GHG emissions).

[See how we work to reduce emissions across our value chain on page 66-69.](#)

Impacts, risks and opportunities

IRO	Actual	Potential	↑	🏠	↓	-	+	💡	!	Time horizon
1 CO ₂ e emissions	■		■	■	■	■				Short-term
2 Energy optimisation	■			■				■		Short-term
3 MissionZero portfolio & environmental stewardship	■				■		■	■		Short-term

Location in the value chain: ↑ Upstream 🏠 Own operations ↓ Downstream
 Impact, risk and opportunity: - Negative + Positive 💡 Opportunity ! Risk



Climate change

IRO 2: Energy optimisation

Own operations

Opportunity: We can reduce operating costs through onsite energy savings initiatives. Installing renewable energy on-site can reduce non-renewable energy consumption and reduce the cost of energy to mitigate dependency on unreliable energy supply. Energy efficiency measures, such as LED lighting, motion sensors, and thermostat controls, can also reduce energy consumption and costs. [See how we optimise energy usage on page 67-68.](#)

IRO 3: MissionZero portfolio & environmental stewardship

Downstream

Positive impact: Decarbonisation of mining processes by providing technical expertise and specialist energy efficient technologies that are able to run from electricity or other renewable sources.

Opportunity: Growing sales of specialist technologies will improve financial performance.

[See how we support the energy transition with our technologies on page 68.](#)

Transition plan for climate change mitigation

We have ambitious climate change-related near-term targets validated by the Science Based Targets initiative aligning with the 1.5°C scenario in the 2015 Paris Agreement³. These targets address our value chain impacts on climate change through our scope 1, 2 and 3 GHG emissions. In 2025, we have also set a long-term target for our total carbon footprint, with an emissions reduction ambition of 90% by 2050, in line with the 1.5°C pathway. [See more information about our targets on page 68-69.](#)

We have identified that the primary decarbonisation drivers for our Scope 1 and Scope 2 emissions lie within electricity and transport. Key initiatives include the procurement of renewable electricity through RECs and PPAs, the installation of on-site solar generation, broad energy-efficiency improvements, and the transition to electric vehicles and forklifts.

By shifting to renewable energy sources across these areas, we are able to meet our emissions reduction targets while increasing energy resilience. By shifting to renewable energy sources and improving efficiency, we reduce exposure to grid electricity price volatility and establish greater long-term cost certainty.

In our supply chain, we engage suppliers and encourage the adoption of science-based

targets (SBTi). For customers, through our product and service portfolio, we focus on developing technologies and services that use renewables and boost energy efficiency to help reduce emissions and consumption. [See our progress on page 71.](#)

Our climate transition plan is aligned with our overall business strategy and financial planning. It is approved and monitored by the Executive Leadership Team. The budget for transition activities is approved by management as part of our financial planning for each upcoming year. We are working on integrating EU taxonomy-aligned activities into our CAPEX planning process and have identified future activities that support increased alignment across our revenue and CAPEX, [see more on page 87-88.](#)

Progress on our Climate Transition Plan is reported to the Audit, Risk and ESG Reporting Committee.

We have assessed our product portfolio for locked-in GHG emissions, and all products have the ability to run from renewable energy sources. We are working closely with customers to enable them to make this transition through modifications of existing installed products or new technologies.

We do not pursue new coal greenfield projects but support existing customers through current technologies in an efficient transition to cleaner

energy. As a result we made no investments in coal, oil, or gas-related activities in 2025.

In 2025, we have publicly taken part in the CDP process as a reporting organisation and achieved an A-score in climate change.



Policies

Upstream, Own operations, Downstream

IRO 1, 2 & 3: Our Climate Action Policy outlines our commitments and ambition to reach our climate targets across all our own operations, reducing emissions through energy efficiency and deployment of renewable energy, and throughout our value chain (collaborating with suppliers and enabling the green transition in the mining industry through our product and services portfolio).

Renewable energy adoption is addressed through our commitments to a transition from fossil fuels to renewable fuels or electrification of internal transport; continued expansion of on-site generation of renewable electricity; and where feasible the development of renewable energy production through power purchase agreements and renewable energy certificates.

The policy applies to the entire company, our employees and subsidiaries. It also applies to any company acting on behalf of or in the name of

³ FLSmidth is included in the EU Paris-Aligned benchmark.

Climate change

FLSmidth, specifying that the company will have to advocate for commitments consistent with the policy when engaging with suppliers and business partners.

The Chief People Officer and Global Business Services, EVP is accountable for implementation of our commitments to reduce our CO₂e emissions across the value chain.

How we are taking action

Upstream

IRO 1: Given the significant emissions associated with steel production, we are working to increase our share of procured scrap steel relative to virgin steel. [See more about our ABON steel reuse programme on page 85.](#)

We are also exploring the use of lower-emission materials (e.g., recycled aluminium, composite materials) and designing our products to use less material overall. An example is our composite mill liners, which are on average 50% lighter.

Additionally, we promote science-based target setting with all our suppliers. As part of new onboarding processes developed over 2025, we are assessing our suppliers on their climate action performance. In 2025, we had a 25.0% spend on suppliers with science-based targets.

Own operations

IRO 1 & 2: We measure our CO₂e emissions through carbon footprint calculations based on international standards. To reduce our impact, we are committed to using energy responsibly at manufacturing and service centres to reduce our energy use and CO₂e emissions.

In 2025, we had DKK 120 million in CAPEX related to climate mitigation activities as detailed in our EU taxonomy disclosures on [page 87-88.](#)

Further, we have developed energy reduction guidelines and best practice recommendations through our environmental blueprints for all sites and implementing energy management procedures at our most energy-intensive sites. We prioritise energy efficiency when buying new assets and we have initiated more training and awareness campaigns to encourage employees to consider responsible use of energy resources. We continue transitioning to more energy-efficient equipment, such as compressor systems, welding and assembly machinery.

In 2025, we quantified and verified the organisational carbon footprint of our Casablanca plant and Renca Supercenter in Chile, as well as the carbon footprint of low-carbon ARMOUR mill liners produced in Chile. This assessment, conducted in accordance with ISO 14064, covers the entire manufacturing process from the plant



Climate change

to the final customer or destination (cradle-to-gate LCA). Our industrial energy efficiency project in the Casablanca plant, consisting of a new process to manufacture mill liners with a new electric autoclave, has led to a 56% emission reduction in manufacturing process⁴. These efforts have been recognised by HuellaChile, the national carbon emissions management program of Chile. This is a reference tool used in Chile by our major



Quantification, Reduction, and Product Carbon Footprint seals, acknowledging conformity with the HuellaChile programme and NCh-ISO 14064/2:2019.

customers to evaluate their strategic suppliers, with the quantification, reduction, and product carbon footprint seals, acknowledging conformity with the HuellaChile programme.

We are continuing our transition from fossil fuels to renewable electricity and fuels by phasing out fossil fuels in internal transport and introducing electric-powered transport equipment where feasible. Where possible, we seek to obtain renewable energy through onsite generation and certificates in regions. In 2025, we continued to generate more of our own renewable electricity from installed solar capacity completed during the second half

of 2024. Out of our total electricity consumption in 2025, 6% was self-generated. We continue to purchase renewable energy and in 2025, 19% of our energy usage derived from renewable sources. Of our Scope 2 energy usage, 36% was supplied through energy contracts supported by Renewable Energy Certificates (RECs), Power Purchase Agreements (PPAs), and supplier agreements, with 31% coming from RECs and the remaining 5% from PPAs. In the following years we will continue our efforts to secure renewable energy across our sites. Further CAPEX investments will be evaluated throughout the year.

Downstream

IRO 1 & 3: We continue to bring technologies to market that enable our customers to reduce emissions and their impact on the environment. In 2025, our R&D spend on activities related to solutions for energy and emissions improvements accounted for 76% of our total R&D budget⁵.

In Mining, we successfully brought the Reflux Flotation Technology to market, which operates with reduced power consumption up to 70% less energy demand compared to traditional flotation technologies. This technology also improves recovery rates of valuable minerals while achieving higher product grades, contributing to more efficient resource utilisation. We will continue our R&D efforts and focus on providing low carbon technologies to our customers to

support the transition to a more sustainable economy⁶.

We are continuing to improve emission data and performance studies of our products. We conduct life cycle assessments (LCAs) to assess the environmental performance of products across their entire life cycles. In 2025 we completed an LCA of the ARMOUR mill liners (covering the entire manufacturing process) at our sites in Chile and the HPGR Pro, encompassing full life cycle processes and benchmarking against the best available technologies in the market. The latter has led to an increase in our EU taxonomy alignment percentage. [See more on page 87-88.](#) In addition to our product LCAs and taxonomy reporting, we have developed an internal calculator for product carbon footprints under ISO 14067 methodology which can help us rapidly deliver accurate emissions data for customers.

In 2025, we have initiated our pathway toward an SBTi aligned Net Zero long-term target. As a first milestone, we established a long-term target for our total carbon footprint, covering scopes 1, 2 and 3, with a 90% emissions-reduction ambition by 2050 aligned with the 1.5°C trajectory.

In 2026 we will update our 2019 baseline to reflect the divestment of the cement business line and renew our scope 3 targets, with a 30% reduction target by 2030 aligned with WB2C pathways.

Targets

Upstream

IRO 1: To address our upstream impact in scope 3 (category 1, purchased goods and services), we had committed to achieving 30% of our spend on goods and services by 2025 with suppliers who have science-based targets. Our spend in

	Continuing activities 2025	2025	2024	Target 2025
Upstream decarbonisation				
Spend with suppliers with science-based targets (%)	25.2%	25.0%	22.5%	30%

§ Accounting policies

Spend with suppliers with science-based targets (%)

Measured as the percentage of total annual supplier spend attributed to suppliers who have either validated science based targets or have submitted targets for validation with the Science Based Targets initiative (SBTi).

⁴ This translates into an average product carbon footprint of 2.9 kg CO₂e/kg of mill liner produced at our Casablanca plant.

⁵ This value related to R&D spend on Eligible activities as disclosed in our EU taxonomy section.

⁶ All our near-term climate-related targets are validated by the SBTi using the absolute contraction method

Climate change

2025 was 25.0%, which is a 2.5 percentage-point increase from 2024. Although we did not meet the target this year, we remain committed to making steady progress. We will continue monitoring this share of spend on suppliers with SBTs on an annual basis as a metric to track progress towards our new scope 3 emissions reduction target of 30% reduction by 2030.

Scope 3, category 1 emissions increased and was in line with our expectations. As we are using a spend-based approach for category 1, the increase is in line with the increases to of our category 11 which we expect to be positively correlated.

Own operations

IRO 1: We have set science-based targets to reduce our absolute scope 1 and scope 2 (market-based) GHG emissions by 100% by 2030 compared to 2019. In 2026, we will renew this near-term target as required by SBTi, maintaining our carbon neutrality ambition and considering our focus on the mining industry. In 2025, our target was 32,871 tonnes CO₂e.

Scope 1 & 2 market based emission fell in 2025 by 8.8 % to 27,221 tonnes CO₂e; a 44% reduction from our 2019 base year. This was driven by right-sizing of the organisation and increased generation of onsite energy from solar power installations. Market-based emissions were also supported by more sites covered by Renewable Energy

Certificates (RECs), though the volume of RECs purchased was lower year-on-year due to a smaller company footprint. Whilst the sale of Cement business occurred in the last quarter of 2025, this had a nominal impact on the year-on-year development, due to the relevant small remaining footprint of the cement business. Scope 1 emission reduction was less pronounced than scope 2 as a colder winter at the beginning and end of 2025 resulted in more district heating and fuel use.

IRO 2: As the majority of our emissions are derived from energy consumption, our energy-related goals are embedded within our broader emission reduction objectives. This approach ensures that our efforts to reduce energy use and increase renewable energy generation are directly tied to and supportive of our goal of reducing emissions, thereby providing a comprehensive and integrated strategy for achieving our environmental targets.

Downstream

IRO 1 & 3: In addition to our 30% scope 3 emissions reduction target set in 2025 to be achieved by 2030, we have an economic intensity target. This aims to decouple the growth of our business from the growth in emissions. Economic intensity represents the emissions from the lifetime use of products sold (scope 3, category 11 use of sold products) in the reporting year divided by order intake for the same period. Our 2030 target is to reduce economic intensity of emissions by 56% against a 2019 baseline.

This year, our economic intensity increased to 3,455 tCO₂e/DKKm by 22.8%. This was driven by an increase in our scope 3 cat. 11 emissions (use of sold products) and impacted by a low comparative year in. Lifetime emissions from use of sold products is a volatile measure and highly correlated to order mix and the energy requirements of the products sold. During 2025, increased sales in our pumps business as well as a number of orders in the vertical and horizontal mills product lines drove the overall increase.

Whilst this represents an increase in scope 3 emissions our economic intensity at the end of 2025 represents a reduction of 63% compared with our 2019 base year, which is 15% below our 2025 target.

In 2026, we will renew our scope 3 near-term targets, according to SBTi requirements, shifting to absolute value.

Internal carbon pricing

We apply an implicit internal price on carbon to support energy efficiency and the reduction of scope 2 emissions. The price is based on regional renewable energy procurement costs and calculated as the marginal cost per tonne of CO₂ equivalent avoided. Technically, this approach, which reflects the avoided emissions cost associated with renewable energy certificates, provides a practical, geographically tailored incentive to

prioritise low-carbon solutions and track progress toward full scope 2 decarbonisation by 2030. We are currently evolving this approach to establish a more comprehensive internal carbon pricing framework to inform long-term investment decisions across our operations.



Climate change

Energy consumption

	Continuing activities			
	2025	2025	2024	Change (%)
Total energy consumption in MWh related to own operations				
Total energy consumption from fossil sources	73,977	80,564	87,761*	-8.2%
Fuel consumption from coal and coal products	0	0	0	
Fuel consumption from crude oil and petroleum products	17,937	19,085	21,060	-9.4%
Fuel consumption from natural gas	26,147	28,513	29,605	-3.7%
Consumption from other fossil sources	0	0	0	
Consumption of purchased or acquired electricity, heat, steam, and cooling from non-renewable sources	29,893	32,966	37,096*	-11.1%
Share of fossil sources in total energy consumption (%)	83%	81%	83%*	1.6%
Total energy consumption from renewable sources	15,657	18,303	17,825*	2.7%
Fuel consumption from renewable sources	14	16	17	-6.8%
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	13,000	15,642	16,057*	-2.6%
Consumption of self-generated non-fuel renewable energy	2,643	2,645	1,751	51.1%
Share of renewable sources in total energy consumption (%)	17%	19%	17%*	11.8%
Total energy consumption from nuclear sources	0	0	0	
Total energy consumption in MWh related to own operations	89,634	98,866	105,586*	-6.4%
Energy intensity related to high energy sectors (mWh/mDKK revenue) ⁷	6.1	5.5	5.2*	

§ Accounting policies

Energy consumption and mix

Energy consumption (MWh) for FLSmidth comprise all energy consumption, including energy consumption from fossil sources, renewable sources and nuclear generation.

All energy consumption is based on invoices, meter readings and supplier reports, and is collected monthly for all entities within our financial control. DEFRA emission factors released in 2025 were used for the current reporting period to calculate activity data for CO₂e.

Offices with fewer than 10 people are not included since most of the employees work from home and emissions are insignificant. Customer sites during project-related activities are not included since we do not have financial control over those sites.

Share of renewable sources in total energy consumption (%)

The share of renewables (%) is calculated as energy consumption from renewable sources divided by total energy consumption in the reporting year.

Energy intensity

Total energy consumption (MWh) in high intensity sectors divided by revenue from high intensity sectors for the same period. We assess that all revenue is attributed to high intensity sectors.

⁷ All energy consumption and revenue generated is from high climate impact sector with NACE code C28.9 - Manufacture of other special-purpose machinery

* 2024 numbers has been restated due to additional renewable energy certificates purchased at our sites. This has increased the percentage of renewable sources and also has a material impact to our Scope 2, market based number for 2024.

Climate change

Scopes 1, 2 and 3 GHG emissions

(tCO ₂ e)	Continuing activities 2025	2025	2024	Change (%)	Target 2025	Target 2030	Baseline (2019)	Annual % target/ baseline
Scope 1 GHG emissions	10,358	11,244	11,464	-1.9%				
Share of Scope 1 GHG emissions from regulated emissions trading schemes (%)	0%	0%	0%				0%	
Scope 2 GHG emissions								
Location-based	18,989	20,463	22,431	-8.8%				
Market-based	15,217	15,978	18,383*	-13.1%				
Total scope 1 & 2 (location-based)	29,347	31,706	33,895	-6.5%				
Total scope 1 & 2 (market-based)	25,575	27,221	29,847*	-8.8%	32,871	Carbon neutral ⁸	49,042	9%
Scope 3								
Cat.1) Purchased goods and services	1,200,00	1,500,000	1,300,000	15.4%			1,600,000	
Cat.6) Business travel	13,158	17,625	29,852	-41.0%			42,066	
Cat.11) Use of sold products	47,100,000	61,800,000	57,100,000	8.2%			225,200,000	
Total scope 3	48,313,158	63,317,625	58,429,852	8.4%			226,842,066	
Total GHG emission (location-based)	48,342,505	63,349,331	58,463,747	8.4%			226,895,266	
Total GHG emissions (market-based)	48,338,733	63,344,846	58,459,699*	8.4%			226,891,108	
(tCO₂e/mDKK revenue)								
GHG Intensity - Scope 1 & 2 (location-based)	2.0	1.8	1.7	6.0%				
GHG Intensity - Scope 1 & 2 (market-based)	1.8	1.5	1.5	0.7%				
GHG Intensity - Scope 1, 2 and 3 (location-based)	3,308	3,556	2,896	22.8%				
GHG Intensity - Scope 1,2 and 3 (market based)	3,308	3,556	2,896	22.8%				
Economic Intensity (tCO ₂ e/mDKK order intake)	3,131	3,455	2,985	15.8%		4,069	9,248	5%

This table outlines our scope 1, 2 and 3 emissions and intensity. Scope 1 includes direct emissions from our operations; scope 2 covers indirect emissions from purchased energy; and scope 3 accounts for other relevant indirect emissions across our value chain. This overview provides insight into our total carbon footprint and the progression made towards reducing emissions.

For information on the movements of key figures, see page 68-69.

* The 2024 number has been restated due to additional renewable energy certificates purchased at our sites (previous value: 30,638 tCO₂e).

⁸ Target of 100% emission reduction by 2030 approved by SBTi (near-term target in line with 1.5°C pathways)

§ Accounting policies

Scope 1 GHG emissions

Scope 1 emissions are direct emissions of greenhouse gases (GHG) and are measured as CO₂-equivalents. Scope 1 emissions for FLSmidth comprise fuel and gas use for various operational activities. Scope 1 involves three different categories: stationary combustion, mobile combustion and fugitive/process emissions. DEFRA emission factors released in 2025 were used for the current reporting period to calculate activity data for CO₂-equivalents.

Offices with fewer than 10 people are not included since most of the employees work from home and emissions are insignificant. Customer sites during project-related activities are not included since we do not have financial control over those sites.

Scope 2 GHG emissions

Scope 2 emissions include indirect emissions from electricity, heat, steam and cooling purchased and consumed by FLSmidth. We use location-based and market-based methods for calculations of scope 2 emissions. For location-based, emission factors are derived from the International Energy Agency (IEA), and for market-based, we use residual emission factors. If market-based residual emission factors for certain sites are not available, i.e. outside Europe and North America, we use location-based emission factors, cf. recommendations from the CDP web page. Emission factors released in 2025 were used for the current reporting period.

Offices with fewer than 10 people are not included since most of the employees work from home and emissions are insignificant. Customer sites during project-related activities are not included since we do not have financial control over those sites.

GHG intensity, scope 1 and 2 (location-based)

Total of scope 1 and 2 emissions in tonnes of CO₂-equivalents divided by revenue for the same period. Shown for both location-based and market-based. tCO₂/DKKm revenue.

GHG intensity, scope 1 and 2 (market-based)

Total of scope 1 and 2 emissions in tonnes of CO₂-equivalents divided by revenue for the same period. Shown for both location-based and market-based. tCO₂e/DKKm revenue.

Scope 3, Category 1 (Purchased goods and services) greenhouse gas emissions

GHG emissions from purchased goods and services are estimated based on the quantities of goods purchased, using spend data, material specific spend weightings, and raw material cost information. The spend data and raw material cost data are extracted from our relevant internal systems. The material specific spend weightings estimations are provided directly by internal supply chain experts. The share of scrap steel procured represents approximately 60% of the total steel purchased during the reporting period. Indirect spend is included as an adjustment by increasing the final direct spend emissions value by 5%.

Upstream cradle to gate GHG emissions associated with these purchased goods are determined using life cycle cradle to gate emission factors sourced from expert lifecycle databases. Figures are rounded to the nearest hundred thousand tonnes of CO₂ equivalents (tCO₂e) to reflect the inherent uncertainty associated with Scope 3 calculations.

Scope 3, Category 6 (Business travel) greenhouse gas emissions (tCO₂e)

Business travel emissions are provided from our travel management system and cover air travel. In 2025, FLSmidth estimated approximately 97% of in-scope air travel travel GHG emissions are captured through our booking platform and therefore adjusted the figure captured in the booking system upwards by 3%.

Scope 3, Category 11 (Use of sold products) green-house gas emissions

This category includes the current and expected future direct use-phase GHG emissions from our products sold in the reporting year over their entire expected lifetime, following the GHG Protocol. As such, these emissions are not directly comparable to reported actual GHG emissions that have already occurred.

Lifetime power consumption and fuel consumption from the use of our sold products are converted into GHG emissions using conversion factors for electricity and fuels. For electricity, global IEA factors for GHG emissions in CO₂-equivalents per kWh are used. IEA electricity transmission and distribution losses are included to improve accuracy. For fuels, DEFRA CO₂-equivalent conversion factors are used, including well-to-wheel emissions. GHG emissions from fuel burning are allocated to the products consuming the fuel energy.

FLSmidth collects where possible primary product data on the energy and fuel type consumption for large project orders. Due to the sale of the cement business line, the economic intensity factor has been calculated based on annual order intake. The calculation uses product-level data from 2021–2023 by taking the historical emissions of the sold products and dividing them by the order intake for those product lines.

Numbers have been rounded to the nearest hundred thousand tonnes of CO₂-equivalents to reflect the inherent uncertainty of scope 3 calculations. (tCO₂e)

Economic Intensity (tCO₂e/mDKK order intake)

Scope 3, category 11 GHG emissions from lifetime use of products sold in the reporting year divided by order intake for the same period. Process emissions are excluded.

Total scope 3 greenhouse gas emissions (tCO₂e)

The total scope 3 GHG emissions reported are the sum of the individually reported categories for scope 3. Scope 3 categories with emissions below 0.1% of total scope 3 GHG emissions are not included in the reporting, except for category 6 business travel. Combined, these categories make up less than 0.1% of the total scope 3 GHG emissions, according to our 2019 baseline mapping. Figures have been rounded to the nearest hundred thousand tonnes of CO₂-equivalents to reflect the inherent uncertainty of scope 3 calculations. Process emissions are excluded.

Total Scope GHG emissions (location-based) & Total GHG emissions (market-based)

Total of scope 1, scope 2 (shown for both location-based and market-based), and scope 3 emissions in tonnes of CO₂-equivalents.

Climate-related risks and opportunities

Type	Drivers	Description	Risk exposure	Opportunity level	Time horizon	Current and planned actions
Transitional	Carbon taxes and regulations	Regions introducing or planning to introduce carbon pricing and/or trading schemes similar to CBAM and EUDR that may increase costs of operations	Medium	Low	Medium-term	Develop reporting and governance processes for CBAM and EUDR to support future reciprocal legislation from non-EU regions.
Transitional	Demand for green products	Substitution of existing products and services with lower-emission options.	Low	High	Short-term	Develop and execute R&D roadmaps for key sustainability areas, including CO ₂ , NOx and water. Scout for technology partnerships. R&D spend on sustainability technologies in 2024 was 58.4%. Discontinue investment in coal-related R&D since 2022.
Transitional	Reputational impact	Company is negatively perceived as part of a polluting industry.	Medium	N/A	Medium-term	Technical adviser to the World Bank IFC Net Zero Roadmap for Mining Technical Working Group (TWG). Regular dialogue with relevant financial organisations about FLSmidth's transitional role.
Transitional	Access to capital	(Sectoral) risk of reduced access to capital due to high environmental impact.	Medium	Low	Medium-term	Alignment with key sustainable finance standards. Discontinue investment in coal-related R&D since 2022.
Physical	Storms and cyclones	Storms and cyclones can impact supply chain and production capacity, as well as labour conditions and construction of new plants.	Medium	Low	Medium-term	Mining and cement operations are relatively resilient to extreme weather events due to the robustness of equipment. Continuous improvement/monitoring of safety procedures for own employees in risk areas.
Physical	Drought	Drought leading to water scarcity, operational disruptions and increased operating costs.	Medium	High	Medium-term	Execute on R&D technology roadmaps in key sustainability areas including water. Identify suppliers and own locations with increased risk of flooding.
Physical	Flooding	Flooding can impact supply chain and production capacity, create operational disruptions and increase operational costs.	Medium	Low	Short-term	Continuously improve supply chain resilience and monitor safety procedures for own employees in risk areas.

Low (0%-2% impact on total revenue/costs); Medium (2%-6% impact on total revenue/costs); Significant (6%-20% impact on total revenue/costs); High (>20% impact on total revenue/costs). This scale is aligned with Materiality scale of DMA methodology (See page 57-58).

To determine our climate-related financial impacts we have adopted scenario analysis to assess actual and potential risks and opportunities. To assess high physical risks we apply an RCP8.5, or business as usual, scenario where we use third-party tools to evaluate our operational exposure to a range of climate risks. To assess transition risk we have used the principles of a RCP2.6 degree scenario⁹, using a delayed transition scenario.

FLSmidth has assessed not to have any material financial risks related to climate related risks, though recognise climate risks are correlated to identified IROs in other sections of this report; such as IRO 8: Licence to Operate and IRO 11: Sourcing of materials.

As a pure play Mining equipment supplier of products and services with lower emissions, FLSmidth has an opportunity to benefit under a green transition, both as a result of increased demand for commodities required for the green transition but also as Miners themselves need to decarbonise their operations. FLSmidth's diverse portfolio of products and services would support the increase in demand for commodity production; whilst our EU taxonomy Eligible and Aligned products would be those more positively exposed to our customers decarbonisation goals (See page 87-88). For business related risk please see ERM section on page 39-40.

⁹ Temperature rise below 2°C by 2100

Pollution

Assessing impacts, risks and opportunities

We evaluate environmental impacts of our activities through our Environmental Management system, which is ISO 14001 certified (See page 64), including pollution. At our own operations we prevent and control emissions of pollutants to air and substances of concern, in accordance with industry standards, ensuring compliance with all regulatory thresholds. In 2024, we reported on pollution and substances of concern in our own operations for the first time. The lower than expected volumes, meant that during our 2025 DMA review we re-assessed that pollution from own operations was not material. As a result, pollution will no longer be treated as a material topic for our own operations at a group reporting level from 2025. Meanwhile pollution and substances of concern will still be managed and controlled at a facility level as this is still important area from a health and safety perspective for our own workforce.

For upstream and downstream value chain assessments, we engaged internal specialists as subject matter proxies and applied recognised industry standards as reference points for potential impacts.

IRO 4: Air pollution from production

Upstream

Negative impact: Procurement of unfinished products containing raw materials, mainly steel, to manufacture our products involves the use of chemicals such as polychlorinated dioxins (PCDDs) and furans (PCDFs), leading to NOx and SOx emissions in the production process.

IRO 5: Tailings solution offerings

Downstream

Positive impact: Specialist tailings equipment can eliminate the need for tailings dams and therefore eliminate the risk of tailings dam breaches and pollution of water or soil in the local environment. See our tailings solutions offerings on page 75.

Policies

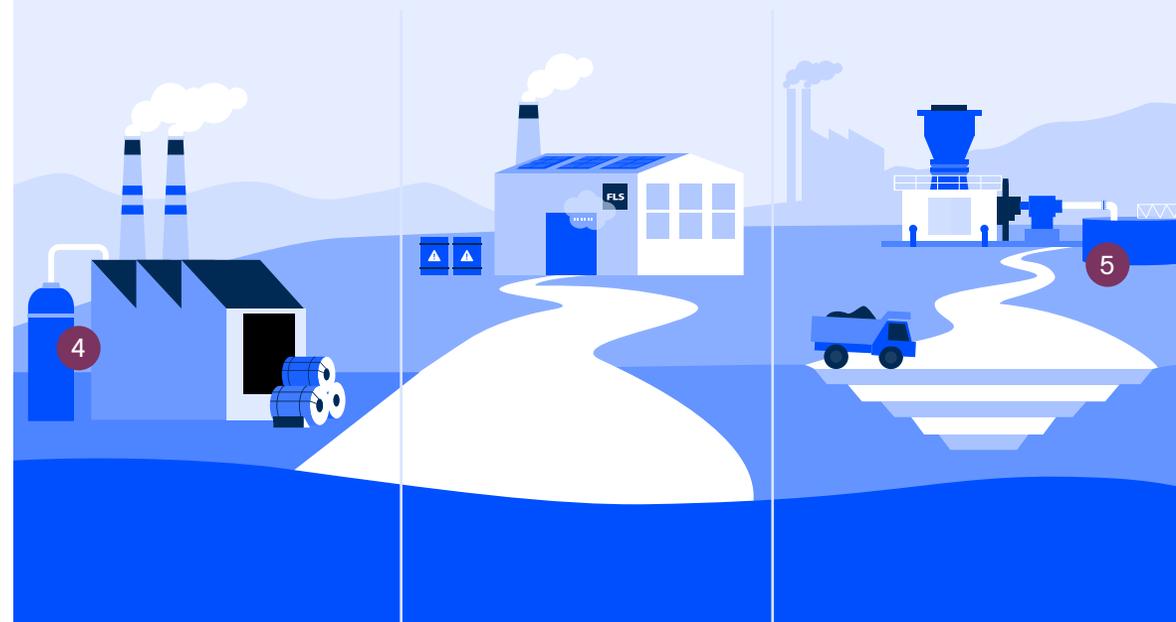
Upstream

IRO 4: In our supplier code of conduct we communicate our expectations that our suppliers work with pollution prevention by minimising or eliminating emissions and discharges of pollutants at the source or by adding pollution control equipment; modifying production, maintenance, and facility processes; or by other means.

Impacts, risks and opportunities

IRO	Actual	Potential	↑	🏠	↓	-	+	💡	!	Time horizon
4 Air pollution from production	■		■			■				Short-term
5 Tailings solution offerings	■				■		■			Short-term

Location in the value chain: ↑ Upstream 🏠 Own operations ↓ Downstream
 Impact, risk and opportunity: - Negative + Positive 💡 Opportunity ! Risk



Pollution

Downstream

IRO 5: Pollution is addressed in our Environmental policy through the commitment of developing tailings management solutions to prevent water and soil pollution in the mining industry.

[See more details on our Environmental policy on page 64.](#)

How we are taking action

Upstream

IRO 4: All suppliers are required to commit to our Supplier Code of Conduct, which describes our expectations for preventing and reducing pollution and discharge of pollutants to wastewater in the supplier's manufacturing processes. In addition, we conduct onsite assessments of suppliers in which employees visiting suppliers observe and report on concerns or inconsistencies related to environmental, social or governance issues.

Additionally, to reduce our negative impact from the procurement of steel, which is a key sourced raw material, we are working on increasing our share of procured scrap steel. [See more about our ABON steel reuse programme in page 85.](#)

Downstream

IRO 5: We continue to invest in developing technologies related to tailings and water management with the aim of reducing pollution of local water sources and surrounding environments that can potentially occur from tailings breaches and wastewater discharge. Through our dry stack tailings technology, we eliminate the use of tailings dams and thereby reduce the impacts associated with tailings dam breaches.

Targets

Upstream

IRO 4: We are in the process of identifying relevant targets for our procurement of scrap steel.

Downstream

IRO 5: We are in the process of identifying if relevant targets can be set for our tailings dam product portfolio.



Water

Assessing impacts, risks and opportunities

Water is a finite and essential resource for society and the environment, which is why water management is considered a key issue in our value chain¹⁰.

We evaluate environmental impacts of our activities through our Environmental Management system, which is ISO14001 certified (See page 64).

Our water-related risk assessment was guided by the EU Water Framework Directive and included evaluation of dependencies, water stress, scarcity and quality using tools such as the World Resources Institute's Aqueeduct Water Risk Atlas and the WWF Water Risk Filter to consider geographic risks and river basins for all our own locations and main suppliers. We also assessed the primary locations of our customers' mines, where our products are used, in relation to water-scarce areas. During our 2025 DMA reassessment, scientific evidence showed that, although the steel industry is traditionally considered water-intensive, it achieves approximately 90% water reuse. As a result, water has been removed as a material topic in our upstream value chain.



In 2025, we moved our CDP disclosure to a B score in the Water Security category.

IRO 6: Water withdrawal

Own operations

Negative impact: While our manufacturing operations are not considered water intensive, we acknowledge that water scarcity remains an important global concern. This issue is especially significant in regions experiencing water stress, where many of our facilities and offices are based, making sustainable water management a priority. See how we reduce our water use on page 77.

IRO 3: MissionZero portfolio & environmental stewardship

Downstream

Positive impact: We develop technologies and solutions that enable water recycling and lower water consumption in the mining process, reducing the impact on the local environment and community, particularly in water-scarce areas.

Opportunity: Growing sales of our services regarding processing expertise and of our technologies for improved water efficiency, (grinding, classification, flotation and dewatering product lines), will improve financial performance. See how we support our customers to reduce water use on page 77.

Impacts, risks and opportunities

IRO	Actual	Potential	↑	🏠	↓	-	+	💡	!	Time horizon
6 Water withdrawal	■			■		■				Short-term
3 MissionZero portfolio & environmental stewardship	■				■		■	■		Short-term

Location in the value chain: ↑ Upstream 🏠 Own operations ↓ Downstream
 Impact, risk and opportunity: - Negative + Positive 💡 Opportunity ! Risk



¹⁰ We have used tools and specialists as proxies to assess affected communities. See page 57-58 for more information

Water

Policies

Own operations

IRO 6: Water management is addressed in our Environmental Policy through specific commitments concerning water withdrawal, with a special focus on water-stressed areas. These commitments include implementing initiatives to reuse and recycle water at sites where it is feasible in order to reduce water consumption and withdrawal, as well as preventing and treating any possible water pollution that could result from our operations.

Downstream

IRO 3: Our Environmental Policy outlines our commitment to developing technologies and services to help mining companies reduce water use and maximise water recovery thus improving water efficiency in the mining industry.

[See more details on our Environmental policy on page 64.](#)

How we are taking action

Own operations

IRO 6: We continue to focus on reducing water withdrawal at our own sites with a special focus on those located in areas of water-stress.

We are increasing water reuse and recycling practices. Some sites include water treatment facilities to handle wastewater generated from testing the

equipment and water from sewage, which is then reused either in our processes or for gardening. At some other sites, water is sourced from secondary sources, such as storm water and rainwater.

An example is our new water recycling system installed at our site in Tucson, USA which is located in a water stressed area. This marks a significant step in reducing the facility's overall water consumption and environmental footprint. The innovative system features a 360-gallon retention wall and holding tank which captures and reuses both pump test water and rainwater, in a close loop system, thereby reducing reliance on municipal water. By lowering wastewater discharge, and supporting our commitment to efficient, sustainable operations this example can serve as a model for other facilities.

We have begun installing smart water meters at manufacturing sites, service centres and larger offices to enable us to detect leakages earlier. We have introduced new water metrics in our monthly reporting which give us more insight into water consumption, water discharge and water intensity.

We conduct awareness campaigns to promote best practice on water conservation and provide training in matters relating to our policy to all relevant employees.

Downstream

IRO 3: The mining process relies heavily on water. Tailings management in the mining industry is a key focus area due to its direct correlation with water usage in mining operations. It impacts both the amount of water consumed and the volume of water withdrawn from natural sources.

We address downstream water use impacts through our product innovation programme, focusing on developing technologies and services to help mining companies reduce water use and maximise water recovery.

Our product portfolio includes water efficient technologies in grinding, classification, flotation and dewatering product lines and services.

A key area of our research and development is dry stacked tailings, which use filtration and dewatering technologies to extract water from tailings, enabling up to 95% of process water recovery. These solutions have a positive impact on the surrounding environment and local communities, and we remain committed to providing solutions that help customers address these critical environmental challenges.

In 2025, we have launched the coarseAIR™ flotation cell, an innovative approach to coarse particle flotation, enabling the recovery of larger ore particles than in conventional flotation. This has

a wide range of benefits in certain applications, particularly around energy savings, due to the higher target grind size, and water savings due to the improved dewatering of tailings, meaning lower water consumption.

Targets

Own operations

IRO 6: To monitor our efforts to mitigate our impact on water withdrawal, we set 2030 targets with the aim of a 50% reduction of freshwater withdrawal in own operations and a 50% reduction of freshwater withdrawal in water-stressed areas, against our 2019 baseline. In 2025 water withdrawal was 139,007m³ with 114,497m³ in water stressed areas. This represents a 37% and 11% reduction from baseline. Whilst our water withdrawal reduction has progressed ahead of schedule, withdrawal from water stressed areas has fallen at a slower pace. This is partly due to the make-up of our global footprint, as well as more regions experiencing water-stress.

Due to material changes in our business from the divestment of the Cement business line, in 2025 we have revised our targets to better reflect our ongoing activities. We re-establish our baseline to reflect our 2025 figures for continuing business and set reduction goal of 25% in water withdrawal and withdrawal in water stressed areas by 2030.

Water

Water use

Water withdrawal and consumption	Continuing activities			Target	Target
	2025	2025	2024	2025	2030
Total water withdrawal (m³)	128,618	139,007	156,022	183,101	5% year on year
In water stressed area (m ³)	109,486	114,497	129,295		
In water stressed area (%)	85%	82%	83%		
Water Intensity (m ³ /mDKK)	8.8	7.8	7.7		
Total water consumption (m³)	57,831	60,611	15,292		5% year on year
In water stressed area (m ³)	57,478	59,874	14,541		
In water stressed area (%)	99%	99%	95%		
Water Intensity (m ³ /mDKK)	4.0	3.4	0.8		
Water recycled and in storage					
Water recycled and re-used (m ³)	31,583	31,583	0		
Water in storage (m ³)	0	0	0		

Downstream

IRO 3: Through innovative products and services, we strive to empower our customers to achieve their ambitious water related targets. We aim to optimise water recovery and drastically reduce water loss, setting a new standard for sustainability in the industry.

Water withdrawal during 2025 fell by 11% from 2024 well below our 2025 target. This was driven both by site consolidations and water reduction initiatives support reuse of test water.

However, the percentage of water use in water-stressed areas has increased as site closures in

non-stressed regions, mostly in main land Europe, have shifted the overall distribution.

The increases in water consumption and water recycled is primarily driven by greater availability of primary data. In 2024, we reported on these KPIs for the first time using an estimates approach, however improvements in actual data thorough our newly implemented environmental reporting system shows that we reuse facility water, through onsite waste water treatment that is then used for gardening purposes. 2024 numbers are therefore not comparable.

Accounting policies

Total water withdrawal (m³)

Water withdrawal includes all resources FLSmidth withdraws from groundwater or consumes from waterworks. The total volume of water withdrawal data is measured based on invoices from suppliers or meter readings and is collected monthly for all entities within our financial control. We estimate water data for entities with shared office spaces and where data is not accessible, the water use is estimated as follows: office/warehouse –20 litres/per person/day; manufacturing facility –35 litres/per person/day, facility with boilers in use –50 litres/per person/day.

Offices with fewer than 10 people are not included. Customer sites during project-related activities are not included since we do not have financial control over those sites.

Water intensity

Total water withdrawal divided by revenue for the same period.

Total water consumption (m³)

Our water consumption is calculated as the net difference between total water withdrawal and total water discharge. Water discharge includes the sum of effluents, used water, and unused water released to surface water, groundwater, seawater, or a third party, for which the organisation has no further use during the reporting period.

Methodology has changed in 2025 from an estimate approach to collection including primary data such as invoices and meter readings.

Water intensity

Total water consumption divided by revenue for the same period.

Water recycled or re-used

Wastewater that is recycled or re-used before discharge or consumption. This is our first reporting year in which we are reporting data on wastewater.

Water withdrawal and consumption in water-stressed areas

Includes the percentage of total water withdrawal or consumption from sites located in areas scoring 4 or above for baseline water stress, as defined by the WWF Water Risk Filter. Beginning in the 2025 reporting year, FLSmidth adopted the WWF Water Risk Filter as the primary tool for identifying water stressed areas, replacing the previously used WRI Aqueduct Water Risk Atlas. No significant differences were observed between the two systems regarding the classification of water stressed areas.

Biodiversity

Assessing impacts, risks and opportunities

We evaluate environmental impacts of our activities on biodiversity through our Environmental Management system, ISO 14001 certified (See page 64). This includes assessing how factors such as GHG emissions, land-use change, pollution and water consumption affect ecosystems.

We also utilised the WWF Water and Biodiversity Risk Filter tools and the LEAP approach, to evaluate IROs related to biodiversity, including proximity to Key Biodiversity Areas and systemic risks. According to the WWF Water and Biodiversity Risk Filter tool, none of our own operational facilities are located in Key Biodiversity Areas. In addition, the WWF tool indicated that the vast majority of FLSmidth facilities fall within Medium, Low, or Very Low biodiversity risk categories, with only a limited presence in the higher risk segments.

Our assessments considered dependencies on biodiversity and ecosystems across our value chain, evaluated ecosystem services likely to be disrupted, and identified transition and physical risks and opportunities. For more details on the DMA review see page 57-58.

IRO 7: Depletion of natural resources and land-use change

Downstream

Negative impact: The construction of mining operations as well as the processes involved with mineral extraction, leads to negative impacts on biodiversity. See how we support our customers in reducing their impact on the land on page 80-81.

IRO 8: License to operate

Downstream

Risk: An increase in regulatory and reputational pressure on our customers in relation to biodiversity impacts, including climate and water drivers, can delay permits and slow the market for newer investments. See how we support our customers through our service offerings on page 81.

IRO 9: Reducing mining footprint

Downstream

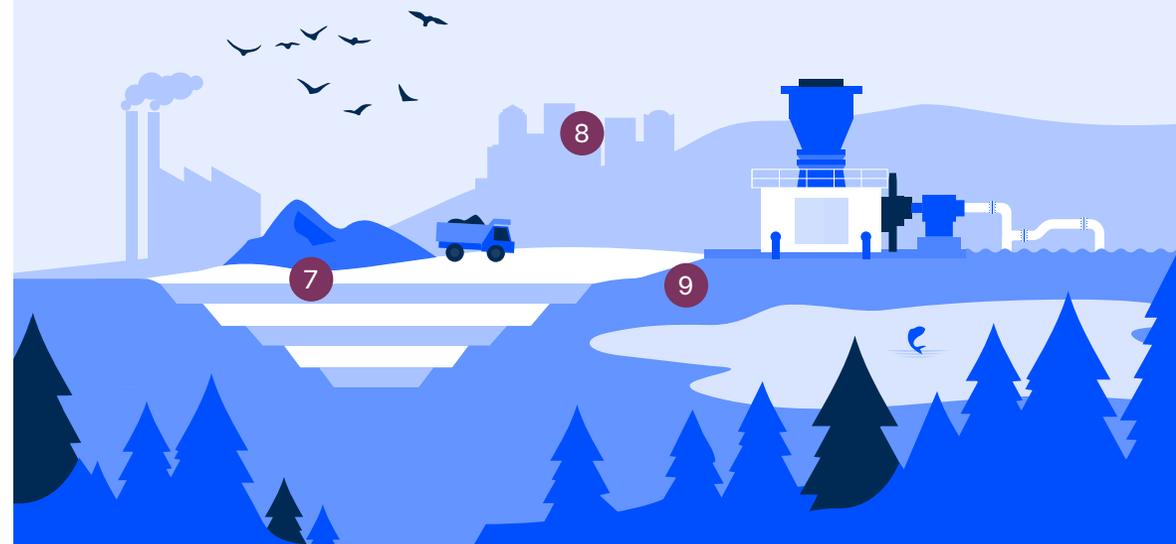
Positive impact: Our products enable customers to improve yields from existing mines, which reduces the negative impacts on biodiversity per unit of output.

See how we support our customers to improve yields below.

Impacts, risks and opportunities

IRO	Actual	Potential	↑	🏠	↓	-	+	💡	!	Time horizon
7 Depletion of natural resources and land use change	■									Medium-term
8 License to operate		■								Medium-term
9 Reducing mining footprint	■									Medium-term

Location in the value chain: ↑ Upstream 🏠 Own operations ↓ Downstream
 Impact, risk and opportunity: - Negative + Positive 💡 Opportunity ! Risk



Biodiversity

Transition plan and actions taken

In general, FLSmidth's sites are placed in developed commercial and industrial areas, which tend to be in existing urban zones. None of our manufacturing sites, service centers, or offices are located in or near Key Biodiversity Areas.

Therefore, identified biodiversity IROs stem from our business relationships and our primary focus is on strategically supporting our customers to address these impacts.

While the increasing demand for minerals to fuel the energy transition should drive faster and more efficient production, we are also seeing increased expectations that these minerals are produced in more sustainable and ethical ways. This is then supported by regulation and increased transparency requirements.

As biodiversity loss becomes more closely linked with climate change, we are addressing the challenge of biodiversity loss through our current business model and strategy, which focuses on enabling customers to reduce their environmental impacts, reduce their drivers of biodiversity loss (GHG emissions, land-use change, water consumption, pollution), and therefore reduce their impacts on biodiversity.

Our product portfolio enables our customers to reduce energy consumption and GHG emissions,

to prevent water and soil pollution, to reduce water use and maximise water recovery, to maximise yields within a smaller land footprint, thus reducing land use.

Two examples are our Delta Stak clarifiers with a patented design that reduces space requirements, and our Filters, which effectively squeeze moisture from the tailings, allowing for dry stacking, and reducing the tailing pond footprint.

We are continuously evaluating the resilience of this strategy with a value chain perspective and adjusting our approach as we respond to market trends and gain knowledge and insight from our customers and affected stakeholders. We seek input from our customers and suppliers on an ad hoc basis to understand their needs.

Our strategic direction is a stronger focus on our service offerings, ensuring more effective operation and longer lifespan of our products. Similarly, this allows us to be less reliant on revenue from sales of new products thus reducing our exposure to the financial risks related to biodiversity while also increasing the positive impact that comes with improved yield from existing mines. These efforts can be tracked through our economic intensity KPI.

Policy

Our Environmental Policy outlines our commitment to develop solutions enabling our customers to address impact drivers on biodiversity loss, including products to maximise yields within a smaller land footprint, thus reducing land use.

Our Climate Action policy outlines our commitment to provide comprehensive, full-flowsheet mineral processing equipment and services designed for sustainable mining operations. Our extensive product portfolio emphasises energy efficiency and is engineered to operate on renewable energy sources.



Actions and targets

We aim to help our customers to minimise their impacts on biodiversity through our product and services portfolio. Using the TNFD LEAP approach, we identify where our offerings can deliver the greatest environmental benefits and deepen our understanding of how the industry affects biodiversity to support new innovations and product designs. Several of our products can help minimise the necessary land area for our customers' mine areas and minimise water consumption and wastewater emissions of our customers' mining operations.

An example is the case study of a large copper mine in Kazakhstan, operating two plants, which increased their tailings thickener underflow densities by 11% following installation of our deep cone thickeners with patented spiral rake blade systems. The new thickeners, installed at their second plant, increased water recovery at the plant by 15% and reduced the flowrate to the tailings facility by 15%. This means, achieving a 15% reduction in tailings volume, thus reducing land use footprint.

These reductions in environmental impacts are especially relevant in mines located in high-risk biodiversity areas.

Biodiversity

With our solutions we help mining companies to mitigate their impacts on the drivers of nature changes¹¹

1. Pre-feasibility study

- Holistic analysis of water and energy requirements to minimise the footprint of the mineral processing plant.

Reduction of water, energy, and land use requirements.

2. Primary Crushing & Grinding

- Low-noise/vibration crushers, mills, and pumps.
- Enclosed slurry pumps to reduce dust.
- Predictive maintenance & upgrades to prevent leaks and noise.

Reduced dust and noise resulting in better air quality and less disturbance for local communities.

3. Classification & Separation

- REFLEX & GradePro classifiers with higher efficiency, less water and energy per ton.
- Digital optimisation of flows and separation efficiency.

More efficient resource use, reduced fine dust generation.

4. Flotation

- Coarse Particle Flotation reduces reagent consumption, improves recovery, produces safer tailings.
- Digital optimisation of reagent dosing and pH control.

Less chemical discharge, improved recovery, and reduced harmful tailings.

5. Thickening & Filtration

- High-efficiency thickeners and filter presses.
- Clarifiers for water recovery.
- Up to 95% water recycling from tailings.

Cleaner discharge, significant freshwater savings, and reduced stress on local water bodies.

6. Tailings Management

- Dry stacking technologies.
- Safe, engineered tailings storage designs.
- Integrated water recycling systems.

Smaller land footprint, reduced risks, safer and more sustainable tailings storage.



¹¹ Drivers of nature change based on TNFD additional sector guidance for Metals and Mining version 1.0, covering the procedures of Processing.

Circularity

Assessing impacts, risks and opportunities

We have identified IROs related to resource inputs, outputs and waste based on the evaluations of environmental aspects of our operational activities and value chain, performed in the framework of our Environmental Management system, which is ISO 14001 certified (See page 64). This includes the use of resources and waste management and considers the environmental aspects in the different life stages of our products (life cycle assessment).

IRO 10: Virgin raw materials

Upstream

Negative impact: Our suppliers' use of virgin raw materials to produce product components sold to FLSmidth can cause depletion of natural resources.

IRO 11: Sourcing of materials

Upstream

Risk: Scarcity of raw materials has the potential to increase procurement costs in the medium-term to long-term. See how we are developing our circularity practices in procurement on page 83.

IRO 12: Waste generated

Own operations

Negative impact: Non-recyclable waste generated at our manufacturing facilities and service centres can cause emissions generated from waste handling, increased demand on land for landfills, and pollution to air, water and soil. See how we work to reduce waste on page 83-84.

IRO 13: Product design & refurbishment

Downstream

Positive impact: Product designs enable increased circularity opportunities for our customers. See how we are optimising product design on page 84-86.

IRO 14: Sales of services (spare parts & maintenance)

Downstream

Opportunity: Growing sales in circularity offerings, such as recycling, spare parts, maintenance services and digital solutions, provides financial opportunities. See our service-centric business strategy on page 17-19.

Impacts, risks and opportunities

IRO	Actual	Potential	↑	🏠	↓	-	+	💡	!	Time horizon
10 Virgin raw materials		■	■			■				Medium-term
11 Sourcing of materials		■	■						■	Medium-term
12 Waste generated	■			■		■				Short-term
13 Product design & refurbishment	■				■		■			Short-term
14 Sales of services (spare parts & maintenance)	■				■			■		Medium-term

Location in the value chain: ↑ Upstream 🏠 Own operations ↓ Downstream
 Impact, risk and opportunity: - Negative + Positive 💡 Opportunity ! Risk



Circularity

Policies

Upstream

IRO 10 & 11: Our Environmental policy outlines the commitment to increase the sourcing of recycled materials to transition from virgin resources.

In our supplier code of conduct we state our expectation for our suppliers to identify their environmental impacts and minimise adverse effects on the community, environment, and natural resources, while safeguarding the health and safety of the public.

Own operations

IRO 12: Our Environmental policy outlines the commitment to reduce waste in our operations, prioritising reductions of hazardous waste, and applying the waste hierarchy principles (with waste prevention being top-priority and sending waste to landfill as the last resort).

Downstream

IRO 13 & 14: Our Environmental policy outlines the commitment to develop solutions to improve circularity in the mining processes. This included better separation technologies to optimise recovery of metals and technologies reducing the amount of water required for mineral processing as well as increasing recycling of the water that is used. We are also committed to improve technologies to reprocess and extract minerals from old waste, where economically viable, and to

apply the principles of circularity to our products. This includes designing products to be durable, repairable, modular, lightweight, and recyclable, including considerations on design for disassembly and material selection. Additionally, the policy includes our commitment to keep our products in use for as long as possible and extending the lifetime through digital monitoring, predictive maintenance, reconditioning, repairing, refurbishment, and remanufacturing.

[See more details on our Environmental policy on page 64.](#)

How we are taking action

Upstream:

IRO 10 & 11: To reduce our negative impact from the procurement of virgin raw materials, we are working on increasing our share of purchased recycled raw materials such as scrap steel.

We consider extended product life in product design, leading to reduce materials needed throughout the entire lifecycle of our products (material efficiency), including those used in repairs and upgrades.

Additionally, we optimise the shape and size of components and lightweighting products. [See examples on page 85.](#)

Resource inflows

	2025	2024
Total weight (tonnes)	1,299,168	1,074,305
% of biological materials which are sustainably sourced	0%	0%
Recycled content (absolute, tonnes)	713,949	286,072
Recycled content (%)	55%	27%

Own operations:

IRO 12: Our Environmental Management System, which is ISO 14001 certified ([See page 64](#)) includes waste generation among environmental considerations. We manage waste in accordance with the waste hierarchy. Waste management at all facilities prioritises, where feasible, reuse or recovery, aligning with the commitments outlined in our Environmental Policy. Waste management is handled outside our sites by authorised third parties.

We have implemented various actions and annual initiatives as part of our waste reduction roadmaps. These include developing guidelines for waste segregation and analysing global waste data based on various disposal types. An example of an initiative to avoid waste generation, sand used during certain processes at our Indian facility is reused several times before being sent to landfill.

Accounting policies

Total weight

Purchased goods and services are estimated annually using amounts of procurement costs in relevant spend categories. Spend categories are assigned estimates of the composition of raw materials which enables spend to be allocated to raw materials. These material specific spend weightings estimations are provided by internal supply chain experts. Weightages are then calculated using traded commodity prices and spend data to determine the weights of raw materials. Packaging was estimated separately using sample data from a packaging supplier.

The percentage of biological materials which are sustainably sourced

Conservative as FLSmidth does not have information on certification schemes used by suppliers.

Recycled content

Recycled content is estimated based on monitoring of scrap steel and assuming no recycled content in any other material types. Percentage of recycled content is a percentage of total weight. A sample of packaging material data was obtained from a supplier and scaled up to represent all FLSmidth packaging.

Circularity

Resource outflows

Waste generated	Continuing activities	2025	2024
	2025	2025	2024
The total amount of waste generated	14,203	14,540	15,189
Hazardous	516	532	573
Non-hazardous	13,687	14,008	14,616
Total recovered	9,241	9,443	9,596
Total non- recovered	4,973	5,097	5,593
Share of waste recovered (%)	65%	65%	63%
Share of waste non- recovered (%)	35%	35%	37%
Recovery operation type	9,241	9,443	9,596
Reuse	322	336	879
Hazardous	36	36	7
Non-hazardous	286	300	872
Recycle	8,919	9,107	8,717
Hazardous	175	175	376
Non-hazardous	8,744	8,932	8,342
Other recovery operations	0	0	0
Waste treatment type	4,973	5,097	5,593
Total incineration	108	149	377
Hazardous	38	50	26
Incineration (with energy recovery)	17	19	24
Non-hazardous	70	98	351
Incineration (with energy recovery)	33	62	272
Landfill	4,865	4,948	5,216
Hazardous	267	271	165
Non-hazardous	4,598	4,678	5,052
Other disposal operations	0	0	0

Waste by material	Continuing activities	2025	2024
	2025	2025	2024
Metal	48%	48%	42%
Mix waste	18%	18%	20%
Water waste	0%	0%	13%
Dusty and powdery waste	15%	15%	9%
Wood	11%	11%	7%
Other	9%	9%	8%

§ Accounting policies

The total amount of waste generated

Measuring the total amount of waste generated, as well as waste broken down by recovery and treatment type, is based on invoices, supplier reports or local logbook registrations, and is collected monthly for all entities within our financial control. When information is unavailable, entities estimate values based on calculations of waste density and volume.

Share of waste recycled (%)

Percentage of all waste that has been either reused or recycled. Incinerated waste is not included in this figure.

Waste by material

Percentage of waste by main material groups.

Another example at our facilities in Welshpool and Henderson, Australia is an initiative to reduce general mixed waste sent to landfill and instead send the waste to a nearby waste-to-energy plant.

Reduction in waste generated is driven by a reduction in our global footprint, with the percentage of materials being recycled increasing to 65% in 2025. This is in line with our objectives to reduce waste being sent to landfill.

Downstream:

IRO 13 & 14: By increasing the volume of resources undergoing circular flows in mining sites, we can make significant contributions to the transition to a circular economy in the places where we have presence.

Our products are designed for long-term use with a focus on durability, retrofitting, life extension, upgrades, and replacement of parts that are designed to wear down rather than the whole product wearing down. Our company strategy has a strong focus on our Service business which is aligned with keeping our products in use for as long as possible. This positive development may nonetheless have an unintended effect on our Scope 3, Category 11 emissions, since longer product lifetimes increase the total calculated use-phase emissions.

Circularity

We work to integrate circular economy principles in the different phases of our product's life cycle.

Working with circularity includes many stakeholders. We aim to engage and train employees on circularity principles and practices. Furthermore, we partner with suppliers and customers on projects related to the circular economy to develop circularity practices across the value chain.

Durability of products in 2025 has remained unchanged, in line with expectations given our product portfolio has not changed materially.

We design products to be durable, repairable, modular, lightweight, and recyclable, also considering design for disassembly and material selection. Our roll crushers are examples of material efficiency as they are 30% lighter than conventional hard rock primary crushers. Two other examples include our vertical fine grinding mills, which are designed with fewer wear parts and our column flotation cells, manufactured from a composition of highly wear-resistant materials.

To keep our products in use for as long as possible, we offer services to extend their lifetime such as digital monitoring, predictive maintenance, reconditioning, repairing, refurbishment, and remanufacturing. As an example, we can extend the service life of our High-Pressure Grinding rolls up to 30%.

When our products can no longer be used, we aim for the materials to be recycled. Beyond the design principles, this may include technology to separate different materials or the provision of logistics where products are not usually recycled through the local market.

We consider our Service Centers as catalysts of the circular economy, as they are strategic facilities designed to provide comprehensive support in the maintenance, repair, and improvement of industrial equipment and components. Within the framework of the circular economy, these centers play a fundamental role by implementing practices aligned with the key "R" principles: repair, reuse, refurbish, recycle, and reduce.

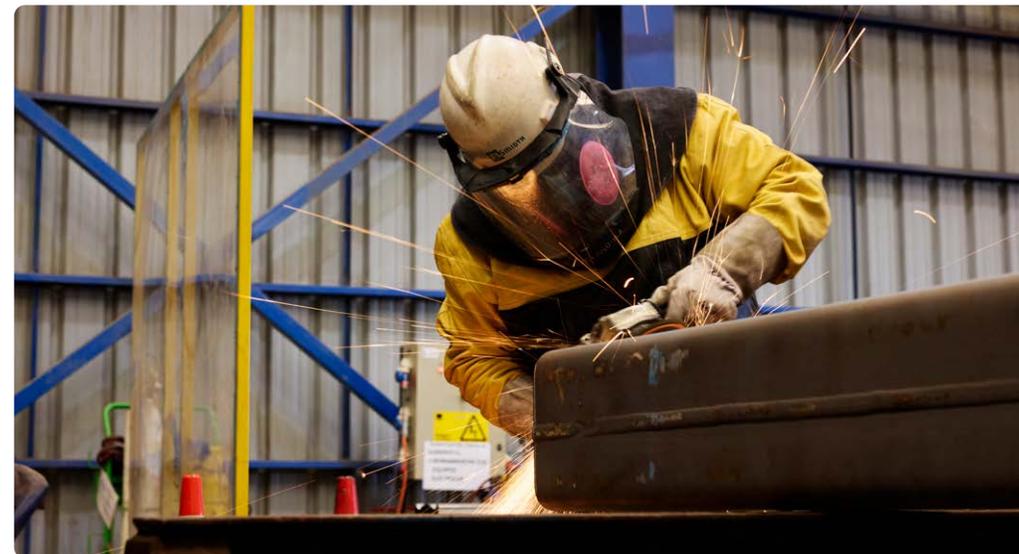
In 2025, we launched the new FLSmidth mill liner recycling service offering in Antofagasta, Chile. The comprehensive recycling solution for composite and rubber grinding mill liners will serve customers across South America, avoiding mill liner waste being sent to landfill. This results in carbon emissions savings of up to 61% compared to producing the mill liners from virgin materials.

We have a Rebuild and Exchange programme for pumps, cyclones and valves, which enables the reuse of metal parts that would otherwise go to waste. In addition, we have also run a successful steel reuse and recycling programme for several years in Melbourne Australia related to our ABON

mining products, a result of a collaborative relationship with our customers, steel suppliers and foundries.

The programme includes recovering and recycling steel offcuts and machine turnings from the manufacturing process and recycling unserviceable, worn teeth and shafts from refurbishments. A refurbishment usually produces unserviceable parts that need to be disposed of. Instead of these parts ending up as waste, they are reused by one of our steel suppliers.

We also support our customers with machine and shaft refurbishments, enabling them to prolong asset lifetime. Providing this service ensures we stay in touch with our customers' needs. In addition to the circularity aspects, the programme helps us gain deeper understanding of how our customers use our products. This means we can maximise performance or redesign to suit customers' specific needs in the refurbishing process.



Circularity

Resource outflows

By product groups	Durability of Products		Repairability of Products	
	2025	2024	2025	2024
Comminution	100%	100%	B	B
Separation and classification	100%	100%	B	B
Pumps, cyclones, and valves (PCV)	120%	120%	A	A
Dewatering and filtration	100%	100%	B	B
Other products	100%	100%	B	B
Recyclability				
Recyclable content in products and packaging	97%	93%		

§ Accounting policies

Durability of products: Durability is measured as an estimate by comparing FLSmidth products to industry averages represented as 100%. Conservative estimates have been applied which puts most FLSmidth products as equal compared to the industry average. Due to our public case studies on the pumps, which show the longer life of the wear parts, we have put the PCV category as being 20% more durable than the industry average as an indicative value of increased durability.

Repairability of products: A rating scheme was adapted from the EU Joint Research Committee (JRC), originally for smartphones and tablets (<https://susproc.jrc.ec.europa.eu/product-bureau/product-groups/447/home>). This scheme takes the scores from six product parameters and aggregates them into a final rating of A–E, with 'A' being the highest score. FLSmidth's adaptation of the model

relates to the 'software update (duration)' parameter which is not relevant for FLSmidth products.

Recyclability content in products and packaging: Recycled rates are estimated based on the possibility of recycling, not on the actual amount recycled. Procured raw material data is sourced from the Inflows 'Total Weight' KPI. Estimates of the recyclability of raw materials are applied to each raw material category to determine the estimated recyclability of outflows. A sample of packaging material data was obtained from a supplier and scaled up to represent all FLSmidth packaging. The current estimates for both raw materials and packaging are derived using methodologies developed and applied by internal supply chain experts, who assess material composition, recyclability potential, and supplier information to produce the final estimates.

Targets

Upstream

IRO 10 & 11: Additionally to our target of 30% spend on suppliers with science-based targets (See page 68-69), we aim to integrate circularity principles into our purchasing decisions for both product materials and packaging, including using suppliers who match our goals.

Own operations

IRO 12: We have set voluntary targets for reducing landfill waste related to reducing our use of resources¹². We aim to reduce landfill waste by 50% by 2030 from a baseline year of 2022 through more waste segregation as well as material efficiency, reuse, recovery and recycling of waste generated.

Downstream

IRO 13 & 14: In addition to our 2030 target to reduce the economic intensity of emissions by 56% against a 2019 baseline (See page 69), which is partly supported through circular economy practices, we have set targets for our products and services to be further utilised in the following key areas to improve the circularity of the mining industry.

Optimised recovery: better separation technologies allow for a higher percentage recovery of metals, meaning that less mining needs to occur

to produce the materials we need. Making the most out of the mined rock by extracting more of the minerals and metals which would otherwise be rejected as waste is also possible. These can be encouraged through improved technology and collaboration with other stakeholders.

Lowering water consumption: this broadly relies on reducing the amount of water required for mineral processing as well as increasing recycling of the water that is used. Our product and service portfolio includes technologies that covers both dry grinding, coarse floatation, and dewatering processes which allow for the reuse of water, instead of it ending up in tailings storage facilities. This already occurs in some sites, and we are collaborating with the industry on developing more mineral processing flowsheets with similar reductions in water consumption.

Reprocessing of tailings (waste rock): with ore grades in decline, some tailings storage facilities contain higher concentrations of minerals than what is being extracted from new mines. With improving technologies, this provides an opportunity to reprocess, and extract required minerals from old waste, where economically viable.

¹² This is related to disposal in the waste hierarchy.

EU Taxonomy

Proportion of Revenue and CAPEX from products or services associated with taxonomy-eligible or taxonomy-aligned economic activities¹³

		Revenue ¹⁴ 2025			Environmental objective of taxonomy aligned activities								
Economic Activities	Code	Taxonomy eligible KPI	Taxonomy aligned KPI	Taxonomy aligned KPI	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Enabling activities (A proportion of aligned activities)	Transitional activities (A proportion of aligned activities)	Proportion of taxonomy aligned in taxonomy eligible
		%	DKK m	%	%	%	%	%	%	%	%	%	%
Manufacture of other low carbon technologies	CCM 3.6	33.0	2,866	19.6	19.6	0	0	0	0	0	100	0	59.5
Sum of alignment per objective					19.6	0	0	0	0	0			
Total KPI (Revenue)		33.2	2,866	19.6	19.6	0	0	0	0	0	100	0	59.1

		CAPEX 2025			Environmental objective of taxonomy aligned activities								
Economic Activities	Code	Taxonomy eligible KPI	Taxonomy aligned KPI	Taxonomy aligned KPI	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Enabling activities (A porportion of aligned activities)	Transitional activities (A porportion of aligned activities)	Proportion of taxonomy aligned in taxonomy eligible
		%	DKK m	%	%	%	%	%	%	%	%	%	%
Manufacture of other low carbon technologies	CCM 3.6	17.8	28	3.7	3.7	0	0	0	0	0	100	0	21.0
Acquisition and ownership of buildings	CCM 7.7	60.2	92	12.4	12.4	0	0	0	0	0	0	100	20.5
Sum of alignment per objective					16.1	0	0	0	0	0			
Total KPI (CAPEX)		78.0	120	16.1	16.1	0	0	0	0	0	23	77	20.6

¹³ In 2025, FLSmidth has assessed the OPEX KPI to be immaterial for reporting.

¹⁴ Excluded from revenue is activity, 8.2 'Data-driven solutions for GHG emissions reductions' due to immateriality. Total eligible revenue related to the activity was 0.2% in 2025.

EU Taxonomy

§ Accounting policies

Taxonomy-eligible revenue

Eligible revenue includes external revenue generated from equipment and technologies that substantially reduce GHG emissions in the relevant process by improving or enabling energy efficiency or enabling the use of alternative fuels. Eligible revenue includes the sale of products, solutions, and spare and wear parts. These technologies and products must meet the Article 16 requirements, namely not lead to a lock-in of assets that undermines long-term environmental goals. They must also have a substantial positive environmental impact based on life cycle considerations.

Eligible products and activities are categorised either as “3.6 Manufacture of other low carbon technologies” or “8.2 Data-driven solutions for GHG emissions reductions”, contributing substantially to climate change mitigation. The categorisation of each product removes the risk of double-counting revenue across economic activities. The denominator of the revenue KPI is “total revenue”. [See on page 10](#). No allocation keys were used in revenue.

Taxonomy-eligible CAPEX

Eligible CAPEX reflects a portion of our additions to intangible assets and property, plant and equipment (including capitalised leases), including those from business combinations. Eligible CAPEX includes any of the following types of spend:

- Related to assets that are associated with taxonomy-eligible economic activities
- Part of a plan to expand taxonomy-aligned economic activities or to allow taxonomy-eligible economic

activities to become taxonomy-aligned (“CAPEX plan”)

- Related to the purchase of output from taxonomy-eligible economic activities

“3.6 Manufacture of other low carbon technologies” and “8.2 Data-driven solutions for GHG emissions reductions”, which reflect our revenue-generating activities. This includes capitalised R&D related to eligible products and assets related to the production of eligible equipment. An allocation key was applied to CAPEX items Plant and machinery, and Operating equipment, fixtures and fittings to reflect CAPEX related to assets used in the production of eligible equipment. The allocation key was applied using the eligible revenue KPI. Capitalised R&D is identified at project level.

We assess our CAPEX related to land and buildings, including capitalised leases under the economic activity “7.7 Acquisition and ownership of buildings”.

Information related to property, plant and equipment, including capitalised leases and acquisitions, is disclosed in note 2.4. Information related to capitalised R&D activities is disclosed in note 2.2 to the consolidated financial statements.

We assess CAPEX eligibility under the output of economic activities related mainly to the following categories: “7.3 Installation, maintenance and repair of energy efficiency equipment”; “7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)”; “7.5 Installation, maintenance and repair

of instruments and devices for measuring, regulation and controlling energy performance of buildings”; and “7.6 Installation, maintenance and repair of renewable energy technologies”. Activities must be specifically outlined as an individual measure listed under the substantial contribution criteria to be considered as eligible CAPEX.

To avoid double-counting of CAPEX additions, we ensure that identified spend or initiatives are categorised under only one economic activity, rather than apportioning them across multiple activities.

Taxonomy-aligned revenue

This refers to aligned, revenue-generating eligible equipment and technologies with substantial GHG emissions reductions. This is a subset of eligible revenue, where a product or technology meets the required screenings outlined in Annex I for Climate Change Mitigation, Regulation (EU) 2020/852. They include substantial contribution, DNSH and minimum safeguards screenings.

No allocation keys were used in revenue.

Taxonomy-aligned CAPEX

Aligned CAPEX reflects the portion of eligible CAPEX that fulfils the criteria for substantial contribution, DNSH and minimum safeguards screenings and includes any of the following:

- Related to assets that are associated with taxonomy-aligned economic activities

- Part of a plan to expand taxonomy-aligned economic activities or to allow taxonomy-eligible economic activities to become taxonomy-aligned (“CAPEX plan”)

- Related to the purchase of output from taxonomy-aligned economic activities

Aligned CAPEX from “3.6 Manufacture of other low carbon technologies” and “8.2 Data-driven solutions for GHG emissions reductions” is driven by capitalised R&D related to taxonomy-aligned products and technologies, as well as assets related to the production of aligned products and technologies.

An allocation key was applied to CAPEX items Plant and machinery, and Operating equipment, fixtures and fittings to reflect CAPEX related to assets used in the production of EU taxonomy-aligned products and technologies. The allocation key was applied using the aligned revenue KPI.

CAPEX related to the output of economic activities related to 7.1 to 7.6, as outlined under eligible CAPEX, is considered aligned if the activity meets the relevant substantial contribution and DNSH screening criteria outlined under Annex I for Climate Change Mitigation or Annex II for Climate Change Adaptation.

Taxonomy Eligible OPEX

In 2025 FLSmidth has assessed the OPEX KPI to be immaterial. OPEX assessed under the EU taxonomy requirements, relates to expensed R&D activities, and non-direct costs related to production.

Social

As a global business we want to address global social issues through initiatives that promote diversity, equity and inclusion and ensure fair labour practices across our own operations and our supply chain.

Own workforce	91
Workers in the value chain	101
Affected communities	106



Own workforce

Our people are essential to supporting our business ambitions and remaining competitive in the global marketplace.

The interests, views and rights of people in our own workforce inform our strategy and business model through worker representation in our Board of Directors. As our business needs evolve, some areas of our own workforce might be significantly impacted, while new opportunities and growth emerge in other areas.

Our workforce includes both direct and indirect employees, and non-employees including sub-contractors and contingent workers supporting us on specific projects.

IRO 15: Working conditions

Negative impact: Mining is an evolving industry and to meet the needs of our customers there is often a need of mergers, acquisition and divestments. This is often leading to company-wide organisational changes. These transitions can create short-term job insecurity. As we right-size our business, some employees may also experience an increased workload.

Positive impact: We want to ensure that our employees receive an adequate living wage. This would have a particularly positive impact in regions with fewer safeguards for employee rights. Flexible working arrangements and inclu-

sive family leave opportunities also support a healthier work-life balance for our employees.

IRO 16: Equal treatment

Positive impact: We have the potential to improve the social standing and quality of life of our female employees by consistently working to close the gender pay gap and ensuring fair, comparable wages across our workforce. At the same time, we can enhance employment opportunities for underrepresented groups. Our large global footprint and diverse workforce foster cultural awareness and inclusivity, resulting in more satisfied and engaged employees.

IRO 17: Talent attraction & retention

Risk: Negative impacts related to working conditions and a lack of proper employee training and development may increase the risk of attrition and safety hazards. This can lead to a loss of business knowledge and reduced operational efficiency, ultimately affecting the ability to execute on strategy.

IRO 18: Health & Safety

Negative impact: Our own workers and contractors are exposed to safety risks, which can cause incidents affecting health and wellbeing.

[Read about how we handle our impacts and risk on page 93-100.](#)

Impacts, risks and opportunities

IRO	Actual	Potential	↑	🏠	↓	-	+	💡	!	Time horizon
15 Working conditions	■			■		■	■			Short-term
16 Equal treatment		■		■			■			Short-term
17 Talent attraction & retention		■		■					■	Medium-term
18 Health and safety	■			■		■				Short-term

Location in the value chain: ↑ Upstream 🏠 Own operations ↓ Downstream
 Impact, risk and opportunity: - Negative + Positive 💡 Opportunity ! Risk



Own workforce

Policies

We have various policies covering the entire workforce which, together, establish a global framework for managing our material IROs related to our own workforce. As part of this, we have recently updated our Human Rights Policy to further strengthen our commitment to fair, safe, and respectful working conditions.

We respect all rights enshrined in the following frameworks: the UN Universal Declaration of Human Rights; the International Covenant on Civil and Political Rights; the International Covenant on Economic, Social and Cultural Rights; and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. These address the rights to freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced labour; the effective abolition of child labour and trafficking of humans; the elimination of discrimination in respect to employment and occupation; and a safe and healthy working environment.

We commit to align our policies and due diligence processes with the United Nations Guiding Principles on Business and Human Rights (UNGPs) and OECD Guidelines for Multinational Enterprises.

IRO 15 & 17: Our People Policy guides our approach to supporting our people agenda. Our Human Rights Policy outlines our commitment to

respecting our own workforce and value chain workers' rights. Our Working Hours Policy guides us in creating fair and safe employment conditions by defining maximum limits on the maximum duration of the normal workday in accordance with international standards.

IRO 16: Our Diversity, Equity and Inclusion Policy¹⁵ establishes our commitment to promoting people's agenda and our Remuneration policy includes, among its principles, a strong focus on pay equity regardless of gender or other employee diversity criteria focusing on an inclusive agenda. Our Harassment and Discrimination Prevention Policy sets out our approach to creating a safe, healthy and productive working environment. As members of the UN Global Compact, we have committed to the Diversity Pledge with the Confederation of Danish Industry. In 2025, our bereavement policy was also strengthened with the introduction of a global minimum standard.

IRO 18: Our Health, Safety and Environment Policy outlines our commitment to zero harm by empowering employees and contractors to safeguard their own health and safety, as well as that of others, building a strong safety culture and embedding safe behaviours through visible leadership, employee engagement and open dialogue.

As outlined in our Environmental policy, we are committed to identify and implement actions

to prevent and control adverse health and environmental impacts of hazardous substances or materials (i.e. resulting from uncontrolled spillage), including emergency situations, and corrective actions in the event of accidents.

The Chief People Officer and Global Business Services, EVP is responsible for implementation of these policies, except the Harassment and Discrimination Prevention policy where the Legal and compliance department is responsible for implementation.

We provide information or training in matters relating to these policies to employees.

Processes for engagement

Employee perspectives on potential impacts are continuously gathered through a range of engagement activities, including quarterly engagement surveys, quarterly townhalls with question-and-answer sessions and roundtable discussions with senior management. Leaders within the organisation are also expected to engage regularly one-on-one with their direct reports to foster strong, supportive collaborations, cascade communications and be a first point of contact should issues arise.

Our employee representatives also serve as liaisons effectively addressing and elevating

concerns within the broader workforce. We maintain collective bargaining agreements, ensuring that a portion of our workforce is covered by negotiated terms and conditions of employment. These agreements reinforce our commitment to respecting freedom of association and the right to collective bargaining as outlined in our policies. [See coverage of collective bargaining agreements on page 94.](#)

The Health & Safety governance bodies, such as Work Environment Organisation, are also employee representative bodies where they can exercise their participation and consultation rights regarding health and safety.

In 2025, we changed from monthly to quarterly employee engagement surveys as a direct result of employee feedback. The employee engagement surveys gather employees' views on key engagement drivers such as growth, freedom of opinion, reward, and workload, as well as health and wellbeing, including mental, social, and physical wellbeing, organisational support, and diversity and inclusion. The objective of these surveys is to inform and shape the development and implementation of policies and initiatives through specific action plans. The survey includes a focus on gaining insights into the perspectives of vulnerable and marginalised groups within our workforce, specifically addresses diversity, equity and inclusion (DE&I) by measuring employees'

¹⁵ Our Diversity, Equity and Inclusion Policy specifies "discrimination irrespective of personality, gender, gender identity, age, ethnic, or national origin and religious beliefs, disability, political or sexual orientation, family or social status or other diversity characteristic.

Own workforce

perceptions of inclusiveness, diversity and non-discrimination. The results of the surveys are monitored and discussed by senior leaders and the Board of Directors to ensure that employee feedback is effectively addressed. In 2025, the average employee engagement score from our quarterly surveys was 7.8 out of 10. We will take targeted actions informed by survey feedback to continue enhancing this score.

Responsibility for employee engagement resides with the individual managers, with oversight from the Chief People Officer and Global Business Services, EVP.

Our policies include guidance and specific procedures to prevent discrimination. We also encourage employees to speak up about any concerns they may have, including through our grievance mechanisms. Employees can contact workers' representatives or trade unions to resolve any incidents, as well as to manage other needs.

We have a procedure for notification, investigation, reporting and review of all incidents, also applicable to contractors. This includes corrective actions, sharing lessons learned, conducting effectiveness reviews and documentation of the results. By systematically addressing and learning from incidents, we commit to proactive risk management and continuous improvement in operational excellence.

Employees and third parties can raise concerns directly related to our business through our grievance mechanism. To ensure effectiveness, we communicate about them through our company website and internal communications and regularly assess and promote awareness of the channels. All workers can access these channels, via our website, email and mail which are managed by a third-party provider which tracks and registers all admissible cases. From this information, we are able to continuously assess and update appropriate procedures in order to ensure effective mitigation actions. [See more on our remediation processes and grievance mechanisms on page 110-111.](#)

How we are taking action

The actions taken to mitigate negative impacts and risks and pursue opportunities within our own workforce is embedded in the responsibility of management at every level and across all functions. We dedicate resources from legal, people and sustainability, communication and other functions to support these efforts, ensuring the wellbeing of our people, which is at the core of everything we do.

IRO 15: Working conditions

We are carrying out the pure-play business transformation ([see page 17](#)) to address changes in our business sectors and improve how we respond

to customers' needs. As part of this process, we have continued with workforce adjustments to ensure alignment. We value employee wellbeing and have taken steps to support those affected. We have maintained transparent communication and regular engagement with our employees through various channels. To ensure the effec-

tiveness of our communication, we hold dedicated roundtable discussions with employees and we track engagement and satisfaction through quarterly surveys and feedback following the townhalls. We are focused on retaining talent and maintaining operational efficiency.



Own workforce

Secure employment

We strive to be an employer that fosters secure employment. We have a structured governance framework for dismissal processes to ensure fairness; we have time tracking systems to ensure working time is captured accurately; and we offer opportunities for internal mobility where available.

During 2025, headcount has fallen by 29% due to right-sizing of the business and large company divestments. Company divestments account for 21% points of the 29% reduction (See page 95-96). Right-sizing activities continued into 2025, which resulted in a high turnover rate, but lower than 2024 when our right-sizing activities was initiated.

We continue to invest in our people through competitive pay and benefits as well as growth and development opportunities. Non-compensation flexible benefits vary within countries and include contributions to pension schemes, employee assistance programs or health care coverage (medical insurance) among others.

Work life balance

Family-related leave is available to 100% of employees and in alignment with local standards. See more on page 95. We offer flexible work options, including remote work arrangements and adjusted hours when possible. Managers engage with their teams and individuals to inform them of our various offerings. Effectiveness of our

initiatives is monitored through our engagement surveys.

Adequate wages

We analyse living wages across all geographies on an annual basis, ensuring all our workers are paid an adequate and fair wage. As of 2025, the majority of our employees, above 95% of headcount, earn a living wage as defined by the Living Wage Institute, while those who do not still receive compensation that exceeds the state-defined minimum wage. Our standardised job catalogue supports an objective, market-based approach to setting salary ranges, ensuring adequate and competitive wages. Terms negotiated in collective bargaining agreements are respected and integrated into our compensation framework.

A specialist team is focused on implementing benefits and employment packages to help ensure equity. In 2025, 10% of our workforce was covered by collective bargaining agreements. We ensure that all employees, regardless of union representation, benefit from equivalent protections through our global policies and practices all of which apply consistently across the organisation. Base salary is reviewed in the hiring and annual salary review processes, all of them based on position, person, performance and other objective factors.

In 2025, we continue to focus on processes related to pay equity, ensuring different roles that provide equal value to the company are compensated at same levels. Focus areas include, gender equity and employees in lower quartile salary segments.

IRO 16: Equal treatment

Talent acquisition includes various dimensions of diversity, such as gender, age, nationality, location and personality profile, to achieve a balanced workforce. Our global standard processes for talent acquisition promote equal opportunities, treating all candidates fairly and minimising unconscious individual biases in hiring decisions. As an example, to support this process we recommend the removal of non-relevant personal data from CVs, such as pictures, date of birth or gender. Additionally, we encourage internal candidates to pursue job opportunities as part of their growth within the company. We also ensure panel interviews are conducted with multiple stakeholders to minimise bias.

Another key focus area is development and retention, with initiatives including a mentoring program by senior leaders, internal rotation opportunities; industry networking; implementing long-term development plans for critical talent, and; coaching leaders on applying engagement insights.

Our global DE&I Council facilitates initiatives and conversations across the organisation to accelerate change. We continue to participate in

industry initiatives such as “Women in Mining” and “Women in Tech”. We have a network focusing on promoting the wellbeing of women in our manufacturing facilities, which invites participants to learn from each other and provide inspiration to enable the professional growth.

Our rewards team continues to bridge the gender pay gap and evaluate progress through a yearly analysis. We recognise that unconscious bias can create structural challenges in achieving pay equity. Therefore, we place strong emphasis on the importance of accurate data to identify effective actions.

We are working on refining our methodologies and actions to strengthen our performance in this critical area. We track the effectiveness of our DE&I initiatives through quarterly reporting of quantitative metrics and qualitative responses in our engagement surveys.

Due to significant reduction in our shared functions, where we have historically had a higher weight of woman than in the business lines, the reduction in workforce has meant a higher reduction of women than men related to diversity in top management. When looking at female employees in general we did not meet our 2025 targets, however we ensured better performance for women in white collar and blue collar positions as well as managers compared to 2024. We will continue to have high focus on these KPIs.

Own workforce

Characteristics of our workforce

Worker type by head count	2025					2024				
	Female	Male	Other	Non-disclosed	total	Female	Male	Other	Non-disclosed	total
Total number of employees	1,146	4,341	0	7	5,494	1,630	6,107	0	2	7,739
of which permanent	1,076	4,213	0	7	5,296	1,539	5,927	0	1	7,467
of which temporary	67	107	0	0	174	88	121	0	1	210
of which non-guaranteed	3	21	0	0	24	3	59	0	0	62
Non-employees					178					192
Total workforce					5,672					7,931

Countries with over 10% of workforce	Number of employees by headcount	
	2025	2024
USA	978	1,443
India	987	1,520
Chile	700	751

Total number of own employee terminations	2025	2024
Total terminated employees	1,724	2,575
Turnover rate	26%	30%

Work-life balance	2025
Employees entitled to take family-related leave	100%
Percentage of employees who took family-related leave	6%
of which women	10%
of which men	5%

Accounting policies

Total number of employees

Total employees are all employees who are hired by FLSmidth, are paid through the company's payroll and are active as of the date of the report including those on gardening leave. Employees include both permanent employees and temporary employees. Total number of employees is collected through FLSmidth's People management system. Permanent employees are employees on long-term contracts. Temporary employees on temporary contracts include interns and apprentices and those on fixed term contracts. Non-guaranteed hour employees include casual workers. Total employees are calculated using a headcount, rather than FTE, method. Total workforce include both employees and non-employees.

Non-employees

Non-employees include all contingent workers who are not part of the FLSmidth payroll.

Total terminated employees

Measured as the total number of employees who have left the organisation during the reporting period, either voluntary or non-voluntary. Excludes employees currently on gardening leave and non-employees.

Turnover rate

Measured as a percentage, calculated as the total number of terminations divided by the average employee headcount at the beginning and end of the reporting period. People leaving due to a divestment is not considered a termination.

Employees entitled to take family-related leave

Percentage of employees eligible for family-related leave in accordance with applicable legislation and company policy, as recorded at year-end in HR data systems. Family-related

leave includes maternity leave including adoption; paternity leave for fathers or equivalent second parents, on the occasion of the birth or adoption of a child; carer's leave to provide personal care or support to a relative, or a person who lives in the same household, in need of significant care or support for a serious medical reason. Total number and %.

Percentage of employees who took family-related leave

Measured as the percentage of total employees who took family-related leave during the reporting period, based on HR leave records. This KPI also includes a gender-specific breakdown, showing the percentage of women (out of total women) and men (out of total men) who took family-related leave.

Own workforce

Diversity

Age distribution	2025	2024
Under 30 years old	746 (14%)	861 (11%)
30-50 years	3,291 (60%)	4,642 (60%)
Over 50 years old	1,347 (25%)	2,092 (27%)
Not disclosed	110 (2%)	144 (2%)

Pay equity	2025	2024
Gender pay gap ratio	18%	12%
Pay equality ratio	40	39

Management breakdown	2025	2024
Total top management	9	11
of which women	2 (22%)	2 (18%)
of which male	7(78%)	9 (82%)
of which not disclosed	0	0
Total top management including extended management	46	65
of which women	4 (9%)	14 (22%)
of which male	41 (89%)	51 (78%)
of which not disclosed	1 (2%)	0

Head count by job category	2025	2024
White-collar	3,985	6,023
Blue-collar	1,509	1,716
Employees	5,494	7,739

Female employees*	2025	2024*	Target 2025	Target 2030
White collar (%)	30.0	30.4	30.4	30
Blue collar (%)	7.6	6.2	8.7	
Managers (%)	16.0	15.7	19.5	25
Women total (%)	20.7	20.9	22.9	25

§ Accounting policies

Age distribution

Measured based on information voluntarily provided during the onboarding process and determined using employees' dates of birth. Total number and %.

Gender pay gap ratio

The difference of gross average hourly pay levels between female and male employees, expressed as percentage of the gross average hourly pay level of male employees. Excludes non-employees.

Pay equality ratio

The difference between the annual total remuneration ratio of the highest paid employee and the median annual total remuneration for all employees (excluding the highest-paid employee). Excludes non-employees.

Management breakdown

FLSmidth defines Top Management as the first two level in the organisational hierarchy with manager responsibilities, with the first level being the Group CEO. Extended Management include the third level in the organisational hierarchy with manager responsibilities. Excludes non-employees and is presented in headcount.

The share of management levels broken down by each gender as number and percentage.

White-collar (%)

Measured as the percentage share of women in white collar positions (excluding employees with management responsibilities), based on a 12 month rolling average within the reporting period. White collar roles are defined as positions primarily performing professional, managerial, or administrative work. Non employees are excluded.

Blue-collar (%)

Measured as the percentage share of women in blue collar positions (excluding employees with management responsibilities), based on a 12 month rolling average within the reporting period. Blue collar roles are defined as positions primarily involving manual labour, including manufacturing and warehouse operations. Non employees are excluded.

Managers (%)

Measured as the percentage share of women among all managers, based on a 12 month rolling average within the reporting period. Employees must have at least one direct report to be classified as managers. Non employees are excluded.

Women total (%)

Measured as the percentage share of women among all employees, based on a 12 month rolling average within the reporting period. Non employees are excluded.

* In 2025 we moved to a 12 month rolling average measure, from a point-in-time, to reduce periodic volatility. 2024 numbers have been changed to reflect the updated methodology (previous value for White collar 26.7%, Blue collar 7.7%, Managers 16.4% and Women total 21.1%). In 2026, a 12-month rolling average will be measured based on employees from continuing activities only.

Own workforce

Violence and harassment

We enforce zero-tolerance towards any form of violence, harassment or discrimination, ensuring that any such incidents are dealt with seriously through our internal investigation procedures. We conduct regular training on compliance and human rights topics, such as violence and harassment, to ensure employees are informed and guided to identify and act when potential violence or harassment is experienced either for oneself or a colleague. We closely monitor and assess the effectiveness of our policies and actions through periodic harassment surveys.

No severe human rights issues and incidents have been reported during the year¹⁶.

110 investigations were opened in 2025, 77 of these were substantiated and 42 were harassment cases. To increase awareness of matters related to harassment, we will continue offering harassment prevention workshops for both existing and new employees.

IRO 17: Talent attraction & retention

We apply a structured approach to performance and development reviews to ensure clarity of objectives, alignment with our strategy and a proactive stance on development planning. This process applies to all employees and contingent workers. Development dialogues include identifying individual skill gaps and creating

Incidents	2025	2024
Total number of incidents of discrimination, including harassment	42	40

§ Accounting policies

Total number of incidents of discrimination, including harassment

Includes total number of reports on discrimination and harassment submitted to FLSmidth's Compliance department through the formal whistleblower hotline or by other means, such as email, letter or in person.

tailored plans to address gaps through various development and training opportunities. These are supported by a global learning management system, enabling us to build a learning organisation where every individual dedicates time to training, with progress actively tracked.

In 2025, we conducted more "Leading in FLSmidth" leadership development programmes focusing on operational managers.

DE&I topics are included in leadership training programmes. We are developing a pipeline of women leaders and promoting opportunities through our ongoing sponsor and mentor



¹⁶ No complaints have been filed to National Contact Points for OECD Multinational Enterprises and no fines or penalties have been incurred in the current year.

Own workforce

programmes, as well as encouraging women talents to join leadership training programmes.

More generally, we offer training courses both via e-learning and through live and in-person sessions. These cover a wide array of topics to upskill and empower our workforce in their career development. We monitor the effectiveness of our policies and actions through engagement surveys and periodic reviews in committees.

Partnering with universities is vital to attract top talent and foster innovation. This also helps us to understand the expectations and perspectives of potential future employees. This year, FLSmidth sponsored BRIMM - University of British Columbia to teach a Micro Certificate in Economic Leadership in Mining. The training provided education for leaders in the mining space in Pakistan and empowered them with a common global understanding of how challenges and opportunities within the industry are being addressed.

Our FLSmidth adjusted participation increase in 2025 as we continue to focus on robust annual processes, managed in our People management system. This ensures employees in scope for personal development reviews complete the review with their manager.

Training hours per employee has dropped in 2025 and has been impacted by the reduction in workforce over the year.

Employee reviews ¹⁷	2025	2024
Employees participating in performance/career development reviews	6,678	7,554
of which other gender employees	0	0
of which female employees	1,343	1,492
of which male employees	5,333	6,062
of which not disclosed	2	0
Employees participating in performance/career development reviews (%)	87%	86%
of which other gender employees (%)	0%	0%
of which female employees (%)	85%	84%
of which male employees (%)	88%	87%
of which not disclosed	29%	0%
FLSmidth adjusted participation	98%	96%
Training	2025	2024
Training hours per employee and gender	7,974	21,641
of which female employees	2,283	5,289
of which male employees	5,691	15,862
Training hours per employee and gender (rate)	1.2	2.5
of which female employees	1.6	3.0
of which male employees	1.1	2.3

¹⁷ The number of employees participating in performance/career development reviews is higher than the total number of employees reported, due to the fact that the headcount used for the employee performance KPI is taken as of the end of March 2025.

§ Accounting policies

Employees participated in performance/career development reviews

Percentage of employees who participated in an end-of-year review divided by total employee headcount. Headcount is taken at the end of March in the current reporting year and reflects employee performance of the previous year.

FLSmidth adjusted participation

The percentage of eligible employees who participated in an end-of-year review divided by total employee headcount. FLSmidth provides an adjusted measure of employee performance development as only permanent employees and temporary employees categorised as “apprentice/ trainee” are eligible for end-of-year reviews. Headcount is adjusted to reflect these sub-groups and is further adjusted to exclude those on gardening leave; those soon to retire, and employees with less than three months of employment before assessment. Headcount is taken at the end of March in the reporting period.

Training hours per employee and gender

The number of hours spent on learning programmes as an average across employees. This includes both digital and blended (face-to-face) courses. The figure includes hours accumulated throughout the year. Hours from terminated employees are included in the total number. Total hours is divided by the average employee headcount during the period, which is the average between the start and end of the reporting period.

Own workforce

IRO 18: Health and safety

We have a Health and Safety Management System certified according to ISO 45001. This system is implemented in all our operational sites. It includes regular health and safety risk assessments and actions to prevent and mitigate risks, emergency procedures for employees in case of accident or injury, training, mechanisms for all employees and contractors to report on occupational health and safety incidents, risks, and concerns. Incident Review Board reviews major injuries monthly to monitor effectiveness of corrective actions implemented.

We have defined our Safety Cardinal Rules as an expected set of behaviors, leaders of our business

must ensure they are checking our operational tasks not only for compliance but to see that our people understand and are putting in place controls to prevent fatal and serious injury (FSI) type incidents and injuries.

During 2025, our rate of work related accidents remained unchanged at 2.3 incidents per million working hours; whereas our rate of days lost to work related accidents fell to 0.7 per million working hours. Despite being behind our 2025 targets, this represents a positive long-term trend in both measures. Health and safety remains a core focus area within the organisation as we strive towards our aspirational target of zero-harm.

Safety	Continuing activities			Target	
	2025	2025	2024	2025	2030
Rate of recordable work-related accidents, including contractors	2.3	2.3	2.3	1.0	Zero harm
Number of recordable work-related accidents, including contractors	38	43	50		Zero harm
Rate of days lost to work-related accidents, including contractors	0.8	0.7	1.0	0.5	Zero harm
Number of fatalities	0	0	0		Zero harm
Percentage of people in own workforce covered by health and safety management system	100%	100%	100%		Zero harm

* Subcontractors' working hours are calculated based on actual hours reported by suppliers, hours written in tenders or actual/estimated hours for suppliers. Working hours for FLSmidth employees are calculated based on headcount and normal working week hours.

§ Accounting policies

Rate of recordable work-related accidents, including contractors

Rate of recordable work-related accidents is calculated as the number of recordable work-related accidents per one million hours worked. Includes non-employees and sub-contractors.*

Number of recordable work-related accidents, including contractors

Number of recordable work-related accidents include fatalities, lost time injuries (LTI), medically treated injuries (MTI) and restricted work cases (RWC). Number of recordable work-related accidents is calculated as the number of accidents per one million hours worked. Includes non-employees and sub-contractors.*

Rate of days lost to work-related accidents, including contractors

Rate of days lost to work-related accidents as the number of lost-time injuries (LTI) and fatalities per one million hours worked. An LTI accident results in absence for more than one scheduled workday following the day of the accident. Includes non-employees and subcontractors*.

Number of fatalities

A fatality is defined as the death resulting from a work-related incident or exposure. This includes fatalities occurring in the workplace or fatalities resulting from

injuries or illnesses contracted at the workplace.

Percentage of people in own workforce covered by health and safety management system

FLSmidth's Health and Safety reporting management system covers all people in its own workforce. The number is shown in %.

Own workforce

In 2025, we have continued to encourage a culture of open dialogue about safety practices with our Manager's Safety Walk Programme and we have launched the second annual, 2025 FLSmidth "Ergo Cup" competition, a platform where employees are invited to share best practices and employee-driven innovations in ergonomics. Based on the analysis of previous injury trends, we launched the global hand safety campaign 'Protect Your Hand, Protect Your Future.' The campaign not only engaged employees through workplace activities but also extended to their families, reinforcing safety awareness beyond the workplace.

We have a safety observation programme, Go Look See, aimed at increasing awareness of day-to-day safety issues and reducing safety incidents at our warehouses and manufacturing sites.

We perform mental health and ergonomic risk assessments through employee surveys and actions including informative resources and communication campaigns. Annual medical health checkups are provided to all direct employees and to some indirect employees or any colleague requiring a fit for duty examination before reporting for work.

In 2025, we also participated in social activities in some of our operational regions supporting the health and wellbeing of men and women.

Building on the new HSE Compliance Audit initiative, we aim to further harmonise safety practices and create a greater impact in several key areas. Our efforts include boosting leadership engagement through our Safety Walk Programme, with the deployment of leader toolkits designed for effective Safety Conversations and Recognition. We are committed to learning from audits and embedding our Safety Cardinal Rules, as well as launching learning reviews from sites with lower incident rates to identify best practices. Additionally, we will monitor and enhance the response rate to the Go Look See programme to ensure that safety concerns are addressed more sustainably. Targeted action plans will also be implemented, focusing on corrective actions and site-specific campaigns to drive continuous improvement in safety performance.

We also extend our safety approach to our products. Our employees install and commission where this can play a major impact. [See more information about designing our products for safety on page 104-105.](#)

Targets

Targets on diversity and gender equality and health and safety have been set to track the effectiveness of our actions. We have set an aspirational target of zero harm in 2030 and we aim to reach 25% women in our total workforce, 30% white collar female employees and 25% female managers by 2030. To ensure that we are in progress to meet our 2030 targets we have set annual targets to measure our performance and to identify the effectiveness of our actions.

These objectives are based on our own performance as well as that of industry peers and reflect management's ambitions to mitigate negative impacts and risks and foster positive impacts and opportunities.

Workforce representatives are involved in tracking performance against our targets through quarterly presentation of results to all our employees and through publicly available quarterly reports.



Workers in the value chain

FLSmidth is a signatory to the United Nations Global Compact and is guided by the United Nations Guiding Principles for Business and Human Rights and the OECD Guidelines for Multi-national Enterprises.

As a global company operating in the mining industry, we acknowledge that respecting human rights is a central tenet of responsible business. We are committed to upholding all internationally recognised human rights of our all employees, customers, suppliers, other business partners and the communities in which we operate. We pay special attention to respecting the rights of vulnerable groups, including indigenous people, women and children.

By strategically integrating sustainability into our business operations through improved supplier assessments and robust product safety measures, we aim to protect workers' rights and ensure their safety throughout our upstream and downstream value chain, while mitigating potential risks and leveraging existing opportunities.

Workers in the value chain are defined by employees working at our suppliers sites or customers' employees working with our products. [See our definition on own workforce on page 91.](#)

IRO 19: Work-related rights

Upstream

Negative impact: Pricing demands in certain regions can lead to a higher risk of lower safety standards, adequate wages and governance around forced labour and child labour in our value chain leading to ongoing social disadvantages for the worker.

Risk: Among the regions we source from, we have identified high risk countries for work-related rights (forced and child labour, adequate wages) where we could have a negative impact. The occurrence of these can damage reputation and impact financial performance.

IRO 20: Product safety

Downstream

Opportunity: Demonstrating leadership in product safety can enhance brand reputation and create market differentiation, leading to competitive advantage and long-term value creation.

[See our human rights salience assessment on page 105-106](#)

Impacts, risks and opportunities

IRO	Actual	Potential	↑	🏠	↓	-	+	💡	!	Time horizon
19 Work-related rights		■	■						■	Short-term
20 Product safety	■				■				■	Short-term

Location in the value chain: ↑ Upstream 🏠 Own operations ↓ Downstream
 Impact, risk and opportunity: - Negative + Positive 💡 Opportunity ! Risk



Workers in the value chain

Policies

Upstream

IRO 19: Our Supplier Code of Conduct and policies for due diligence, human rights and conflict minerals provide a framework for managing our impacts on value chain workers and the related reputational risks.

Supplier Code of Conduct

While our policies cover all value chain workers, there are special provisions in our Supplier Code of Conduct regarding child labour, young workers and forced labour, wages and benefits, as well as health and safety.

Our Supplier Code of Conduct requires that suppliers respect the human rights of all people, including workers and the communities in which they operate. This applies to all workers including temporary, migrant, student, contract, direct employees and any other type of worker or person affected by the suppliers' operations. We expect all suppliers to adhere to the minimum standards outlined in the code of conduct, which aligns with the principles outlined in the Responsible Business Alliance (RBA) Code of Conduct.

In alignment with the UN Guiding Principles on Business and Human Rights, the provisions in our Supplier Code of Conduct are derived from and respect internationally recognised standards

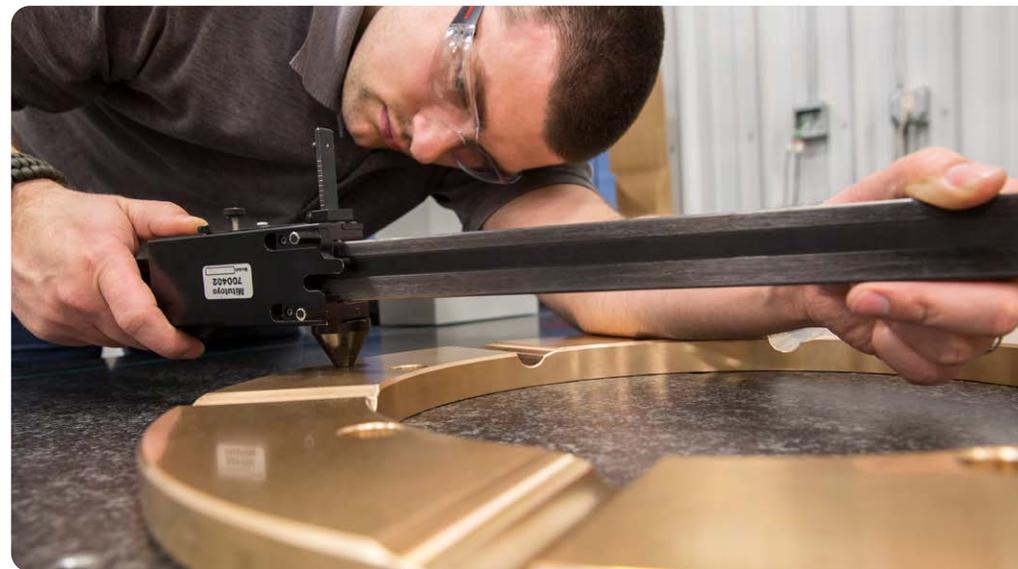
including the ILO Declaration on Fundamental Principles and Rights at Work and the UN Universal Declaration of Human Rights.

Due diligence policy

Our Due Diligence Policy describes our commitment to avoiding, causing or contributing to adverse impacts on workers in the value chain and to preventing adverse impacts directly linked to operations, products or services through business relationships¹⁸.

Human rights

Our Human Rights Policy outlines our commitment and practical approach to respecting human rights through our business operations and value chain. This includes adhering to all universal human rights, the core conventions of the ILO and customary international law. We prohibit the use of any form of forced labour, child labour and trafficking of people. We neither tolerate nor contribute to threats or attacks against human rights defenders in relation to our operations and value chain. We pay special attention to respecting the rights of vulnerable groups, including indigenous people, women and children. Workers under the age of 18 shall not perform work that is likely to jeopardise their health or safety. We are committed to upholding and promoting human rights across all areas of our operations. As part of this commitment, we



have updated our Human Rights Policy to further strengthen our dedication to providing fair, safe, and respectful working conditions.

Conflict minerals

FLSmidth's Conflict Minerals Sub-Policy concerns the supply chain and suppliers' possible use of conflict minerals. The policy outlines the basics of the global standards regarding conflict minerals, including mapping conflict minerals in our supply chain and addressing identified issues.

Downstream

IRO 20: FLSmidth's policy is to deliver products that, at a minimum, comply with the essential health and safety requirements laid down in relevant regulations, regardless of the place of delivery. As part of our commitment to providing quality products that meet industry standards and applicable statutory requirements, our equipment undergoes safety assessments covering design, construction, servicing, and disposal. Safe work procedures are captured in our Installation and operational Manual for customers to follow during Erection and commissioning.

¹⁸ No cases have been reported of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve workers in our upstream and downstream value chain.

Workers in the value chain

Moreover, as digital solutions continue to expand, we take a comprehensive and proactive approach to cybersecurity, as outlined in our Information Security Policy and supporting IT sub-policies. This approach integrates secure design and development principles, responsible operational practices, robust data protection and integrity controls, strict adherence to applicable regulatory requirements, and continuous security monitoring and management.

Processes for engaging with value chain workers

We perform annual on-site audits to suppliers, to identify potential impacts on human rights, were feedback feeds into audit findings. Workers in the value chain can reach out through our whistleblower hotline and a human rights grievance mechanism, as they are open to third parties.

Through our dedicated customer portals, we inform and share information related to quality and safety information that enable our customers to safely operate our equipment throughout its lifetime. We also collect customer feedback on product safety through our customer case story questionnaires.

Our engagement with workers in the value chain is also indirect, via tendering, contract negotiations and periodic evaluations.

Additionally, we use proxies to take workers' perspectives across the value chain into account. We apply industry guidelines, including those developed by the RBA, as references for identifying sector-specific human rights risks and impacts. We use risks assessment platforms and country- and sector-level risk profiling to identify suppliers and geographies where vulnerable workers are more likely to be present or affected. These risk criteria inform the selection of suppliers in scope for onsite audits, through which we gain insight into worker perspectives.

We also engage with NGOs and media on possible human rights issues.

The Chief People Officer and Global Business Services, EVP as responsible for implementation of our human rights commitments and decision-making, and the Presidents of our Business lines as responsible for Procurement and Sales departments within each business line, share operational responsibility for ensuring engagement with value chain workers, downstream and upstream respectively, takes place, and that feedback informs our due diligence and strategy.

We are guided by international standards in our commitment to working towards ensuring appropriate and adequate remedy for stakeholders adversely affected by our business operations and relationships.

Our whistleblower hotline and human rights grievance mechanism are channels for workers to raise concerns, either directly related to our business or indirectly within our value chain. The whistleblower process is intended to provide protection against retaliation as stated in our policy.

We communicate about our whistleblower hotline both internally and externally through our Supplier Code of Conduct, company website and internal communications and through dialogue with suppliers and customers and its available in our main operations language. We encourage our suppliers to actively inform their employees about the whistleblower hotline.

The whistleblower system allows us to track the status of cases. Currently, we have not received any cases related to the identified potential negative impacts on value chain workers. In case of a whistleblower report, we follow a specific process to manage and investigate cases. [See more on our remediation processes and grievance mechanisms on page 110-111.](#)

To date, we have not been subject to a remediation case.

Actions and targets

Human rights

To ensure that our own practices do not cause or contribute to material negative impacts on value chain workers, we conduct human rights impact assessment with a continuous improvement approach, analysing mitigation measures in place.

In 2025, we have updated our human rights salience assessment, and it has been used as input for identifying and confirming material IROs for workers in our value chain.

Salience human rights identified affecting our value chain have been: right to just and favorable conditions of work, right to freedom of association, right to collective bargaining, right to non-discrimination, right to safe and healthy working conditions, right to protection from forced and/or child labor, right to a healthy environment, right of freedom of expression, protection from retaliation and right to good governance.

Based on the findings of this analysis, we have actions in place to address salient issues, that reduce negative impacts on value chain workers, both upstream and downstream. Actions related to our material IROs are describes on the next page.

Training in human rights increased in 2025 as we rolled out a new e-learning course

Workers in the value chain

Training related to governance and human rights	2025	2024	Target 2025	Target 2030
White-collar employees who have completed training in human rights	3,127	4,338		
White-collar employees who have completed training in human rights (%)	78%	60%	85%	98%

Accounting policies

White-collar employees who have completed training in human rights

Total number and percentage of active employees who have received training in human rights. Training in human rights includes courses focusing on human rights as a global topic.

complementing the existing available training. Despite the increase in training we did not meet our 2025 target but will continue to focus on progress in this area.

Upstream

IRO 19: In 2025, we have been working on reinforcing supply chain due diligence on sustainability to prevent and mitigate negative impacts on our supply chain workers by reviewing the processes of selection, evaluation, onboarding and performance management of suppliers to update ESG criteria aligned with impacts, risks and opportunities identified.

With the aim of continuing to improve our supplier management system, we are undertaking measures to enhance its efficiency, compliance, and alignment with our corporate standards and applicable regulation. New suppliers must meet technical, quality, and sustainability standards, including certifications and criteria for climate change, product stewardship, and safety.

During 2025, we have been improving our supply chain assessments by launching a scorecard, which includes among others, the Suppliers Code of Conduct signature, management system certifications (ISO 14001, 45001 & others), payment terms, in order to identify potential impacts in our value chain.

Additionally, onsite assessments are performed on selected suppliers, based on specific criteria, including spend, preferred status, ESG score and country, prioritising countries with high risk of child and forced labour. Most of the onsite assessments were conducted in the last quarter of the year. 37.5% of suppliers with identified red-flags had implemented corrective actions by the end of the reporting year.

Supply chain	2025	2024
The completion rate of onsite supplier assessments (%)	100%	92%
Supplier spend categorised by high risk of forced labour based on country (%)	36%	32%

In 2026, we will track assessed suppliers and their scores to measure progress against our targets. Suppliers are expected to have procedures in place to respect employee rights and to provide grievance mechanisms that are appropriate to their size, complexity, and business-related risks.

We conduct training on human rights as we believe developing knowledge and skills within

Accounting policies

The completion rate of onsite supplier assessments (%)

Suppliers are selected to be in scope for supplier onsite assessments annually based on specific criteria, including spend, preferred status, ESG score and country. The percentage reflects the number of suppliers assessed as a share of the annual 2025 target.

Percentage of supplier spend categorised by high risk of forced labour based on country

Supplier spend categorised by high risk of forced labour based on country (%)

this area will help us mitigate any potential impacts or risks related to workers in the value chain. To evaluate the effectiveness, we have set targets for workforce training.

In 2025, 22 out of 66 relevant procurement employees were trained in responsible conduct in the supply chain. The specialised course focused on how procurement decisions can promote decent work within supply chains.

Downstream

IRO 20: Ensuring the safety and quality of our products is not just a regulatory requirement, but a core value that drives our business strategy. By embedding safety into every phase of the product lifecycle, from design and manufacturing to deployment and disposal, we inherently enhance the quality and reliability of our offerings. This dual focus on quality and safety not only protects workers in our value chain, preventing or mitigating negative impacts on them, but also solidifies our reputation as a dependable and innovative leader in the industry.

Our product portfolio offers clear safety advantages to value chain workers across customer operations, including employees who use, operate, or maintain our products. The Giratory crushers allow safe, convenient maintenance from above, reducing downtime and risks compared to bottom service designs.

Workers in the value chain

The HPGR Pro features a mechanical skew limitation to prevent damage from excessive skew, enhancing operational safety. Additionally, our composite mill liners are about 50% lighter, further improving worker safety. We have a quality management system in place, certified under ISO 9001. Moreover, we perform product risk assessments aligned with harmonised standards, such as EN ISO 12100 General principles for design including risk assessment and risk reduction, used to ensure compliance with CE marking in EU countries. Operating instructions are based on international standards (Machine safety, instruction manual, general design principles) and equipment documentation is provided to customers.

FLSmidth is committed to being a trusted, professional and secure partner to our customers throughout the entire supported product life-cycle, and to act within our power to prevent or mitigate impacts from cyber incidents.

In order to ensure that our Operational Technology products have an appropriate level of cyber security, FLSmidth has developed a Secure Development Lifecycle (SDLC) which has been certified according to IEC 62443-4-1. As a provider of managed digital services, FLSmidth complies with the requirements of the EU NIS2 directive.

Resources allocated to management of material impacts on workers in the value chain include budget for the development of IT platform, training and audits, and internal FTEs from procurement, sales, quality and sustainability functions. The Audit, Risk and ESG Reporting Committee reviews the effectiveness of these actions and our human rights risk management, including grievance mechanisms and impact assessments.

No severe human rights issues or incidents connected to upstream and downstream value chain were reported in 2025. Our aim is to ensure the ongoing safety and reliability of our products by maintaining zero product-related incidents annually.

From 2026 we will annually review the human rights impact assessment to ensure the company has measures in place to prevent the materialisation of new salient impacts.



Affected communities

We recognise that the perspectives, interests, and rights of affected communities, including a strong commitment to respecting their human rights, are central to understanding our potential impacts on these groups and to shape our strategy and business model.

Our commitment to zero emissions by 2030 and respect for human rights is essential as well for maintaining trust with stakeholders and complying with regulations. This approach also helps us avoid legal risks and supports strategic partnerships, which are crucial for long-term viability.

IRO 8: License to operate

Downstream

Risk: Mining projects can affect communities including indigenous peoples through land impacts, creating potential reputational and financial risks. This can include restrictions or delays in obtaining customer permits, which in turn may slow order intake.

Policies

Our Human Rights Policy applies to our own operations and the entire value chain (See page 102), and addresses the rights of vulnerable groups, including indigenous peoples. In the event of a human rights breach, anyone can access the whistleblower hotline and human rights grievance mechanism. See more about our whistleblower hotline on page 110-111.

Our Environmental Policy and Climate Action policy outlines our commitments to develop solutions enabling our customers to maximise yields within a smaller land footprint, thus reducing land use and provide services designed for more sustainable mining operations by emphasising energy efficiency and operating on renewable energy sources. See more on page 68.

Process for engaging with affected communities

We actively engage with our customers, and incorporate the indirect feedback from affected communities gathered through these engagements, ensuring that our operations and product offerings address their needs and priorities and thereby mitigating the potential impacts.

We also engage with affected communities through social action initiatives recurrently throughout the year, which may also include strategic partnerships with our customers.

Process to remediate negative impacts

We are guided by international standards in our commitment to working towards ensuring appropriate and adequate remedy for stakeholders adversely affected by our business operations and relationships.

Our whistleblower hotline is opened to all our stakeholders including affected communities. See more information on page 110-111.

Impacts, risks and opportunities

IRO	Actual	Potential	↑	🏠	↓	-	+	💡	!	Time horizon
8 License to operate	■	■								Short-term

Location in the value chain: ↑ Upstream 🏠 Own operations ↓ Downstream
 Impact, risk and opportunity: - Negative + Positive 💡 Opportunity ! Risk



Affected communities

How we are taking action

It is increasingly important for mining companies to address land-related impacts and securing free, prior and informed consent in the process of developing new mining projects. Failure to do so could lead to the loss of a license to operate, presenting a reputational and financial risk for our operations, as our customers may not be able to pursue projects in which we are engaged.

To mitigate the potential risks related to such loss of permits or delays, we continue to develop environmentally responsible and socially conscious solutions to our customers guided by our commitments and innovative efforts. Our dedication to upholding human rights and fostering transparent relationships with stakeholders not only helps us meet regulatory and customer expectations, but also strengthens our reputation and underpins the long-term sustainability efforts of our business and product portfolio. It also helps manage financial risks from potential delays or permit issues due to legal disputes with affected communities in the surrounding areas of mining plants¹⁹, providing more stability in revenue streams.

We have had no reported cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve affected

communities. [See more on whistleblower cases on page 111.](#)

In 2025, we established a comprehensive Social Action Strategy designed to fund social initiatives within our operational areas, with the objective of generating positive impact in the following key domains:

Health & Safety – enhancing healthcare access, promoting preventative measures, and supporting mental health

Humanitarian – providing relief aid, food, shelter, and assistance to vulnerable groups

Environment – advancing conservation efforts, renewable energy adoption, and waste management practices

Education – facilitating vocational training, literacy programs, and STEM skill development

The implementation process for this strategy involves the formation of Social Committees at each of our locations. These volunteer-led teams are dedicated to developing meaningful local activities that strengthen engagement and drive social impact, thereby enabling employees to influence initiatives aligned with the needs of their teams and communities.

To ensure effectiveness, a robust monitoring and evaluation framework has been defined, incorporating KPI tracking and comprehensive impact assessments upon completion of initiatives.

The Chief People Officer and Global Business Services, EVP has oversight over the Social Action Strategy.

Targets

Our target is to fully implement the Social Action Strategy process by 2026.



¹⁹ This could include indigenous communities.

Governance

As a responsible business, our operations and strategic decisions are guided by the key principles of integrity and accountability. We adhere to all applicable laws and regulations and maintain transparency with stakeholders across the value chain.



Business conduct

Assessing impacts, risks and opportunities

Our governance is focused on honesty, responsibility and transparency. We are committed to meeting high ethical standards and building trust with our stakeholders.

We operate in geographies and industries where bribery and corruption can be more prevalent and therefore mechanisms such as the whistleblower hotline are essential. Effective engagement with suppliers and other business partners and ensuring a safe and constructive working environment in the value chain through our Code of Conduct are a foundation of our approach to responsible business conduct.

IRO 21: Relationships with suppliers

Own operations

Negative impact: Supplier payment practices leading to delayed payments may negatively impact some suppliers.

IRO 22: Corruption and bribery

Own operations

Negative impact: Inadequate prevention and detection processes can lead to employees unintentionally or intentionally performing unlawful activities. Operating in regions with higher exposure to corruption increases the risk of incidents that can negatively affect people and society.

Risk: Incidents of bribery and corruption can negatively impact the company's reputation. Operating in regions more exposed to corruption and bribery can lead to more incidents resulting in fines or litigation.

IRO 23: Lobbying activities

Downstream

Opportunity: Partnerships with industry groups to support the future of mining.

Impacts, risks and opportunities

IRO	Actual	Potential	↑	🏠	↓	-	+	💡	!	Time horizon
21 Relationships with suppliers		■	■							Short-term
22 Corruption and bribery		■		■					■	Short-term
23 Lobbying activities	■				■				■	Medium-term

Location in the value chain: ↑ Upstream 🏠 Own operations ↓ Downstream
 Impact, risk and opportunity: - Negative + Positive 💡 Opportunity ! Risk



Business conduct

Role of administrative, management and supervisory bodies

Our Board of Directors and Executive Leadership Team are deeply involved in our compliance programme. Compliance provides regular updates to the Audit, Risk and ESG Reporting Committee, Board of Directors and the CEO.

Members of the Board of Directors and the Executive Leadership Team are profiled on [pages 46-49](#).

Business conduct policies and corporate culture

Our company culture is shaped by our core values: trust, empowerment, accountability, collaboration, and honesty (TEACH). These principles drive our organisation and strategic goals. Culture-related topics are discussed in the Executive Leadership Team meetings led by the Chief People Officer and Global Business Services, EVP. We aim to reflect these values in internal communications, especially around strategy and organisational matters, and managers are encouraged to embed them in team interactions.

Our Code of Conduct and relevant policies serves as the cornerstone of our business activities. Employees undergo comprehensive compliance training encompassing topics such as sanctions, bribery and anti-corruption measures, human rights, and the whistleblower hotline.

Remediation processes and grievance mechanisms

We are committed to ensuring that our business activities respect human rights, safeguard the environment, and uphold responsible business conduct. Our remediation processes are guided by the UN Guiding Principles on Business and Human Rights (UNGPs), the European Whistleblower Directive, and other relevant international standards.

Where our activities have caused or contributed to adverse impacts on people, we provide or participate in appropriate remedies, including restitution, rehabilitation, compensation, guarantees of non-repetition, or other context-specific measures. We assess the effectiveness of remedies by engaging directly with affected rights-holders, conducting follow-up monitoring, and gathering feedback to ensure that corrective measures address the harm adequately.

Channels for Raising Concerns

The confidential whistleblower hotline enhances our internal investigative capacity by providing a secure channel for employees and external stakeholders to report concerns. We have established procedures to ensure adherence to the European Whistleblower Directive.

Own Workforce

Our confidential whistleblower hotline provides a secure platform for employees to voice their concerns.

Employees are encouraged to report cases of suspected harassment or discrimination, either to the Compliance or People and Sustainability departments directly, through the whistleblower hotline or through our human rights grievance mechanism, and we do not tolerate retaliation based on such reporting²⁰.

These mechanisms apply the UNGP effectiveness criteria by ensuring accessibility, independence, protection against retaliation, and appropriate follow-up actions.

We also maintain a grievance mechanism for employee-related matters, including human rights, labour rights, workplace conduct including discrimination, and compliance breaches. Concerns may additionally be raised via trade unions or workers' representatives.

We seek to remediate or participate in remediation of any direct or indirect adverse impacts on employees, including collaborating with judicial or non-judicial mechanisms for remedy access.

Value Chain Workers

Workers in our value chain also have access to the whistleblower hotline and the human rights grievance mechanism. We encourage suppliers to inform their employees of these channels and to support their availability in the workplace. Through supplier dialogue and our Supplier Code

of Conduct, we reinforce the accessibility of these channels and our expectation that value chain workers are informed and protected when using them.

Investigation and Remedy Procedure

We commit to handling investigation procedures in a transparent, confidential, professional and unbiased manner where reports of alleged harassment are submitted. We investigate all reported cases promptly, objectively and in compliance with local legislation. Where necessary, external counsel are used to investigate independently from the chain of management.

All admissible cases are registered by the third-party system and reviewed by Group Legal and Compliance.

Investigations are conducted according to structured procedures, which may include document reviews, internal and external interviews, and engagement with rights-holders:

Filing – Complaints are submitted through the hotline or grievance mechanism.

Screening – Cases are assessed to determine if they relate to potential violations of internationally recognised human or labour rights or other business conduct issues.

²⁰ Measures taken to protect whistleblowers against retaliation are in accordance with Directive (EU) 2019/1937.

Business conduct

Investigation – Investigations are carried out promptly, independently, and objectively, including for cases of corruption and bribery.

Resolution – Remedies are determined on a case-by-case basis, ensuring that outcomes address the harm and prevent recurrence.

Staff responsible for receiving and handling reports are designated and trained to ensure competence, confidentiality, and fairness in the process.

Awareness, Trust, and Protection

We actively promote awareness of grievance mechanisms through internal campaigns, intranet communications, workplace posters, supplier engagement, and customer dialogue. Information is available in our main operational languages.

We assess awareness and trust in these channels through regular employee surveys and stakeholder dialogue. Our last survey conducted in 2024, reflected that 87% of respondents would feel comfortable reporting through our whistleblower hotline.

We have a zero-tolerance policy against retaliation, ensuring that employees, workers' representatives, and value chain workers can raise concerns without fear of adverse consequences.

Monitoring and Continuous Improvement

The system allows us to track the type, volume, and status of reports, as well as the outcomes and remedies applied. We review these data to identify trends, update procedures, and strengthen effectiveness. Lessons learned are documented and integrated into our compliance and risk management systems.

Current Status

No cases have been reported concerning potential negative impacts on value chain workers, corruption, or bribery, but we continue to monitor the effectiveness of our processes and remain committed to continuous improvement in line with international standards and legal requirements.

Managing our supply chain

We actively collaborate with suppliers, ensuring adherence to international standards that promote ethical and sustainable practices. Supplier assessments are a critical part of our due diligence, allowing us to evaluate their sustainability performance and identify areas for capacity building, including environmental and human rights risks and impacts. We also monitor our spend in high risk forced labour countries. These assessments support our efforts to prevent and mitigate adverse impacts in the supply chain. [See more on our supply chain due diligence on sustainability on page 104.](#)

Compliance

	2025	2024
Whistleblower reports submitted	110	146
of which: compliance	10	31
of which: finance	17	25
of which: Human Resources	71	82
of which: other	12	8
of which: admissible	77	94
The total number of reported incidents of discrimination, including harassment	42	40
The total number of reported incidents of severe human rights	0	0

§ Accounting policies

Whistleblower reports submitted

Includes total number of reports submitted through FLSmidth's formal whistleblower hotline or by other means, such as e-mail, letter or in person. The figures include total number of reports received across different sub-categories, including incidents related to discrimination and harassment, as well as the number of admissible cases, i.e. cases that fall within the scope of topics allowed by whistleblower hotline reporting in accordance with the data privacy laws of the country in question.

The total number of reported incidents of severe human rights

Number of cases on human rights issues submitted to FLSmidth's Compliance department through the formal whistleblower hotline or by other means, such as email, letter or in person that have been substantiated

Business conduct

Sales and procurement employees are more likely to encounter trade compliance or human rights issues, so they receive specialised training to spot and address these risks.

Payment practices

IRO 21: FLSmidth's standard contract payment terms are a minimum of 90 days for all supplier categories. However, alternative payment terms dependent on the nature of the service and region

can occur. As part of our strategic transformation, we improved and simplified the processes of financial transactions, including accounts payable. Outsourced to a specialist third-party and overseen by our global business centre, this aims to improve the efficiency of our payment processes and ensure suppliers are paid on time and thus preventing late payments. In addition, we offer a supplier financing programme that supports suppliers to receive faster payment.

Payment practices	2025	2024
Average days payment	61	59
Total number of outstanding disputes	7	0

§ Accounting policies

Average days payment

Days payment is defined as difference between Invoice Payment date and Invoice issue date. To calculate the average, we take the difference between the upper and lower quartile of supplier invoicing data. This is to remove any outliers that related to disputes that would not be related to payment practices.

Total number of outstanding disputes

Total number of legal proceedings related to payment delays. Incidents may relate to incidents that occur in previous periods.

Prevention and detection of corruption and bribery

IRO 22: Our Bribery and Facilitation Payments Sub-Policy outlines the specific rules prohibiting bribery and facilitation payments. Employees must adhere to our Code of Conduct and all relevant laws and applicable international and local regulations. Offering, receiving or demanding bribes or payments is strictly prohibited, and any potential or actual incidents must be reported to the Compliance department or through the whistleblower hotline.

Facilitation payments are only permitted in exceptional circumstances, such as to mitigate unsafe situations, and must follow a clear process as described in the sub-policy.

Anti-corruption training

All white-collar employees, including top management, are required to complete training on anti-corruption as we define these roles as at-risk functions. The e-learning courses are short courses focusing on specific topics such as gifts,

Corruption and bribery	2025	2024
Total number of convictions for violations related to corruption and bribery	0	0
Total fines related to convictions for violations related to corruption and bribery	0	0
Operations assessed for corruption	0	1

§ Accounting policies

Total number of convictions for violations related to corruption and bribery

Reported as an annual total number of convictions related to anti-corruption or corruption laws. Convictions may relate to incidents that occur in previous years.

Total fines related to convictions for violations related to corruption and bribery

Total amount of fines related to convictions on violations of anti-corruption and anti-bribery law. Reported

as fines that occur within the year but may relate to incident that occurred in previous years.

Operations assessed for risks

related to corruption Number of assessments conducted by Compliance, which involves reviewing internal controls, interviewing relevant stakeholders and examining documentation to ensure adherence to anti-corruption policies and regulations and assess operations for risks related to corruption.

Business conduct

bribery, trade compliance and human rights. Our in-person training concept puts the emphasis on engaging participants, while increasing the breadth of content. The aim of the training and e-learning concepts is to increase awareness of emerging topics such as fraud and harassment.

By the end of 2025, 72% of our white-collar workers completed e-learning courses and 62% had received inperson training on anti-corruption.

We will maintain a strong focus on training our employees and providing awareness campaigns related to corruption and bribery to mitigate any potential negative impacts or risks in this area.

Findings are reported to the Executive Leadership Team and human resources representatives and the Board of Directors. Members of the Board of Directors and the Executive Leadership Team

also receive training in preventing corruption and bribery.

No incidents of corruption or bribery and related fines have occurred throughout the year.

All our policies are available to all employees on the company intranet.

We have procedures to perform assessments at operations, which involve reviewing internal controls, interviewing relevant stakeholders and examining documentation to ensure adherence to anti-corruption policies and regulations and assess operations for risks related to corruption.

Anti-corruption training	2025	2024	Target 2025	Target 2030
White-collar employees who have completed e-learning courses on anti-corruption	2,960	4,749		
White-collar employees who have completed e-learning courses on anti-corruption (%)	72%	79%	85%	95%
White-collar employees who have received in-person training on anti-corruption	2,549	4,584		
White-collar employees who have received in-person training on anti-corruption (%)	62%	76%		

§ Accounting policies

White-collar employees who have completed e-learning courses on anti-corruption
Number and percentage of active white-collar employees who have completed the mandatory compliance e-learning courses; completion may have occurred in previous years. Terminated employees and non-employees are excluded from the calculation.

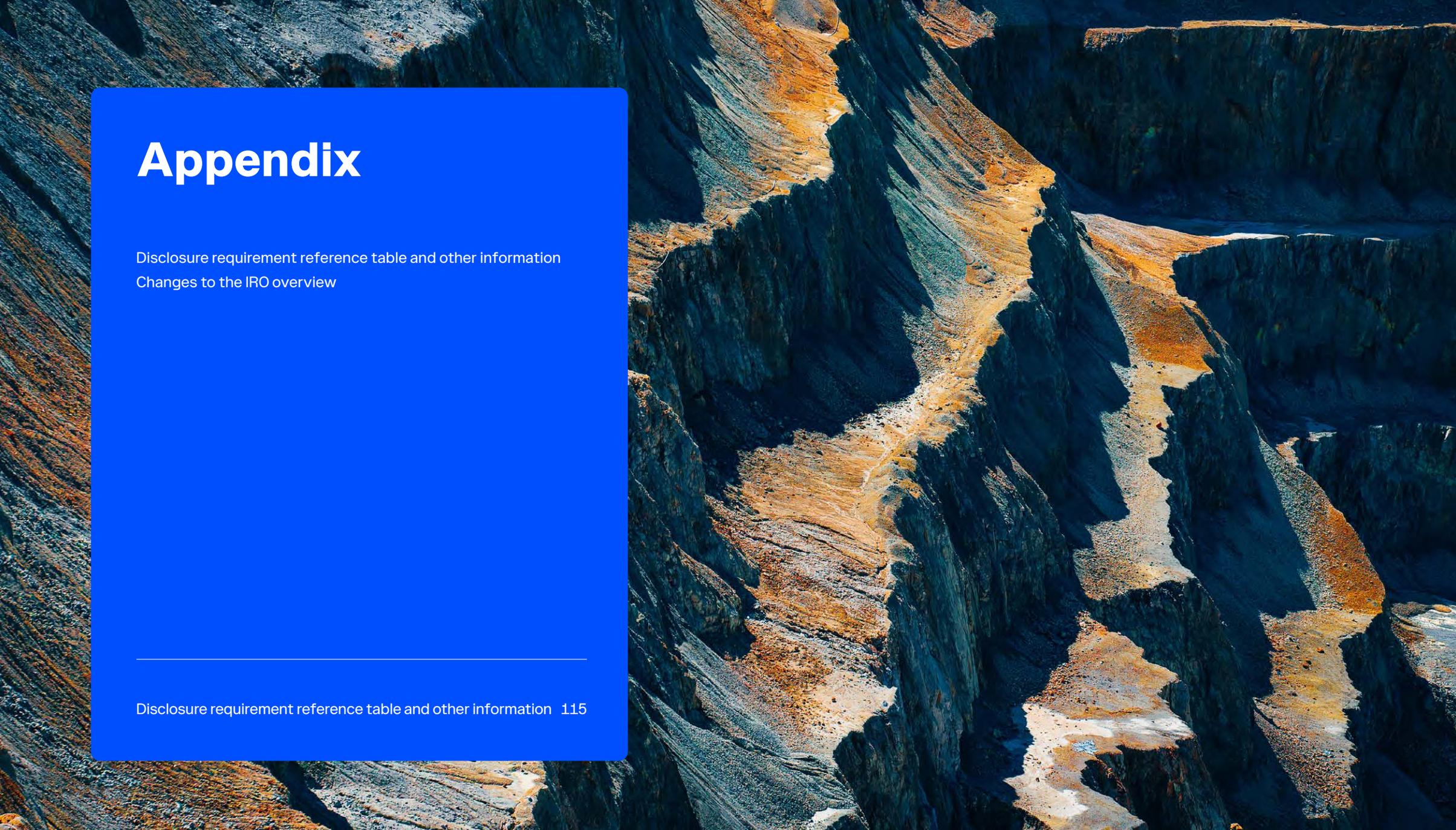
White-collar employees who have received in-person training on anti-corruption
The number and percentage of active white-collar employees completing the mandatory compliance courses; completion may have occurred in previous years. Terminated employees and non-employees are excluded from the calculation.

Lobbying activities

IRO 23: Stimulating demand for green minerals, metals and cement requires a supportive policy environment. We engage with international organisations to provide expertise, share experience, exchange ideas and inform policymakers. We are members of, or engage with, various industry associations and advocacy groups to promote policy frameworks and regulations that help accelerate the green transition. We are a founding member of the Compliance in Mining Network and part of the Women in Mining initiative.

We do not provide support, financial or otherwise, to political or lobbying organisations.





Appendix

Disclosure requirement reference table and other information
Changes to the IRO overview

Disclosure requirement reference table and other information 115



Disclosure requirement reference table and other information

ESRS 2	General disclosures	Section/ report	Page	Additional information
BP-1	General basis for preparation of the sustainability statement	SS	61-62	
BP-2	Disclosures in relation to specific circumstances	SS	62	
GOV-1 GOV-2	Governance and oversight of sustainability	CG/SS	41-45/61	Data point 21 (d) - Board's gender diversity is derived from SFDR and Benchmark Regulation Data point 21 (e) - Percentage of board members who are independent is derived from Benchmark Regulation
GOV-3	Integration of sustainability-related performance in incentive schemes	SS	61	
GOV-4	Statement on sustainability due diligence	SS	61	Data point 30 - Statement on due diligence is derived from SFDR
GOV-5	Risk management and internal controls over sustainability reporting	SS	61	
SBM-1	Sustainability at FLSmidth (products, markets, customers)	SS	56	Data point 40 (d) i - Involvement in activities related to fossil fuel activities is derived from SFDR, Pillar 3 and Benchmark Regulation
	Countries with over 10% of workforce (headcount by country)	SS	95	Data point 40 (d) ii - Involvement in activities related to chemical production is derived from SFDR and Benchmark Regulation
	Sustainability at FLSmidth (breakdown of revenue)	SS	56	Data point 40 (d) iii - Involvement in activities related to controversial weapons is derived from SFDR and Benchmark Regulation Data point 40 (d) iv - Involvement in activities related to cultivation and production of tobacco is derived from Benchmark Regulation
SBM-2	Stakeholder engagement	SS	59	
SBM-3	Impacts, risks and opportunities across our value chain	SS	60	
IRO-1	Assessing impacts, risks and opportunities	SS	57	
IRO-2	Disclosure requirement reference table and other information	SS	115-119	

ESRSE1	Climate change	Section/ report	Page	Additional information
E1-GOV-3	Integration of sustainability-related performance in incentive schemes	SS	61	
E1-IRO-1	Assessing impacts, risks and opportunities	SS	65	
E1-SBM-3	Resilience of our strategy	SS	58	
E1-1	Transition plan for climate change mitigation	SS	66	Data point 14 - Transition plan to reach climate neutrality by 2050 is derived from EU Climate Law Data point 16 (g) - Undertakings excluded from Paris-aligned Benchmarks is derived from Pillar 3 and Benchmark Regulation
E1-2	Policies	SS	66-67	
E1-3	How we are taking action	SS	67-68	
E1-4	Targets	SS	68-69	Data point 34 - GHG emission reduction targets is derived from SFDR, Pillar 3 and Benchmark Regulation
E1-5	Energy consumption and mix	SS	70	Data point 38 - Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) is derived from SFDR Data Point 37 Energy consumption and mix is derived from SFDR Data point 40 to 43 - Energy intensity associated with activities in high climate impact sectors is derived from SFDR
E1-6	Scopes 1, 2 and 3 GHG emissions	SS	71	Data point 44 Gross Scope 1, 2, 3 and Total GHG emissions is derived from SFDR, Pillar 3 and Benchmark Regulation Data point 53-55 Gross GHG emissions intensity is derived from SFDR, Pillar 3 and Benchmark Regulation
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Not applicable	-	Data point 56 GHG removals and carbon credits is derived from EU Climate Law reference
E1-8	Internal carbon pricing	SS	69	



Disclosure requirement reference table and other information

ESRSE1	Climate change	Section/ report	Page	Additional information
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Not applicable	-	Data point 66 Exposure of the benchmark portfolio to climate-related physical risks is derived from Benchmark Regulation Data point 66 (a) Disaggregation of monetary amounts by acute and chronic physical risk is derived from Pillar 3 Data point 66 (c) Location of significant assets at material physical risk is derived from Pillar 3 Data point 67 (c) Breakdown of the carrying value of its real estate assets by energy-efficiency classes is derived from pillar 3 Data point 69 Degree of exposure of the portfolio to climate-related opportunities is derived from Benchmark Regulation

ESRSE2	Pollution	Section/ report	Page	Additional information
E2-IRO-1	Assessing impacts, risks and opportunities	SS	74	
E2-1	Policies	SS	74-75	
E2-2	How we are taking action	SS	75	
E2-3	Targets	Not applicable	-	
E2-4	Pollution of air	Not applicable	-	Data point 28 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil is derived from SFDR
E2-5	Substances of concern and substances of very high concern	Not applicable	-	
E2-6	Anticipated financial effects from material pollution-related risks and opportunities	Not applicable	-	

ESRSE3	Water and marine resources	Section/ report	Page	Additional information
E3-IRO-1	Assessing impacts, risks and opportunities	SS	76	
E3-1	Policies	SS	77	Data point 9 Water and marine resources is derived from SFDR Data point 13 Dedicated policy is derived from SFDR Data point 14 Sustainable oceans and seas is derived from SFDR
E3-2	How we are taking action	SS	77	
E3-3	Targets	SS	77-78	
E3-4	Water use	SS	78	Data point 28 (c) Total water recycled and reused is derived from SFDR Data point 29 Total water consumption in m³ per net revenue on own operations is derived from SFDR
E3-5	Anticipated financial effects from material water and marine resources-related risks and opportunities	Not applicable	-	

ESRSE4	Biodiversity and ecosystems	Section/ report	Page	Additional information
E4.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Not applicable	-	Data point 16 (a) i - specifying the activities negatively affecting biodiversity sensitive areas is derived from SFDR Data point 16 (b) - whether it has identified material negative impacts with regards to land degradation, desertification or soil sealing is derived from SFDR Data point 16 (c) - whether it has operations that affect threatened species is derived from SFDR
E4-IRO-1	Assessing impacts, risks and opportunities	SS	79	
E4-1	Transition plan	SS	80	



Disclosure requirement reference table and other information

ESRS E4	Biodiversity and ecosystems	Section/ report	Page	Additional information
E4-2	Policy	SS	80	Data point 24 (b) Sustainable land / agriculture practices or policies is derived from SFDR Data point 24 (c) Sustainable oceans / seas practices or policies is derived from SFDR Data point 24 (d) Policies to address deforestation is derived from SFDR
E4-3	Actions and resources related to biodiversity and ecosystems	Not applicable	-	
E4-4	Targets related to biodiversity and ecosystems	Not applicable	-	
E4-5	Impact metrics related to biodiversity and ecosystems change	Not applicable	-	Data point 37 (d) Non-recycled waste is derived from SFDR Data point 39 Hazardous waste and radioactive waste is derived from SFDR
E4-6	Anticipated financial effects from biodiversity and ecosystems-related risks and opportunities	Not applicable	-	

ESRS E5	Resource use and circular economy	Section/ report	Page	Additional information
E5-IRO-1	Assessing impacts, risks and opportunities	SS	82	
E5-1	Policies	SS	83	
E5-2	How we are taking action	SS	83-86	
E5-3	Targets	SS	86	
E5-4	Resource inflows	SS	83	
E5-5	Resource outflows	SS	86	
E5-6	Waste	SS	84	

ESRS S1	Own workforce	Section/ report	Page	Additional information
S1-SBM-2 S1-SBM-3	Own workforce	SS	91	Data point 14 (f) - Risk of incidents of forced labour is derived from SFDR Data point 14 (g) - Risk of incidents of child labour is derived from SFDR
S1-1	Policies	SS	92	Data point 20 Human rights policy commitments is derived from SFDR Data point 21 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8 is derived from Benchmark Regulation Data point 22 processes and measures for preventing trafficking in human beings is derived from SFDR Data point 23 workplace accident prevention policy or management system is derived from SFDR
S1-2 S1-3	Processes for engagement	SS	92-93	Including information on process for remediation Data point 32 (c) grievance/complaints handling mechanisms is derived from SFDR
S1-4	How we are taking action	SS	93-100	
S1-5	Targets	SS	100	
S1-6	Characteristics of our workforce	SS	95	
S1-7	Characteristics of non-employees in the undertaking's own workforce	SS	95	
S1-8	Collective bargaining coverage and social dialogue	SS	94	
S1-9	Diversity	SS	94, 96	
S1-10	Adequate wages	SS	94	
S1-11	Social protection	Not material	-	
S1-12	Persons with disabilities	Not material	-	
S1-13	Training and skills development	SS	98	
S1-14	Health and safety	SS	99	Data point 88 (b) (c) Number of fatalities and number and rate of work-related accidents is derived from SFDR and Benchmark Regulation Data point 88 (e) Number of fatalities and number and rate of work-related accidents is derived from SFDR



Disclosure requirement reference table and other information

ESRS S1	Own workforce	Section/ report	Page	Additional information
S1-15	Work-life balance metrics	SS	95	
S1-16	Pay equity	SS	96	Data point 97 (a) Unadjusted gender pay gap is derived from SFDR and Benchmark Regulation Data point 97 (b) Excessive CEO pay ratio is derived from SFDR
S1-17	Violence and harassment	SS	97	Data point 103 (a) Incidents of discrimination is derived from SFDR Data point 104 (a) Non-respect of UNGPs on Business and Human Rights and OECD is derived from SFDR and Benchmark Regulation

ESRS S2	Workers in the value chain	Section/ report	Page	Additional information
S2-SBM-2 S2-SBM-3	Workers in the value chain	SS	101	Data point 11 (b) Significant risk of child labour or forced labour in the value chain is derived from SFDR
S2-1	Policies	SS	102-103	Data point 17 Human rights policy commitments is derived from SFDR Data point 18 Policies related to value chain workers is derived from SFDR Data point 19 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines is derived from SFDR and Benchmark Regulation Data point 19 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, is derived from Benchmark Regulation
S2-2 S2-3	Processes for engaging with value chain workers	SS	103	Including requirements for process to remediate negative impacts
S2-4 S2-5	Actions and targets	SS	103-105	Data point 36 Human rights issues and incidents connected to its upstream and downstream value chain is derived from SFDR

ESRS S3	Affected communities	Section/ report	Page	Additional information
S3-SBM-2 S3-SBM-3	Affected communities	SS	106	
S3-1	Policy	SS	106	Data point 16 - Human rights policy commitments is derived from SFDR Data point 17 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines is derived from SFDR and Benchmark Regulation
S3-2	Processes for engaging with affected communities	SS	106	
S3-3	Processes to remediate negative impacts	SS	106	
S3-4	How we are taking action	SS	107	Data point 36 - Human rights issues and incidents is derived from SFDR
S3-5	Targets	SS	107	

ESRS S4	Consumers and end-users	Section/ report	Page	Additional information
		Not material	-	ESRS S4 is not material. Data point 16 - Policies related to consumers and end-users is derived from SFDR Data point 17 - Non-respect of UNGPs on Business and Human Rights and OECD guidelines is derived from SFDR and Pillar 3 Data point 35 - Human rights issues and incidents is derived from SFDR



Disclosure requirement reference table and other information

ESRS G1	Business conduct	Section/ report	Page	Additional information
G1-IRO-1	Assessing impacts, risks and opportunities	SS	109	
G1-GOV-1	The role of the administrative, management and supervisory bodies	CG/SS	41-45/61/ 110	
G1-1	Business conduct policies and corporate culture	SS	110	Data point 10 (b) United Nations Convention against corruption is derived from SFDR Data point 10 (d) Protection of whistle-blowers is derived from SFDR
G1-2	Managing our supply chain	SS	111-112	
G1-3 G1-4	Prevention and detection of corruption and bribery	SS	112-113	Data point 24 (a) Fines for violation of anti-corruption and anti-bribery laws is derived from SFDR Data point 24 (b) Standards of anti-corruption and anti-bribery is derived from SFDR
G1-5	Lobbying activities	SS	113	
G1-6	Payment practices	SS	112	

Overview of KPI Changes from 2024 Reporting

Discontinued KPIs	Comments
Substances of concern and substances of very high concern	Removed during the 2025 double materiality assessment
Scope 3 cat. 11 Use of sold products, including process emissions	Removed as a result of the divestment of cement. No longer a relevant measure.
Sites assessed for corruption	Entity specific KPI that is no longer relevant

New KPIs	Comments
Percentage of employees covered by collective bargaining agreements	Phase-in KPI
Employees entitled for family-related leave	Phase-in KPI
Entitled employees that took family-related leave	Phase-in KPI

Changes to KPIs	Comments
White-collar employees who have completed training in human rights	The KPIs on human rights training has been merged so they include both e-learning and in-person training going forward.



Changes to the IRO overview

The table below outlines the changes to our IRO landscape following the revisit of the DMA. These changes reflect several factors, including insights gained from data collection, regulatory landscape, benchmarking against industry and market peers, and adjustments related to the divestment of our Cement business, which has impacted the materiality threshold. Significant updates to the IRO overview are described in more detail below. For more information about the process for the updates [see page 57](#).

REPORTING 2024

Topic	IRO number	IRO name	Impact, risk and opportunity
E1	1	CO ₂ e emissions	-
E1	2	Energy optimisation	🔍
E1	3	MissionZero portfolio	+ 🔍
E2	4	Air pollution from production	-
E2	5	Tailings solution offerings	+
E2	6	Use of substances of concern	-
E3	7	Water withdrawal	-
E3	3	MissionZero portfolio	+ 🔍
E4	1	CO ₂ e emissions	-
E4	8	Depletion of natural resources and land use change	-
E4	9	Regulatory/ reputational pressure	!
E4	10	Reducing mining footprint	+
E5	11	Virgin raw materials	-
E5	12	Sourcing of materials	!
E5	13	Generation of waste	-
E5	14	Product design	+
E5	15	Sales of services (spare parts & maintenance)	🔍

REPORTING 2025

Topic	IRO number	IRO name	Impact, risk and opportunity	Material changes
E1	1	CO ₂ e emissions	-	No material changes
E1	2	Energy optimisation	🔍	
E1	3	MissionZero portfolio & environmental stewardship	+ 🔍	
E2	4	Air pollution from production	-	E2 Use of substances of concern and Air pollution as an actual negative impact in own operation has been removed after 2024 data confirmed that our impact falls below materiality threshold.
E2	5	Tailings solution offerings	+	
E3	6	Water withdrawal	-	E3 Water withdrawal has been removed as an actual upstream impact as we reassess impact of the steel industry's water consumption to lower.
E3	3	MissionZero portfolio & environmental stewardship	+ 🔍	
E4	7	Depletion of natural resources and land use change	-	E4 CO ₂ e emissions has been removed as an IRO as it is an indirect impact on biodiversity over the long term, mainly through downstream energy use. CO ₂ e remains central to our climate strategy but is not a primary biodiversity driver. Regulatory/reputational pressure has been renamed to License to operate to better reflect the risk described and for strategic purpose.
E4	8	License to operate	!	
E4	9	Reducing mining footprint	+	
E5	10	Virgin raw materials	-	No material changes
E5	11	Sourcing of materials	!	
E5	12	Waste generated	-	
E5	13	Product design & refurbishment	+	
E5	14	Sales of services (spare parts & maintenance)	🔍	



Changes to the IRO overview - continued

REPORTING 2024

Topic	IRO number	IRO name	Impact, risk and opportunity
S1	16	Working conditions	+ - !
S1	17	Equal treatment and opportunities	+ 🧠 !
S2	18	Adequate wages	-
S2	19	Health and safety	-
S2	20	Child labour & forced labour	- !
S3	21	Communities' economic, social and cultural rights	!
S3	22	Rights of indigenous peoples	- !
G1	23	Corporate culture	🧠
G1	24	Protection of whistleblowers	- !
G1	25	Political engagement and lobbying activities	🧠
G1	26	Public policy	🧠 !
G1	27	Relationships with suppliers	- +
G1	28	Corruption and bribery	- !

REPORTING 2025

Topic	IRO number	IRO name	Impact, risk and opportunity	Material changes
S1	15	Working conditions	+ -	S1 Workforce-related risks have been combined into a new IRO, <i>Talent Attraction and Retention</i> , for clarity.
S1	16	Equal opportunities	+ !	
S1	17	Talent attraction & retention	!	S1 <i>Health and safety</i> , which was previously part of <i>Working conditions</i> , has been added as a standalone IRO due to the importance of this topic.
S1	18	Health & safety	+ -	
S2	19	Work-related rights (Child & forced labour, adequate wages)	- !	S2 The three previous IROs have been combined into one <i>Work-related rights (Child & forced labour, adequate wages)</i> for clarity.
S2	20	Product safety	🧠	
S3	8	License to operate	!	S3 IROs have been combined under <i>License to operate</i> for clarity and strategic focus.
G1	21	Lobbying activities	🧠	G1 <i>Corporate Culture</i> has been merged into Talent Attraction IRO (S1). <i>Whistleblower protection</i> risk has been incorporated under the <i>Corruption and Bribery</i> IRO. <i>Public policy</i> opportunity is removed and instead included under E1 due to its link with climate change initiatives.
G1	22	Relationships with suppliers	-	
G1	23	Corruption and bribery	- !	

06

Financial statements

Consolidated financial statements	123
Key accounting estimates and judgements	128
Parent company financial statements	181
Statement by Management	192
Independent auditor's report	193
Independent auditor's limited assurance report on sustainability statement	196
Forward looking statements	198

Consolidated financial statements

Primary statements

Income statement	124
Statement of comprehensive income	124
Cash flow statement	125
Balance sheet	126
Equity statement	127

Notes

Key accounting estimates and judgements	128
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SECTION 1

OPERATING PROFIT AND SEGMENTS

1.1 Income statement by function	130
1.2 Segment information	131
1.3 Geographical information	133
1.4 Revenue	134
1.5 Staff costs	136
1.6 Other operating net income	137

SECTION 2

CAPITAL EMPLOYED AND OTHER BALANCE SHEET ITEMS

2.1 Return on capital employed	139
2.2 Intangible assets	139
2.3 Impairment of assets	141
2.4 Property, plant and equipment	143
2.5 Leases	144
2.6 Investments in associates	145
2.7 Provisions	146
2.8 Pension obligations	147
2.9 Contractual commitments and contingent assets & liabilities	148
2.10 Business acquisition	149
2.11 Disposal of activities	149
2.12 Discontinued activities	150
2.13 Assets & liabilities held for sale	150

SECTION 3

WORKING CAPITAL

3.1 Net working capital	152
3.2 Inventories	153
3.3 Trade receivables	154
3.4 Work in progress	155
3.5 Other receivables	156
3.6 Trade payables	156
3.7 Other liabilities	156

SECTION 4

TAX

4.1 Income tax	158
4.2 Paid income tax	159
4.3 Deferred tax	159
4.4 Tax on other comprehensive income	161
4.5 Our approach to tax and tax risk	161

SECTION 5

FINANCIAL RISKS & CAPITAL STRUCTURE

5.1 Shares and capital structure	163
5.2 Earnings per share	164
5.3 Financial risks	164
5.4 Financial income and costs	167
5.5 Derivatives	167
5.6 Fair value measurement	168
5.7 Net interest bearing debt	169
5.8 Financial assets and liabilities	169

SECTION 6

OTHER NOTES

6.1 Share-based payment	172
6.2 Related party transactions	173
6.3 Audit fee	173
6.4 Events after the balance sheet date	173
6.5 List of Group Companies	174

SECTION 7

BASIS OF REPORTING

7.1 Introduction	177
7.2 Discontinued activities and key figures	177
7.3 Segment information	177
7.4 Basis of preparation	177
7.5 Defining materiality	177
7.6 Alternative Performance Measures	178
7.7 Material Accounting policies	178
7.8 Impact from new IFRS Accounting Standards	178
7.9 New IFRS Accounting Standards not yet adopted	179
7.10 Definition of terms	180

Income statement

Notes	DKKm	2025	2024*
1.4	Revenue	14,612	15,740
1.5	Production costs	(9,502)	(10,734)
	Gross profit	5,110	5,006
1.5	Sales costs	(1,252)	(1,334)
1.5	Administrative costs	(1,549)	(1,829)
1.6	Other operating net income	262	47
	EBITDA	2,571	1,890
	Depreciation and impairment of property, plant and equipment and lease assets	(234)	(254)
	EBITA	2,337	1,636
2.2	Amortisation and impairment of intangible assets	(283)	(202)
	EBIT	2,054	1,434
5.4	Financial income	1,011	770
5.4	Financial costs	(1,094)	(988)
	EBT	1,971	1,216
4.1	Tax for the year	(1,257)	(415)
1.2	Profit/(loss) for the year, continuing activities	714	801
1.2, 2.12	Profit/(loss) for the year, discontinued activities	(706)	229
	Profit/(loss) for the year	8	1,030
	Attributable to:		
	Shareholders in FLSmidth & Co. A/S	0	1,018
	Minority interests	8	12
		8	1,030
5.2	Earnings per share (EPS):		
	Continuing and discontinued activities per share (DKK)	0.1	17.9
	Continuing and discontinued activities per share, diluted (DKK)	0.0	17.7
	Continuing activities per share (DKK)	12.4	13.9
	Continuing activities per share, diluted (DKK)	12.3	13.7
5.1	Proposed dividends per share (DKK)	4.0	8.0

* The comparative information has been restated to reflect the continuing activities. More information can be found in note 7.2. The 2024 figures include Non-Core Activities.

Statement of comprehensive income

Notes	DKKm	2025	2024*
	Profit/(loss) for the year	8	1,030
	Items that will not be reclassified to profit or loss:		
2.8	Actuarial gains and losses on defined benefit plans	22	23
4.3, 4.4	Tax of actuarial gains and losses on defined benefit plans	(6)	(5)
	Items that are or may be reclassified subsequently to profit or loss:		
5.3	Currency adjustments regarding translation of entities	(830)	113
2.11	Reclassification of currency adjustments on disposal	(7)	(18)
5.5	Cash flow hedging:		
	Value adjustments for the year	(6)	(11)
	Value adjustments transferred to work in progress	(4)	15
4.3, 4.4	Tax hereof	0	(1)
	Other comprehensive income for the year after tax	(831)	116
	Comprehensive income for the year	(823)	1,146
	Attributable to:		
	Shareholders in FLSmidth & Co. A/S	(832)	1,135
	Minority interests	9	11
		(823)	1,146

Cash flow statement

Notes	DKKm	2025	2024
	EBITDA, continuing activities	2,571	1,890
2.12	EBITDA, discontinued activities	425	367
	Adjustment for gain on sale of activities and property, plant and equipment and other non-cash items	18	51
2.7	Change in provisions, pension and employee benefits	(329)	111
3.1	Change in net working capital	(946)	(774)
	Cash flow from operating activities before financial items and tax	1,739	1,645
5.4	Financial items received and paid	(113)	(129)
4.2	Taxes paid	(630)	(876)
	Cash flow from operating activities	996	640
2.10	Acquisition of enterprises and activities	(22)	(107)
2.2	Acquisition of intangible assets	(193)	(314)
2.4	Acquisition of property, plant and equipment	(392)	(384)
	Acquisition of financial assets	(6)	(4)
2.11	Disposal of enterprises and activities	(139)	232
	Disposal intangible assets	0	2
	Disposal of property, plant and equipment	235	67
	Cash flow from investing activities	(517)	(508)
	Dividend paid	(458)	(230)
	Acquisition of treasury shares	(1,033)	(20)
5.7	Repayment of lease liabilities	(93)	(93)
5.7	Change in interest-bearing debt	685	(70)
	Cash flow from financing activities	(899)	(413)
	Change in cash and cash equivalents	(420)	(281)
	Cash and cash equivalents at beginning of period	1,070	1,352
	Foreign exchange adjustment, cash and cash equivalents	(56)	(1)
5.3	Cash and cash equivalents at 31 December	594	1,070
	Cash and cash equivalents included in assets held for sale	0	108
	Cash and cash equivalents	594	962
	Cash and cash equivalents at 31 December	594	1,070

The cash flow statement cannot be inferred from the published financial information only.

§ Accounting policy

The cash flow statement is presented using the indirect method and shows the composition of cash flow divided into operating, investing and financing activities for both continued and discontinued activity and the changes in cash and cash equivalents during the year.

Cash flow from operating activities consists of earnings before depreciation, amortisation and impairment (EBITDA) adjusted for changes in provisions and net working capital, other non-cash operating items, financial items received and paid and taxes paid.

Cash flow from investing activities comprises payments made and cash received in connection with the acquisition and disposal of businesses and non-current assets including dividend from associates.

Cash flow from financing activities comprises changes in the size or composition of equity and loans, repayment of interest-bearing debt including lease liabilities, acquisitions and disposal of non-controlling interests, movements in treasury shares and payment of dividend to shareholders.

Cash and cash equivalents mainly consist of bank deposits.

Free cash flow

DKKm	2025	2024
Cash flow from operating activities	996	640
Cash flow from investing activities	(517)	(508)
Free cash flow	479	132
Add back acquisition of enterprises and activities	22	107
Add back disposal of enterprises and activities	139	(232)
Free cash flow, adjusted for acquisitions and disposals of enterprises and activities	640	7

Balance sheet

Notes	DKKm	31/12 2025	31/12 2024
	Assets		
	Goodwill	6,293	6,559
	Patents and rights	432	623
	Customer relations	222	287
	Other intangible assets	45	90
	Completed development projects	373	241
	Intangible assets under development	462	826
2.2	Intangible assets	7,827	8,626
	Land and buildings	1,538	1,654
	Plant and machinery	374	357
	Operating equipment, fixtures and fittings	108	108
	Tangible assets in course of construction	299	352
2.4, 2.5	Property, plant and equipment	2,319	2,471
4.3	Deferred tax assets	1,265	2,358
2.6	Investments in associates	35	36
	Other securities and investments	60	56
	Other non-current assets	1,360	2,450
	Non-current assets	11,506	13,547
3.2	Inventories	3,435	3,572
3.3	Trade receivables	3,102	4,073
3.4	Work in progress	1,873	3,009
	Prepayments	433	351
	Income tax receivables	224	423
3.5	Other receivables	873	890
5.3	Cash and cash equivalents	594	1,070
	Current assets	10,534	13,388
	Assets classified as held for sale	48	0
	Total assets	22,088	26,935

Notes	DKKm	31/12 2025	31/12 2024
	Equity and liabilities		
5.1	Share capital	1,153	1,153
	Foreign exchange adjustments	(1,621)	(783)
	Cash flow hedging	(38)	(28)
5.1	Retained earnings	10,018	11,459
	Shareholders in FLSmidth & Co. A/S	9,512	11,801
	Minority interests	(12)	(20)
	Equity	9,500	11,781
4.3	Deferred tax liabilities	149	220
2.8	Pension obligations	305	322
2.7	Provisions	598	705
5.7	Lease liabilities	184	133
5.7	Bank loans and mortgage debt	2,208	1,508
3.4	Prepayments from customers	316	303
	Income tax liabilities	139	120
3.7	Other liabilities	35	48
	Non-current liabilities	3,934	3,359
2.8	Pension obligations	0	3
2.7	Provisions	1,226	1,670
5.7	Lease liabilities	66	85
5.7	Bank loans and mortgage debt	113	47
3.4	Prepayments from customers	781	1,480
3.4	Work in progress	2,046	2,791
3.6	Trade payables	2,585	3,538
	Income tax liabilities	128	193
3.7	Other liabilities	1,709	1,988
	Current liabilities	8,654	11,795
	Liabilities related to assets classified as held for sale	0	0
	Total liabilities	12,588	15,154
	Total equity and liabilities	22,088	26,935

Equity statement

DKKm	2025							2024						
	Share capital	Foreign exchange adjustments	Cash flow hedging	Retained earnings	Shareholders in FLSmidth & Co A/S	Minority interests	Total	Share capital	Foreign exchange adjustments	Cash flow hedging	Retained earnings	Shareholders in FLSmidth & Co A/S	Minority interests	Total
Equity at 1 January	1,153	(783)	(28)	11,459	11,801	(20)	11,781	1,153	(879)	(32)	10,615	10,857	(29)	10,828
Comprehensive income for the year														
Profit/(loss) for the year				0	0	8	8				1,018	1,018	12	1,030
Other comprehensive income														
Actuarial gain/(loss) on defined benefit plans				22	22		22				23	23		23
Currency adjustments regarding translation of entities		(831)			(831)	1	(830)	114				114	(1)	113
Reclassification of currency adjustments on disposal		(7)			(7)		(7)	(18)				(18)		(18)
Cash flow hedging:														
Value adjustments for the year			(6)		(6)		(6)			(11)		(11)		(11)
Value adjustments transferred to work in progress			(4)		(4)		(4)			15		15		15
Tax on other comprehensive income				(6)	(6)		(6)				(6)	(6)		(6)
Other comprehensive income for the year	0	(838)	(10)	16	(832)	1	(831)	0	96	4	17	117	(1)	116
Comprehensive income for the year	0	(838)	(10)	16	(832)	9	(823)	0	96	4	1,035	1,135	11	1,146
Transactions with owners:														
Dividend paid				(457)	(457)	(1)	(458)				(228)	(228)	(2)	(230)
Share-based payment				33	33		33				57	57		57
Acquisition of treasury shares				(1,033)	(1,033)		(1,033)				(20)	(20)		(20)
Equity at 31 December	1,153	(1,621)	(38)	10,018	9,512	(12)	9,500	1,153	(783)	(28)	11,459	11,801	(20)	11,781

Key accounting estimates and judgements

When preparing the consolidated financial statements, we are required to make several estimates and judgements. These affect the carrying amounts of balance sheet items and income and expenses for the financial year. This note includes the areas that involve a higher degree of judgement or complexity and where changes in assumptions and estimates will likely have a significant impact on the consolidated financial statements. These areas are categorised as key accounting estimates and judgements. The significance of the impact on the consolidated financial statements of those estimates and judgements is categorised into three levels: low, medium and high, where only the two last levels result in classification as key accounting estimates/judgements.

The areas of key accounting estimates and judgements are unchanged compared to last year. The description of the key accounting estimates and judgements is included in the individual notes as shown below.

Key accounting estimate

The determination of the carrying amount of some assets and liabilities requires the estimation of the effect of uncertain future events on those assets and liabilities and actual results may differ from the estimates made.

Making the estimates involve developing expectations of the future based on assumptions, that we to the extent possible support by historical trends or reasonable expectations. We believe that our estimates are the most likely outcome of future events.

Impact significance

Key accounting estimates and judgements	Low	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Medium	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
	High	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>

Key accounting judgements

Key accounting judgements are made when applying accounting policies. Key accounting judgements are the judgements made that can have a significant impact on the amounts recognised in the financial statements.

Sustainability is fully integrated into FLSmidth's business and operating model, highlighted by our 2030 SBTi targets to reduce emissions across the full value chain. As a global business, FLSmidth is potentially exposed to risks associated with climate change comprising both transitional and physical risks.

In preparing the consolidated 2025 financial statements, management has considered the impact of climate change. In general, climate-related risks do not impose significant uncertainty on the consolidated financial statement but rather poses potential opportunities. As a provider of specialist technologies that enable our customers to decarbonise their operations and reduce water consumption, we assess climate change risks,

particularly those relating to transition risks, to have a predominately positive impact on our business.

Investments in developing such solutions have been factored into the future expected cash flows e.g. in the impairment test of intangible assets. The potential consequences on the value and useful life of property, plant and equipment, including risks related to asset stranding, are assessed as having no material financial impact. Further, the divestment of the Cement business has not materially changed the outlook or impact on the Group of future climate related risks and opportunities.

This assessment is aligned with the output of our double materiality assessment, related to climate change mitigation and detailed on page 57 in the sustainability statement. Where the double materiality assessment covers risks before any mitigating actions; it is management's assessment that the policies, processes and safeguards in place ensures that no material financial risks remain.

The geopolitical situation from various ongoing conflicts and increasing unrest in many regions along with anti-globalisation sentiments are impacting global structures and relationships. Potential risk-scenarios are continuously reviewed, and supply chain initiatives are ongoing.

Key accounting estimates and judgements

Note	Key accounting estimates and judgements	Nature of accounting impact	Impact of estimates and judgements
1.4	Revenue	Judgement	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
2.7	Provisions	Estimate	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
3.2	Inventories	Estimate	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
3.4	Work in progress	Estimate	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
4.3	Deferred tax	Estimate	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>



SECTION 1

Operating Profit and Segments

1.1	Income statement by function	130
1.2	Segment information	131
1.3	Geographical information	133
1.4	Revenue	134
1.5	Staff costs	136
1.6	Other operating net income	137

1.1 Income statement by function

It is our policy to prepare the income statement based on an adjusted classification of the cost by function in order to show the earnings before depreciation, amortisation and impairment. Depreciation, amortisation, and impairment are therefore separated from the individual functions and presented in separate lines.

The income statement prepared on the basis of cost by function is shown below:

Income statement by function

DKKm	2025	2024*
Revenue	14,612	15,740
Production costs, including depreciation and amortisation	(9,819)	(10,979)
Gross profit	4,793	4,761
Sales costs, including depreciation and amortisation	(1,269)	(1,357)
Administrative costs, including depreciation and amortisation	(1,732)	(2,017)
Other operating net income	262	47
EBIT	2,054	1,434
Depreciation, amortisation and impairment consist of:		
Depreciation and impairment of property, plant and equipment and lease assets	(234)	(254)
Amortisation and impairment of intangible assets	(283)	(202)
	(517)	(456)
Depreciation, amortisation and impairment are divided into:		
Production costs	(317)	(245)
Sales costs	(17)	(23)
Administrative costs	(183)	(188)
	(517)	(456)

* The comparative information has been restated to reflect the continuing activities. More information can be found in note 7.2. The 2024 figures include Non-Core Activities.



Opening of Service Centre,
FLSmidth Mongolia



1.2 Segment information

Divestment of Cement business

In accordance with the provisions of IFRS 8 and following the announcement of the company's intent to divest FLSmidth Cement, including its Air Pollution Control business, in June 2025, these operations were classified as discontinued activities in the second quarter reporting.

Change in reportable segments

As a result of this significant change to the business composition, FLSmidth revised its segmental reporting in the second quarter of 2025 to reflect its current internal management reporting and resource allocation structure. This resulted in the reporting of three new segments - Service, Products and Pumps, Cyclones & Valves. The organisation of the company in this way reflects the culmination of the company's strategic transformation into a dedicated provider of technology and services to the mining industry, providing a performance lens through each of the three business lines.

This segmentation for the continuing business is consistent with the requirements of IFRS 8 with each of the new reportable segments based on internal reports that are regularly reviewed by the Chief Operating Decision Maker (CODM) to allocate resources and assess performance. Each segment represents a business unit that earns revenues and incurs expenses for which discrete financial information is available to enable effective and standalone performance measurement.

Description of changes

The revised segment structure aligns with how the CODM evaluates performance and allocates resources. The measures being reported are order intake, order backlog, revenue, other operating net income and EBITA. These reporting lines constitute the key performance delivery measures used by the CODM in measuring the performance of the segments and are those which management considers are most relevant and meaningful to external users of the financial statements.

Assets and liabilities are not split by segment. This information is not provided to the CODM and is not considered to enhance the understanding of segment performance.

FLSmidth has been on a transformation journey to becoming a pureplay mining service provider and that has included developing the systems, processes and allocations to accurately reflect the performance of the individual segments. Within FLSmidth, the products segment has a critical role in developing technologies, constructing parts and improving product attractiveness, etc. that provide significant current and future benefits to the Service and Pumps, Cyclones & Valves segments in securing and retaining customers in the important aftermarket sector. Accordingly a value allocation methodology has been established and applied for certain inter-segmental services/benefits in these financial statements. This methodology has also been applied to the restated comparatives.

Restatement of comparative information

In accordance with IFRS 8, the comparative segment information has been restated to reflect the new reportable segment structure. No aggregation of segments has been applied. The adoption of the new segments does not change the basis of any other reporting required under IFRS 8, notably geographical information or information on products and services.

Effect on financial performance and position

The impact of the change on the FLSmidth Group's reported profit or loss, assets, and liabilities is limited to presentation and does not affect the consolidated totals for the Group. No changes in accounting estimates or accounting policies were made in connection with the segment reclassification.

The segment information presented in the FLSmidth's external financial reporting is presented post inter-company eliminations, consistent with IFRS 8, and is consistent with the manner in which segment performance is reviewed by the Chief Operating Decision

Maker (CODM). The extent of intercompany transactions between the segments is not considered to be material.

Reconciliation to consolidated amounts

A reconciliation of segment totals to consolidated amounts is provided below.

§ Accounting policy

Segment income and costs include transactions between the three segments, if any. Such transactions are carried out on market terms.

Some administrative functions such as finance, HR, IT and legal are shared by the segments. Such shared costs are allocated to the business segments based on assessment of consumption.

Discontinued activities are not a separate reportable segment but presented as discontinued operations under IFRS5.

Geographical information in note 1.3 is based on four regions. Revenue is presented in the region in which delivery takes place. Non-current assets and employees are presented in the region in which they belong.

Information on products and services is provided in note 1.4, which discloses revenue by reportable segment and, where applicable, by category of offerings (e.g., equipment/products versus services).

FLSmidth has no individual customers which contribute more than 10% of the total group revenue. Information on customers is therefore not provided.



1.2 Segment information – continued

DKK M	2025			2025			2024*				2024		
	Reportable Segments			FLSmidth Group		FLSmidth Group	Reportable Segments				FLSmidth Group		FLSmidth Group
	Service	Products	PC&V	Continuing activities	Discontinued activities		Service	Products	PC&V	Non-Core Activities**	Continuing activities	Discontinued activities	
Income statement													
Revenue	8,548	3,104	2,960	14,612	3,204	17,816	8,253	4,542	2,753	192	15,740	4,447	20,187
Other operating net income	147	70	45	262	(220)	42	37	(12)	0	22	47	(16)	31
EBITA	1,729	(113)	721	2,337	408	2,745	1,419	(283)	703	(203)	1,636	333	1,969
Order intake	8,869	3,138	3,038	15,045	2,833	17,878	8,968	3,463	2,844	58	15,333	3,800	19,133
Order backlog	5,060	4,838	995	10,893	206	11,099	5,129	4,976	1,042	211	11,358	3,856	15,214
<i>EBITA margin</i>	<i>20.2%</i>	<i>(3.6%)</i>	<i>24.4%</i>	<i>16.0%</i>	<i>12.7%</i>	<i>15.4%</i>	<i>17.2%</i>	<i>(6.2%)</i>	<i>25.5%</i>	<i>(105.7%)</i>	<i>10.4%</i>	<i>7.5%</i>	<i>9.8%</i>
Number of employees at 31 December				5,494	0	5,494					5,745	1,994	7,739
Reconciliation of profit for the year													
EBITA				2,337	408	2,745					1,636	333	1,969
Amortisation and impairment of intangible assets				(283)	(653)	(936)					(202)	(29)	(231)
EBIT				2,054	(245)	1,809					1,434	304	1,738
Financial income				1,011	127	1,138					770	180	950
Financial costs				(1,094)	(152)	(1,246)					(988)	(142)	(1,130)
EBT				1,971	(270)	1,701					1,216	342	1,558
Tax for the year				(1,257)	(436)	(1,693)					(415)	(113)	(528)
Profit for the year				714	(706)	8					801	229	1,030

* The comparative information has been restated to reflect the continuing activities and new segmental reporting. More information can be found in note 7.2.

** Non-Core Activities ceased as planned in early Q1 2025, with the remaining, insignificant contract portfolio moved into the Products segment.

1.3 Geographical information

FLSmidth operates across the globe. The organization is structured and managed according to the three segments but geographical clusters are used to categorise country operations in to four regions.

Revenue, non current assets (intangible assets and property, plant and equipment) and number of employees is disclosed for each of the four regions*.

Specifically additional disclosure of these metrics is provided for the FLSmidth headquarter and any country that accounts for more than 5% of total group revenue.



* The comparative information has been restated. Additionally, the comparative information for EMEA and APAC regions has been restated to reflect the move of the India business from APAC to EMEA.
Note: Numbers in brackets are comparative 2024 figures.

1.4 Revenue

FLSmidth is a leading, full flowsheet minerals processing supplier to the global mining industry. The company delivers technology solutions and services to customers across the lifecycle of mining operations. The sales offering can broadly be categorised as products (provision of equipment) and services (aftermarket sales including spare parts, maintenance and upgrades).

Service

Services comprise various service elements to support the life cycle offerings portfolio. The sale can consist of spare parts, wear parts, service hours, long-term maintenance contracts and sale of upgrades and rebuilds. The sales of service hours include, amongst others, sale of supervision, electronic or mechanical service of equipment or plants. The performance obligation for service sales and maintenance contracts is either each service hour or the full contract, depending on the contract wording. Most service contracts are fixed price contracts, if not for the full service, then for the hourly rate. Service sales are mainly recognized at a point in time when the service is delivered. Service comprising

single machines and product bundles is mainly recognised over time as the services are provided to the customer based on the Percentage of Completion cost-to-cost method. We are normally entitled to payment once the service has been provided or on a monthly basis.

Products

Products range from standardised and customised equipment to plants, plant extensions, process systems and process system extensions. The latter will typically include a significant contract price, a long lead time affecting the consolidated financial statements in more than one financial year, a high degree of project management and involve more than one FLSmidth entity in the delivery to the customer. Revenue from products that are standardised or customised to a low degree is recognised at the point in time when control of the products transfers to the customers, usually upon delivery.

Revenue from the sale of products that are customised to a larger extent is usually recognised over time, applying the percentage of completion cost-to-cost

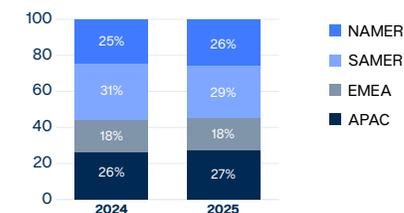
method. Highly customised product sales will often entitle us to receive a down payment from the customer, followed by several progress payments linked to our performance progress. Upon completion delivery, we will typically be entitled to the final payment. To the extent possible we obtain payment guarantees to minimise the credit risk during execution. Most of the products are sold as fixed price contracts.

Pumps, Cyclones & Valves (PC&V)

Pumps, Cyclones & Valves provide both products and services to customers, and on average is expected to comprise approximately 25% equipment-related orders and 75% aftermarket-related orders. Recognition of revenue in the PC&V business for equipment-related and aftermarket-related orders follows the same logic as what is stated for products and services, respectively.

In terms of revenue recognition considerations, the key distinction is between product-related sales and service-related sales.

Revenue split by Regions



Revenue split on timing of revenue recognition principle

DKKm	2025				2024*				
	Service	Products	PC&V	FLSmidth Group	Service	Products	PC&V	Non-Core activities	FLSmidth Group
Point in time	6,460	207	2,838	9,505	6,229	449	2,547	27	9,252
Percentage of completion:									
Service, single machines and product bundles	2,088	2,341	122	4,551	2,024	3,094	206	0	5,324
Product bundles with engineering under enhanced risk governance	0	556	0	556	0	999	0	165	1,164
Total revenue	8,548	3,104	2,960	14,612	8,253	4,542	2,753	192	15,740

* The comparative information has been restated to reflect the continuing activities. More information can be found in note 7.2.

1.4 Revenue – continued

Revenue recognition principles

The table on prior page disaggregates revenue by segments into revenue recognition principles, i.e. either at the point in time or over time to reflect the percentage of completion of the performance obligations in the contracts.

Percentage of completion covers a wide range of different types of contracts, from contracts where the customer consumes the services over time, such as fixed price service contracts, to more complex product bundles with engineering subject to the enhanced risk governance structure under the Risk Management Board and to risk quotas. To reflect the wide range of contracts that are accounted for using percentage of completion, the category is disaggregated into two subcategories.

Backlog

The order backlog on 31 December 2025 amounted to DKK 10,893m (2024: DKK 11,358m) and represents the value of outstanding performance obligations on active contracts, where we will transfer control at a future point in time and the remaining performance obligations on contracts where we transfer control over time. A contract is active when it becomes binding for both parties depending on the specific conditions of the contract. This usually means that the contract has been signed and the prepayment (if any) has been received.

Information on the split of the order backlog between the segments can be found in note 1.2.

Based on the order backlog maturity profile, the majority, 65% (2024: 65%) of the order backlog is expected to be converted into revenue in 2026, 28% (2024: 28%) in 2027, and 7% (2024: 7%) in subsequent years.

Besides the key accounting judgments described in the box, revenue is impacted by key accounting estimate related to the estimate of the percentage of completion (estimate of total cost to complete). The key accounting estimates are further explained in note 3.4.

If we do not have an enforceable right to payment for work completed throughout the contract term, revenue is recognised at the point in time when the control transfers to the customer, usually upon customer acceptance. In the case of significant uncertainties with the collectability of contract consideration, revenue is recognized upon cash receipt.

In determining the transaction price revenue is reduced by probable penalties, payment of liquidated damages and any other claims that are payments to our customers. The transaction price is also adjusted for any variable elements, where we estimate the amount of the variable transaction price.

The variable amount is estimated at contract inception and re-estimated periodically throughout the contract term. The variable amount is recognised as revenue when it is highly probable that reversal will not occur.

Warranties are granted in connection with the sale of equipment and systems and are classified as assurance-type warranties that are not accounted for as separate performance obligations. Refer to note 2.7 for accounting policy on warranties provisions.

Revenue is recognised less rebates, cash discounts and value added tax and duties.

Accounting policy

Revenue from contracts with customers is recognized when control of the goods or services are transferred to our customers at an amount that reflects the transaction price to which we expect to be entitled in exchange for these goods or services. Judgement is made to determine if a contract for sale of products or services, or a combination hereof, involves one or more performance obligations. If a contract contains more than one performance obligation, the contract price is allocated to each performance obligation based on the relative standalone selling price for each performance obligation.

Revenue from products and services is recognised over time using the cost-to-cost method when 1) we have no alternative use for the goods or services to be delivered and 2) we have an enforceable right to payment for work completed.

If we do have an alternative use for the goods or services to be delivered, e.g. products with a low degree of customisation, revenue is recognised at the point in time when control transfers to the customer, usually upon delivery.

! Key accounting judgements

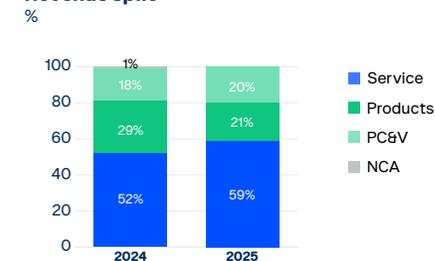
Judgement regarding recognition method

Judgements are made when determining if revenue on product or service is recognised over time or at a point in time. The judgements relate to if we have an alternative use of the assets being produced and if we have an enforceable right to payment throughout the contractual term.

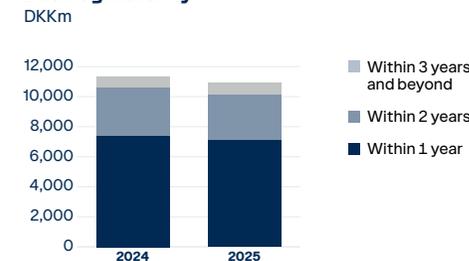
When assessing if an asset being produced has no alternative use to FLSmidth, we estimate the alternative use cost amount. We have limited historical data as we rarely redirect our assets. The estimate is based on the specifics of each contract.

When assessing if we are entitled to payment throughout the contract term, a judgement is made based on the contract wording, legal entitlement and profit estimates.

Revenue split



Backlog maturity



1.5 Staff costs

Staff costs consist of direct wages and salaries, remuneration, pension costs, share-based payments, training etc. related to the continuing activities.

Composition of staff costs

DKKm	2025	2024*
Wages, salaries and other remuneration	2,747	2,794
Contribution plans and other social security costs, etc.	337	363
Defined benefit plans	43	19
Share-based payment	33	46
Other staff costs	162	428
Total	3,322	3,650
The amounts are included in the items:		
Production costs	1,775	1,868
Sales costs	908	1,012
Administrative costs	639	770
Total	3,322	3,650
Average number of employees in continuing activities	5,716	6,030
Year-end number of employees	5,494	5,745

* The comparative information has been restated to reflect the continuing activities. More information can be found in note 7.2.

The reduction in the charge for share-based payments in 2025 is attributable to the forfeiting of the shares that occurred following the stepping down of the CEO and one other member of the Executive Leadership Team during 2025. The accrued costs relating to these shares for all past periods have been reversed in 2025.

The remuneration of the Board of Directors and Executive Leadership Team of FLSmidth Group is shown in the tables below.

The remuneration of the Executive Leadership team reflects the cost of all members through until termination of employment and includes the Cement business.

Remuneration Board of Directors

DKKm	2025	2024
Board of Directors fees	7.3	7.0
Total	7.3	7.0

Remuneration Executive Leadership Team

DKKm	2025	2024
Wages and salaries	30	37
Bonus	14	24
Benefits	2	3
Severance package	1	24
Share-based payment	(2)	23
Other incentives	9	6
Total	54	117

The members of the Executive Leadership Team have up to 18 months' notice in the event of termination of employment and severance payment may correspond to a maximum of 6 months' base salary.

Two members of the Executive Leadership Team are registered with The Danish Business Authority. During 2025, the registered members of the Executive Leadership Team earned remuneration as follows:

Remuneration registered executives

DKKm	2025	2024
Wages and salaries	14	14
Bonus	8	10
Benefits	1	1
Severance package	1	0
Share-based payment	(5)	11
Other incentives	5	2
Total	24	38

Each member of the Executive Leadership Team is, other than the base salary, entitled to customary benefits. Additionally, the members of Executive Leadership Team participate in short-term and long-term incentive programmes. The short-term and the long-term incentive programmes are capped at 75% and 100%, respectively, of the annual base salary. In addition to this each executive may, at the Board of Directors' discretion, receive an additional incentive of up to 150% of the annual base salary, which can be cash and/or share-based. The individual maximum and target levels are fixed as part of the ongoing remuneration adjustment cycle.

During 2025, selected key employees including the Executive Leadership Team, were granted a long-term share-based programme ('restricted share units') to drive forward delivery of FLSmidth's pure-play mining strategy. Further information can be found in note 6.1.

For details related to the remuneration of the Board of Directors and Executive Leadership Team, refer to the Remuneration Report 2025: <https://fls.com/en/company/governance/remuneration>.

§ Accounting policy

Staff costs include wages and salaries, cash bonuses, share-based payments, pension costs, benefits and social security costs. In general, staff costs are expensed when the services are rendered by the employees. When long-term incentive programmes are provided, the costs are accrued over the period that makes the employees entitled to the payment. Termination benefits are expensed when an agreement has been reached between the Group and the employee and no future service is rendered by the employee in exchange for the termination payment.

The Group's pension plans consist of both defined contribution plans and defined benefit plans (pension plans). The accounting policy for pension plans can be found in note 2.8.

The accounting policy for share-based payments can be found in note 6.1.

1.6 Other operating net income

In 2025, other operating net income primarily comprised the sale of a facility site in Turkey, a real estate in Chennai, India and other properties in Denmark and Sweden.

Other operating net income

DKKm	2025	2024*
Gain on sale of properties	202	13
Other income	117	88
Other expenses	(57)	(54)
Total	262	47

* The comparative information has been restated to reflect the continuing activities. More information can be found in note 7.2.

Accounting policy

Other operating net income consists of recurring and non-recurring items that are not considered to be part of the Group's ordinary operating activities, for example gains and losses from disposal of property.



FLSmidth House
in Chennai, India

SECTION 2

Capital employed and other Balance sheet items

2.1	Return on capital employed	139
2.2	Intangible assets	139
2.3	Impairment of assets	141
2.4	Property, plant and equipment	143
2.5	Leases	144
2.6	Investments in associates	145
2.7	Provisions	146
2.8	Pension obligations	147
2.9	Contractual commitments and contingent assets & liabilities	148
2.10	Business acquisition	149
2.11	Disposal of activities	149
2.12	Discontinued activities	150
2.13	Assets & liabilities held for sale	150



2.1 Return on capital employed

Capital employed is determined as the sum of fixed assets and net working capital. Capital employed is used for determining the key performance indicator Return on capital employed (ROCE). The table below shows the decomposition of capital employed.

Capital employed

DKKm	2025	2024
Intangible assets at cost value, note 2.2	12,891	13,899
Property, plant and equipment at carrying amount, note 2.4	2,319	2,471
Net working capital, note 3.1	2,406	2,107
Capital employed, total	17,616	18,477

ROCE

DKKm	2025	2024*
EBITA, continuing activities	2,337	1,636
Capital employed, average	18,047	17,867
ROCE, average	12.9%	9.2%

* The comparative information (EBITA) has been restated to reflect the continuing activities. More information can be found in note 7.2.

ROCE is calculated based on average capital employed to reflect the annual development. ROCE increased during the year, driven by an increased EBITA.

2.2 Intangible assets

Goodwill arising from business acquisitions is recognised in the consolidated financial statements. The carrying amount of goodwill per segment is shown in note 2.3.

Patents and rights acquired are recognised in the consolidated financial statements. The line item includes patents, trademarks, technology, and other rights.

Intangible assets under development consist of research and development (R&D) projects and software. Much of the R&D is conducted in connection with customer activities. In 2025, R&D costs totaled DKK 64m (2024: DKK 103m). This expense is included in production costs. Additions to intangible assets under development, amounts to DKK 165m (2024: DKK 314m), of which DKK 153m (2024: DKK 274m) related to the continuing activities and of which capitalised R&D cost amounts to DKK 120m (2024: DKK 170m). The remainder relates to capitalized IT projects. Of those capitalised amounts, DKK 57m (2024: DKK 66m) are internally generated.

In the table on the next page, intangible assets are shown by type. Other intangible assets consist of software and completed software implementation projects and completed development projects primarily consist of R&D costs (developments in relation to production techniques, processes, and similar). Until completed, internally developed assets are presented in a separate column.

Following the change in segmental reporting applied from the second quarter, an assessment of the intangible assets was carried out. It was determined that given the nature of the intangible assets, these are group assets which benefit all segments. No segmental analysis is therefore presented. Amortisation of these assets is therefore not allocated to the segments but is reported as part of the reconciliation to the FLSmidth Group EBIT in the segmental reporting in note 1.2.

\$ Accounting policy

Goodwill

Goodwill arises from business combinations and is determined as the excess of the purchase price over the fair value of the net assets acquired, including contingent liabilities. Goodwill is expressed in the functional currency of the entity acquired. Internally generated goodwill is not capitalised.

Goodwill is allocated to the cash generating units which are defined by management as the same as the three reporting segments.

Subsequently, goodwill is not amortised but is tested for impairment at least once a year or sooner if impairment indication arises. Further information on the impairment test and the recognition of a potential impairment loss on goodwill can be found in note 2.3.

Intangible assets other than goodwill

Patents and rights, including trademarks, customer relations, software applications and other intangible assets are measured at cost less accumulated amortisation and impairment losses. Customer relations are acquired in business combinations, only, while patents and rights, including trademarks, software applications and other intangible assets can be acquired as part of business combinations, in separate acquisitions or be internally developed.

FLSmidth uses significant resources on innovation in relation to production techniques/processes, software solutions and the like. For accounting purposes, the innovation activities are classified into a research phase and a development phase.

Projects within the development phase are capitalised if it can be demonstrated that FLSmidth has the technical feasibility, intention, and sufficient resources to complete the development and provided that the cost to develop can be determined reliably and it is probable that the future earnings or the net selling price will cover production, sales, and administrative costs plus development costs. Other development costs and costs in the research phase are recognised in the income statement when incurred. Development costs consist of salaries and other costs that are directly attributable to development activities.

Development projects in progress are not amortised but are tested for impairment at least once a year.

Once a development project has been completed it is amortised on a straight-line basis over the estimated useful life. Similarly, other intangible assets are amortised on a straight-line basis over the estimated useful life of the assets which is as follows:

- Patents and rights, including trademarks, up to 30 years
- Customer relations usually up to 15 years
- Other intangible assets (primarily software applications with useful life up to 5 years)
- Completed development projects (R&D projects) up to 8 years

Intangible assets are written down to recoverable amount if lower than cost minus accumulated amortisations. Further information can be found in note 2.3.



2.2 Intangible assets – continued

DKKm	Goodwill	Patents and rights	Customer relations	Other intangible assets	Completed development projects	Intangible assets under development	Total
2025							
Cost at 1 January	6,559	2,175	1,964	912	1,463	826	13,899
Foreign exchange adjustments	(276)	(28)	(149)	(23)	0	0	(476)
Acquisition of enterprises	17	0	0	0	0	0	17
Additions	0	0	0	0	0	165	165
Disposals	(2)	0	0	(14)	0	0	(16)
Transferred between categories	0	0	0	0	419	(419)	0
Transferred to assets held for sale	(5)	(52)	0	(194)	(337)	(110)	(698)
Cost at 31 December	6,293	2,095	1,815	681	1,545	462	12,891
Amortisation and impairment at 1 January	0	(1,552)	(1,677)	(822)	(1,222)	0	(5,273)
Foreign exchange adjustment	0	20	132	24	1	0	177
Disposals	0	0	0	14	0	0	14
Amortisation and impairment	0	(57)	(48)	(43)	(154)	0	(302)
Transferred to assets held for sale	0	(74)	0	191	203	0	320
Amortisation and impairment at 31 December	0	(1,663)	(1,593)	(636)	(1,172)	0	(5,064)
Carrying amount at 31 December	6,293	432	222	45	373	462	7,827
2024							
Cost at 1 January	6,449	2,182	1,932	934	1,335	653	13,485
Foreign exchange adjustments	71	10	42	7	3	0	133
Acquisition of enterprises	111	0	0	0	0	0	111
Disposals of enterprises	(72)	(17)	(10)	(33)	0	0	(132)
Additions	0	0	0	0	0	314	314
Disposals	0	0	0	0	(12)	0	(12)
Transferred between categories	0	0	0	4	137	(141)	0
Cost at 31 December	6,559	2,175	1,964	912	1,463	826	13,899
Amortisation and impairment at 1 January	(1)	(1,494)	(1,601)	(791)	(1,161)	0	(5,048)
Foreign exchange adjustment	1	(7)	(37)	(7)	(3)	0	(53)
Disposals of enterprises	0	9	10	33	0	0	52
Disposals	0	0	0	0	7	0	7
Amortisation and impairment	0	(60)	(49)	(57)	(65)	0	(231)
Amortisation and impairment at 31 December	0	(1,552)	(1,677)	(822)	(1,222)	0	(5,273)
Carrying amount at 31 December	6,559	623	287	90	241	826	8,626

2.3 Impairment of assets

Result of annual impairment test

We perform an annual impairment test of goodwill and intangible assets under development. Neither in 2025 nor in 2024 did the test reveal an impairment need. Intangible assets relate primarily to business combinations, software and development projects. The annual impairment test is an assessment of whether a cash generating unit will be able to generate sufficient positive net cash flow in the future to support the carrying amount of the assets related to the unit.

Management believes that no reasonable changes in the key assumptions are likely to reduce the excess value in any of the cash generating units to zero or less for the Services or PC&V CGU's. As a consequence of the nature of the Products business, which develops products and secures customers from which Services and PC&V ultimately benefit, the excess of future cash flows over carry value is relatively marginal.

Carrying amounts of intangible assets included in the impairment test are specified in the table below.

Cash generating units

The cash generating units are our operating and reportable segments which changed during 2025 to reflect the divestment of the Cement business. The new segments are Service, Products and PC&V, being the smallest group of assets which together generate incoming cash flow from continued use of the assets, and which are independent of cash flow from other assets or groups of assets. Historically the intangible and tangible fixed assets balances, including goodwill, were not allocated to the new segments within Mining. Appropriate allocation basis has therefore been developed and applied to establish the CGU carry values.

Other intangible assets comprise patents, trademarks, customer relations and software development and other intangible assets. These assets benefit the whole group and cannot meaningfully be split by segment. The allocation of resources (capital and people) to these activities is managed by the Executive Leadership Team at a group level and benefits are realised across the Group. Amortisation of these assets does not form part of the segmental reporting utilised internally or reported

externally. These intangible assets have therefore been treated as corporate assets and not allocated to the CGUs.

Key assumptions

The recoverable amount determined in the impairment test is based on a value-in-use calculation. To determine the value-in-use, management is required to estimate the present value of the future free net cash flow based on budgets and strategy for the coming five years as well as projections for the terminal period. Significant parameters in the estimate of the present value are discount rate, revenue growth, EBITA margin, expected investments and growth expectations for the terminal period.

The discount rate is determined are being equal for the three CGUs. This is on the basis that the businesses all operate in analogous markets, with common customers and macro environments and funding arrangements are managed on a group wide basis. The discount rate applied is the weighted average cost of capital (WACC) and reflects the latest market assumptions for the cost of equity and the cost of debt.

The cost of equity is determined assuming that investors are holding a global equity exposure, with the risk-free rate determined as a 10-year US treasury rate and the equity premium determined on the US market. The weighting of the cost of debt and cost of equity is based on the capital structure for relevant peer groups for the mining industry.

The expected annual growth rate and the expected margins in the budget period are based on historical experience and the assumptions about expected market developments. The long-term growth rate for the terminal period is based on the expected growth in the world economy, specifically for the industries. The long-term growth rate in the terminal period is set to 3.0% for the three segments and is unchanged from Mining in 2024.

Investments reflect both maintenance CAPEX and expectations of organic growth rates.

Carrying amounts of intangible assets

DKKm	2025					2024		
	Service	Products	PC&V	Group assets	Group	Mining	Cement	Group
Goodwill	4,342	-	1,951	0	6,293	6,527	32	6,559
Patents and rights	-	-	-	432	432	614	9	623
Customer relations	-	-	-	222	222	287	0	287
Other intangible assets	-	-	-	45	45	85	5	90
Completed development projects	-	-	-	373	373	94	147	241
Intangible assets under development	-	-	-	462	462	724	102	826
Total	4,342	-	1,951	1,534	7,827	8,331	295	8,626

2.3 Impairment of assets – continued

Outlook

Looking into 2026, we expect a stable overall service market with market volume expected to grow in line with mining output with an early preference for surface mining equipment, and persistent hesitation in the mining products market.

Optimism on longer-term demand outlook persists, with metals prices, especially copper and gold, remaining historically high and indications from engineering, procurement and construction managers that larger projects may progress over the next couple of years, albeit with uncertain timing.

Sensitivity analysis

Based on current assumptions we see no impairment indications. Our key assumptions are not sensitive to reasonable changes to an extent that will result in an impairment loss for the Service and PC&V CGU's. For example, in these segments, a lowering of perpetual growth to zero and increasing the discount rate by 4% will not lead to impairment.

Additionally, a decrease in EBITA by 25% in combination with an increase in investments as a percentage of revenue by 2% will not lead to an impairment.

Key assumptions

	2025			2024	
	Service	Products	PC&V	Mining	Cement
Investments % of revenue	3.0%	3.0%	3.0%	3.8%	1.3%
5-year annualised growth rate	3.4%	1.3%	4.7%	1.5%	-3.4%
Growth rate in the terminal period	3.0%	3.0%	3.0%	3.0%	2.0%
Discount rate after tax (WACC)	10.0%	10.0%	10.0%	10.0%	10.5%
Discount rate before tax	13.5%	13.5%	13.5%	13.0%	13.6%
EBITA margin (5-year average)	20%	0%	25%	14%	8%



Service Centre,
Chloorkop, South Africa

2.4 Property, plant and equipment

As of 31 December 2025, there are no pledges related to land and buildings, as the mortgage debt was repaid in connection with the sale of the headquarter in Valby.

§ Accounting policy

The Group measures property, plant and equipment at cost less accumulated depreciation and impairment losses. The cost of self-constructed assets includes the cost of materials and direct labour. Property, plant and equipment include lease assets, see further in note 2.5.

Depreciation is charged on a straight-line basis over the estimated useful life of the assets until they reach the estimated residual value.

Estimated useful life is as follows:

- Buildings, 20-40 years
- Plant and machinery, 3-15 years
- Operating equipment and fixtures and fittings, 3-15 years

- Leasehold improvements, mainly related to land and buildings, up to 5 years or following the corresponding lease agreement
- Land is not depreciated.

Carrying amount of property, plant and equipment

DKKm	2025					2024				
	Land and buildings	Plant and machinery	Operating equipment, fixtures and fittings	Property, plant and equipment under construction	Total	Land and buildings	Plant and machinery	Operating equipment, fixtures and fittings	Property, plant and equipment under construction	Total
Cost at 1 January	2,415	1,483	660	352	4,910	2,469	1,623	717	104	4,913
Foreign exchange adjustments	(143)	(136)	(42)	(27)	(348)	35	40	0	(2)	73
Acquisitions of enterprises	0	6	0	0	6	(17)	18	0	0	1
Disposals of enterprises	0	0	0	0	0	(34)	(254)	(50)	(1)	(339)
Additions	26	82	24	249	381	15	52	21	296	384
Disposals	(70)	(16)	(177)	(1)	(264)	(68)	(26)	(28)	0	(122)
Transferred between categories	120	59	29	(208)	0	15	30	0	(45)	0
Transferred to assets held for sale	(363)	(63)	(157)	(66)	(649)	-	-	-	-	-
Cost at 31 December	1,985	1,415	337	299	4,036	2,415	1,483	660	352	4,910
Depreciation and impairment at 1 January	(922)	(1,139)	(590)	0	(2,651)	(872)	(1,249)	(627)	0	(2,748)
Foreign exchange adjustment	60	103	38	0	201	(10)	(35)	(3)	0	(48)
Disposals of enterprises	0	0	0	0	0	19	216	41	0	276
Disposals	29	15	169	0	213	16	24	23	0	63
Depreciation	(72)	(73)	(21)	0	(166)	(75)	(95)	(24)	0	(194)
Transferred to assets held for sale	246	43	149	0	438	-	-	-	-	-
Depreciation and impairment at 31 December	(659)	(1,051)	(255)	0	(1,965)	(922)	(1,139)	(590)	0	(2,651)
Carrying amount at 31 December, owned assets	1,326	364	82	299	2,071	1,493	344	70	352	2,259
Carrying amount at 31 December, leased assets, note 2.5	212	10	26	0	248	161	13	38	0	212
Carrying amount at 31 December, property, plant and equipment	1,538	374	108	299	2,319	1,654	357	108	352	2,471

2.5 Leases

FLSmidth regularly enters in to lease arrangements as part of normal business, including of office buildings, warehouses, manufacturing facilities and vehicles. We utilise lease arrangements that provide flexibility in adapting our cost base as operational activity changes with the macro investment cycles in the industry.

The majority of the lease assets relate to land and buildings and the lease contracts are typically made for fixed periods of 1 to 9 years, with a weighted average lease term of 5 years. The average discount rate applied for land and buildings is 4.44% at the end of 2025 (2024: 5.29%).

The amounts included in the income statement related to expensed leases for the continuing business are presented in the below Expensed leases table.

Expensed leases

DKKm	2025	2024*
Cost relating to short-term leases	10	9
Cost relating to leases of low-value assets that are not shown above as short-term leases	1	2
Cost relating to variable lease payments not included in lease liabilities	0	0
Expensed lease costs in the income statement	11	11
The lease costs are included in the following lines:		
Production cost	4	5
Sales cost	2	2
Administrative cost	5	4
Expensed lease costs in the income statement	11	11

* The comparative information has been restated to reflect the continuing activities. More information can be found in note 7.2.

During 2025 cash outflows for capitalised leases were DKK 106m (2024: DKK 102m). Interest related to leases was DKK 13m (2024: DKK 9m) and impacted CFFO negatively, and the remaining DKK 93m (2024: DKK 93m) was repayment of lease debt included in CFFF. Refer to note 5.8 Financial assets and liabilities for maturity analysis of lease liabilities.

Further to the above cash outflow, DKK 13m (2024: DKK 14m) was included in CFFO for the group costs relating to short term, low-value and variable lease payments not recorded on the balance sheet due to the materiality or short term nature of the lease.

The lease of a new headquarter at Havneholmen in Copenhagen, Denmark became effective in December 2025 and the 9 years lease was recognised in the balance sheet at DKK 92m. Relocation to our new Corporate Centre took place on 2 February 2026.

Carrying amount of leases

DKKm	2025			
	Land and buildings	Plant and machinery	Operating equipment	Total
Carrying amount at 1 January	161	13	38	212
Foreign exchange adjustments	(15)	0	(4)	(19)
Remeasurement	40	1	0	41
Additions	173	3	16	192
Disposals	0	(2)	(1)	(3)
Depreciation	(63)	(5)	(19)	(87)
Transferred to assets held for sale	(84)	0	(4)	(88)
Carrying amount at 31 December	212	10	26	248

DKKm	2024			
	Land and buildings	Plant and machinery	Operating equipment	Total
Carrying amount at 1 January	180	17	27	224
Foreign exchange adjustments	2	(2)	1	1
Disposals of enterprises	(46)	(4)	0	(50)
Remeasurement	7	0	(1)	6
Additions	99	8	26	133
Disposals	(9)	0	1	(8)
Depreciation	(72)	(6)	(16)	(94)
Carrying amount at 31 December	161	13	38	212

2.5 Leases – continued

§ Accounting policy

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the payments, which are fixed or variable dependent on an index or a rate. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the lease asset. Service components are excluded from the lease liability.

The lease payments are discounted using an incremental country specific borrowing rate, based on a government bond plus the Group's credit margin.

The lease payments are split into an interest cost and a repayment of the lease liability.

Lease assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs

The lease assets are depreciated over the term of the lease contract on a straight-line basis.

Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The following factors are normally the most relevant:

- How the asset supports the direction of the Group, from a strategic standpoint, location of the asset, timing of the option being exercisable
- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate)
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate)

Payments associated with short-term and low value leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture at a low value.

2.6 Investments in associates

Investments in associates includes an investment in Intertek Robotic Laboratories Pty Ltd, Australia, with a 50% share.

Although we hold 50% of the shares and voting rights, we do not share the control, hence the investment is not a joint venture. As we do have significant influence the investment is treated as an investment in associates and accounted for using the equity method.

Name of associate	Country	Date of acquisition	Owner-ship interest	Voting share
Intertek Robotic Laboratories Pty Ltd	Australia	31-May 2019	50%	50%

The primary activity of the company is to provide automated and robotic sample preparation, fusion and analytical testing services, including the procurement, construction and commissioning of laboratories.

Carrying value of investments in associates, FLSmidth share

DKKm	2025	2024
Beginning value 1 January	36	81
Foreign exchange adjustments	(1)	(2)
Impairment loss	0	(39)
Gain/(loss) from associates	0	(4)
Carrying value at 31 December	35	36

Financial information of 100% of Intertek Robotic Laboratories Pty Ltd, prepared in accordance with FLSmidth accounting policies, is as follows (not only FLSmidth's share):

Intertek Robotic Laboratories Pty Ltd

DKKm	2025	2024
Revenue	138	125
Loss for the period	0	(8)
Total comprehensive income	0	(8)
Current assets	92	81
Non-current assets	10	11
Current liabilities	(32)	(20)
Equity	70	72

The financial information reflects the adjustments made in relation to the acquisition.

Investments in associates, FLSmidth share

DKKm	2025	2024
FLSmidth's share of equity, 50%	35	36
Carrying value at 31 December	35	36

2.7 Provisions

Provisions are liabilities of uncertain timing or amount. Our provisions consist of:

- Provisions for warranty claims in respect of goods or services already delivered
- Provisions for cost related to restructuring
- Provisions for loss-making contracts (included in other provisions)
- Provisions for losses resulting from disputes and lawsuits (included in other provisions)
- Provisions for indirect tax risks (included in other provisions)

Total provisions amounts to DKK 1,824m (2024: 2,375m). The net decrease of DKK 551m compared to last year mainly relates to divestment of the Cement business and decrease in restructuring provision.

Warranty provisions cover expected costs to remedy warranty claims during the warranty period. The warranty provision is recognised during the production phase. The warranty period starts once the performance obligation in the contract has been finalised and runs seldomly for more than two years and often only up to one year. Warranty provisions are reversed once the warranty period comes to an end and no claims have been received.

Restructuring provisions relate to costs expected to be incurred when restructurings are decided and communicated by management. In most cases, the restructuring will incur in the near future. The provision shows a net decrease of DKK 221m due to divestment of the Cement business and utilisation of the provision as employees leave the company's employment.

The decrease of DKK 165m in other provisions is related to loss-making contracts and other provisions.

In our cash flow statement, the changes in provisions are combined with the changes in pensions and employee benefits. The impact on cash flows from changes in provisions, pensions and employee benefits (adjustment to the amounts recognised in the income statement) is shown in the table below.

Cash flow effect from change in provisions, pension and employee benefits

DKKm	2025	2024
Pensions and employee benefits	(49)	31
Provisions	(383)	95
Of which relate to foreign exchange adjustments	103	(15)
Cash flow effect	(329)	111

§ Accounting policy

Provisions are recognised when we, due to an event occurring before or at the balance sheet date, have a legal or constructive obligation and outflow of resources is expected to settle the obligation.

Provisions for warranty claims are estimated on a order-by-order basis based on historical realised costs to handle warranty claims. The provision covers also unsettled claims from customers or subcontractors.

Provisions for restructuring costs are made only if the restructuring has been decided at the balance sheet date in accordance with a specific plan, and only provided that the parties involved have been informed about the overall plan.

Provisions for loss-making contracts (included in other provisions in the table) cover customer contracts expected to result in a loss as the expected cost to complete exceeds revenue. The expected cost overrun that is not covered by revenue is recognised as a provision. The key accounting estimate is explained in note 3.4.

Provisions regarding disputes and lawsuits (included in other provisions in the table) are based on Management's assessment of the likely outcome settling the cases based on the information at hand at the balance sheet date.

Provisions

DKKm	2025				2024			
	Warranties	Restructuring	Other	Total	Warranties	Restructuring	Other	Total
Provisions at 1 January	850	390	1,135	2,375	883	360	1,052	2,295
Foreign exchange adjustments	(62)	0	(21)	(83)	14	(1)	4	17
Disposal of enterprises	0	0	0	0	(11)	0	(1)	(12)
Additions	304	94	372	770	458	280	738	1,476
Used	(194)	(213)	(284)	(691)	(231)	(251)	(484)	(966)
Reversals	(117)	(2)	(202)	(321)	(263)	(63)	(141)	(467)
Reclassification from other liabilities	0	0	0	0	0	32	0	32
Transfer between categories	(9)	0	9	0	0	33	(33)	0
Transferred to liabilities held for sale	(87)	(100)	(39)	(226)	-	-	-	-
Provisions at 31 December	685	169	970	1,824	850	390	1,135	2,375
Classified as:								
Non-current provisions	517	4	77	598	595	4	106	705
Current provisions	168	165	893	1,226	255	386	1,029	1,670
Provisions at 31 December	685	169	970	1,824	850	390	1,135	2,375

! Key accounting estimate

Estimated warranty provision

When estimating the warranty provision we take into consideration several years of warranty cost information, any specific risk related to customer contracts, knowledge about defects and functional errors in the product portfolio, risks associated with newly launched products as well as customer losses in connection with suspension of operation. We include all of these factors as relevant, to estimate a warranty provision that to the best of our knowledge reflects our responsibility towards our customers in the future.

2.8 Pension obligations

Defined contribution plans

The majority of our pension plans are defined contribution plans and we have no further payment obligations once the contributions are paid. Under these pension plans, we recognise regular payments, e.g. a fixed amount or a fixed percentage of the salary. Pension costs related to defined contribution plans are recognised in staff costs (note 1.5) and amounted to DKK 337m (2024: DKK 363m).

Defined benefit plans

We also have defined benefit plans where the responsibility for the pension obligation towards the employees rests with us. Under a defined benefit plan, we have an obligation to pay a specific benefit, e.g. retirement pension in the form of a fixed proportion of the salary at the time of retirement.

Under these plans, we carry the risk in relation to future developments in interest rates, inflation, mortality, etc. A change in the assumptions upon which the calculation is based results in a change in the present value of the pension obligation.

Such actuarial gains and losses are recognised in other comprehensive income and amounted to net gains of DKK 22m in 2025 (2024: net gain of DKK 23m).

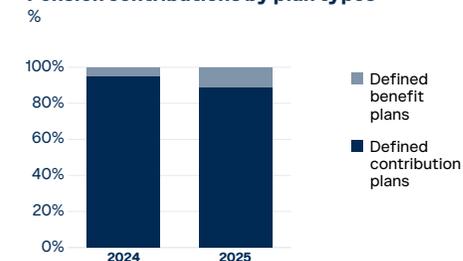
The majority of the total pension obligations are partially funded with quoted debt and equity instruments placed in pension funds and through insurance. In 2026 we expect to contribute to the defined benefit plans of DKK 5m (2025: DKK 8m). The weighted average duration of the obligations is 11 years (2024: 11 years).

Pension obligations

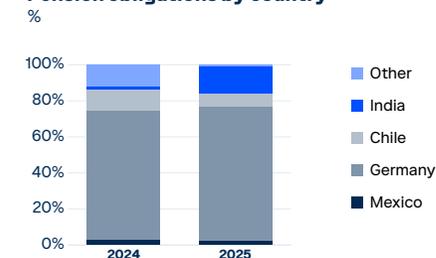
DKKm	2025			2024		
	Present value of pension obligations	Fair value of plan assets	Net obligations	Present value of pension obligations	Fair value of plan assets	Net obligations
Value at 1 January	(736)	411	(325)	(930)	565	(365)
Interest on obligation/asset	(28)	18	(10)	(31)	18	(13)
Service costs	(43)	0	(43)	(25)	0	(25)
Recognised in the income statement	(71)	18	(53)	(56)	18	(38)
Actuarial gains and losses*	10	12	22	15	8	23
Recognised in other comprehensive income	10	12	22	15	8	23
Disposal of activities	0	0	0	181	(175)	6
Foreign exchange adjustments	49	(42)	7	(30)	33	3
Settlements	0	0	0	2	0	2
Participant contributions	0	2	2	0	0	0
Benefits paid to employees	51	(32)	19	82	(38)	44
Other changes	100	(72)	28	235	(180)	55
Transferred to assets held for sale	42	(17)	25	-	-	-
Value at 31 December	(655)	352	(303)	(736)	411	(325)
Classified as:						
Net pension obligations, assets (In Other securities and investments)			2			0
Net pension obligations, liabilities			(305)			(325)
Value at 31 December			(303)			(325)

* Actuarial gains and losses relate primarily to changes in financial assumptions.

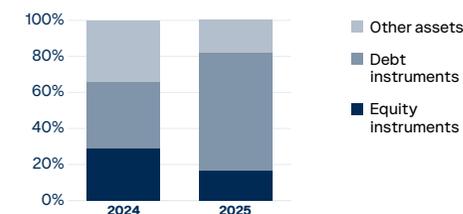
Pension contributions by plan types



Pension obligations by country



Fair value of plan assets by Instruments



2.8 Pension obligations – continued

Actuarial assumptions

	2025	2024
Average discounting rate applied	4.3%	3.7%
Expected future pay increase rate	3.9%	3.4%

Sensitivity analysis

Below shows a sensitivity analysis based on changes in the discount rate, all other things being equal.

A change in the discount rate will result in the following changes in the net pension obligation:

Sensitivity at 31 December

DKKm	2025	2024*
Discount rate - 1%, increase	26	27
Discount rate + 1%, decrease	(26)	(27)

* The sensitivity analysis has not been restated. More information can be found in note 7.2.

Accounting policy

Contributions to defined contribution plans are recognised in staff costs when the related service is provided. Any contributions outstanding are recognised in the balance sheet as other liabilities.

For defined benefit plans, annual actuarial calculations are made of the present value of future benefits payable under the pension plan using the projected unit credit method. The Group uses external actuarial experts.

The present value is calculated based on assumptions about future developments in variables such as salary levels, interest, inflation and mortality rates. The present value is only calculated for benefits earned by the employees through their employment with the Group to date. The actuarial calculation of present value less the fair value of any plan assets is recognised in the balance sheet as pension obligations.

The pension costs (service costs) for the year, based on actuarial estimates and financial forecasts at the beginning of the year, are recognised in the income statement within staff costs. The interest on the net pension obligation is recognised in the income statement within financial costs. The difference between the forecast development in pension assets and liabilities and the realised values is called actuarial gains or losses and is recognised in other comprehensive income.

If a pension plan constitutes a net asset, the asset is recognised only to the extent that it equals the value of future repayments under the plan or it leads to a reduction of future contributions to the plan.

2.9 Contractual commitments and contingent assets & liabilities *

Contractual commitments

FLSmidth made a fund investment in Chrysalix in 2019, a venture capital firm that specialises in transformational industrial innovation. We have made a capital commitment of USD 10m. The capital commitment can be called up until 2029, with the investment period being the first 5 years. The timing and amounts of each capital call are uncertain. The undrawn part of the capital commitment at 31 December 2025 amounted to DKK 16m (2024: DKK: 26m).

Contingent assets

Following the divestment of the Cement business, under the terms of the Sale & Purchase Agreement, FLSmidth has a future conditional right to additional consideration ("earn out") of between DKK 187m and DKK 560m. Additionally, following the divestment of the Air Pollution Control business, under the terms of the Sale & Purchase Agreement, FLSmidth may receive additional cash payments of up to DKK 30m.

The above amounts may become payable if certain events and financial conditions in relation to the Cement business or the APC business, respectively, are met in the future, which is outside FLSmidth's control and further currently highly uncertain. Accordingly, such potential further cash payments are contingent assets at the balance sheet date.

Additionally following the divestment of the Air Pollution Control business, under the terms of the Sale & Purchase Agreement, FLSmidth has a future conditional right to settlement of a vendor loan note of DKK 30m. The loan note accrues interest annually and is repayable on an exit where a sale price in excess of a stipulated threshold is achieved. In certain circumstances the loan may be partially repaid following a refinancing event. The vendor loan repayment is triggered solely by a future sale or equivalent exit or refinancing event at the buyer's discretion. At the time of signing and disposal, no such exit is planned or contractually committed and accordingly, the

vendor loan is a contingent asset at the balance sheet date.

Contingent liabilities

Contingent liabilities cover guarantees and other contingent liabilities related to legal disputes etc. At the end of 2025, contingent liabilities amounted to DKK 1,416m (2024: DKK 2,032m).

Guarantees

Guarantees consist of customary performance and payment guarantees. The volume of such guarantees decreased with specific guarantees expiring and a general lower level of projects business and amounted to DKK 1,148m at the end of 2025 (2024: DKK 1,749m).

It is customary market practice to issue guarantees to customers, which serve as a security that we will deliver as promised in terms of performance, quality, and timing. The volume of the guarantees varies with the activity level and reflects the outstanding order backlog, finalised projects and deliveries that are covered by warranties etc. Only a minor share of such guarantees is expected to materialise into losses. In the event a guarantee is expected to materialise, a provision is recognised to cover the risk. Such provisions are covered by note 2.7 and included either within warranty provisions or other provisions.

Other contingent liabilities

We are involved in legal disputes, certain of which are already pending with courts or other authorities and other disputes which may or may not lead to formal legal proceedings being instigated against us. Other contingent liabilities amount to DKK 268m (2024: DKK 283m).

The outcome of such proceedings and disputes is by nature unknown but is not expected to have significant impact on our financial position.

* The comparative information has been restated to reflect the continuing activities. More information can be found in note 7.2.

2.10 Business acquisition

Acquisitions in 2025

On 2 June 2025, FLSmidth acquired Scott Specialized Rubber & Engineering (SSRE), a manufacturing company based in Pretoria, South Africa for a total consideration of DKK 22m. SSRE manufactures and markets specialised, heavy-duty rubber products for a variety of industries, including for mineral processing. The acquisition of SSRE directly supports FLSmidth's CORE'26 strategy, which priorities service growth through targeted investments.

The impact on net profit is insignificant.

Acquisitions in 2024

In 2024, FLSmidth completed two Mining-related acquisitions being Farnell-Thompson Applied Technologies Inc. and TIPCO Tudeshki Industrial Process Control GmbH.

The aggregated purchase price net of cash acquired was DKK 116m, including DKK 9m deferred over three years.

The acquisitions resulted in net working capital increases of DKK 6m, and the recognition of DKK 111m in goodwill, mainly related to the assembled workforce.

Both acquisitions were allocated to the Mining cash-generating unit and did not have a material impact on 2024 financials.

§ Accounting policy

Acquired businesses are included in the consolidated financial statements from the date when control (the acquisition date) of the business is transferred to FLSmidth.

The purchase price includes consideration already paid/received, deferred consideration and expected contingent consideration. The purchase price is allocated to the identified assets, liabilities and contingent liabilities (net assets) based on their fair values at acquisition date and any excess of the purchase price over the net assets is recognised in the balance sheet as goodwill within intangible assets. In the event the purchase price is lower than the net assets, the difference is recognised in the income statement (a gain from a bargain purchase).

If, on the acquisition date, there are any uncertainties with respect to identifying or measuring the acquired net assets, the initial recognition will be made on the basis of estimated fair values. The estimated fair values may be adjusted, or additional assets or liabilities may be recognised during the measurement period of up to 12 months to reflect new information that becomes available about conditions prevailing on the acquisition date. Such adjustments are made to the initial purchase price allocation as a restatement of prior information, including to the amount of goodwill.

Any subsequent adjustment of contingent consideration is recognised directly in the income statement, unless it relates to new information on conditions prevailing at acquisition date obtained during the measurement period and therefore impacting the purchase price allocation.

2.11 Disposal of activities

Disposal 2025

On 31 October 2025, FLSmidth announced that it had closed the sale of its Cement business to an affiliate of the global private equity firm, Pacific Avenue Capital Partners for a total initial consideration (Enterprise Value) of EUR 75m (DKK 550m), plus a conditional deferred cash consideration of up to EUR 75m (DKK 550m). The transaction took the form of a share sale and included all related employees, assets, intellectual property and technology.

Certain legacy contracts will be retained by FLSmidth which have an immaterial impact on the continuing Mining business. FLSmidth will continue to hold a small number of customer contracts relating to the cement business, which will be executed and fulfilled by the buyer. The net economic risk or benefit of these contracts shall be to the buyer's account. The backlog relating to the Cement business that was transferred as part of the transaction was DKK 3,2bn. The transaction resulted in an overall loss of DKK 893m, comprising an impairment of DKK 633m and a loss on sale of DKK 260m.

On 3 November 2025, FLSmidth entered into an agreement to sell the mentioned assets in Conveyor Product Group to Virta Inc., a subsidiary of FLUOR Corporation for a total consideration of DKK 10m. The transaction closed on 5 December 2025 and includes the rail-running and other conveyor intellectual property, select customer contracts, and an agreement for the buyer to supply project execution services for retained projects.

On 30 December 2025, FLSmidth closed the sale of its AirPollution Control (APC) business to the UK-based investment partnership Rubicon Partners for an undisclosed initial consideration. The transaction includes all related assets, intellectual property, technology, employees and order backlog and has resulted in an overall gain on sale of DKK 85m.

DKKm	2025
Sales proceeds less cost to sell:	
Net cash proceeds for disposals of enterprises and activities*	146
Less transaction costs	(104)
Subtotal	42
Assets sold, net of impairment losses:	
Derecognition of net assets	(857)
Previously recognised impairment losses	633
Foreign currency translation reserve recycled to profit/(loss) for the year, discontinued activities	7
Subtotal	(217)
Gain/(loss) on disposal of enterprises and activities	(175)

* Net cash proceeds reflect the final cash settlement after agreed adjustments to both the equity value and the final consideration for cash flows generated in the period from economic date to closing (for the Cement divestment) as well as other closing adjustments.

2.11 Disposal of activities

– continued

Disposal 2024

On 22 January 2024, FLSmidth Cement entered into an agreement to sell the MAAG gears and drives business to Solix Group AB. The transaction was completed on 1 March 2024 and includes all related assets including intellectual property, technology, employees and customer contracts.

Net assets derecognised are decomposed in the table to the right. The backlog in Cement was reduced by DKK 336m. The transaction led to a gain of DKK 28m.

Total assets and liabilities in activities sold are shown in the table below. Gains and losses from disposal of activities are included in the line item 'Other operating net income'.

DKKm	2025	2024
Intangible assets	334	80
Other non-current assets	282	118
Current assets	1,932	265
Total assets	2,548	463
Pension	25	6
Lease liabilities	89	55
Working capital liabilities	1,236	150
Provisions	68	11
Other liabilities	273	15
Total liabilities	1,691	237

2.12 Discontinued activities

Following the announcement of the Cement divestment in Q2 2025, the Cement and Air Pollution Control businesses have been reported as discontinued operations until closing of the transactions on 31 October and 30 December respectively. The operating results, as well as the gain/loss on sale and related impairments, are included in discontinued operations, as shown in the table below.

The gain arising on the disposal of the Cement and Air Pollution Control businesses is presented in note 2.11 Disposal of activities.

DKKm	2025	2024*
Revenue	3,204	4,447
Costs	(2,604)	(4,108)
Gain/(loss) on divestment of enterprises and activities	(175)	28
EBITDA, discontinued activities	425	367
Depreciation, amortisation and net financial items	(62)	(25)
Impairment losses	(633)	0
EBT, discontinued activities	(270)	342
Tax for the year	(436)	(113)
Gain/(loss) for the year, discontinued activities	(706)	229
Cash flow from discontinued activities:		
Cash flow from operating activities (CFFO)	153	393
Cash flow from investing activities (CFFI)	(250)	175
Cash flow from financing activities (CFFF)	(1.1)	(538)
Earnings per share (EPS)	(12.3)	4.0
Diluted earnings per share (DEPS)	(12.3)	4.0

* The comparative information has been restated to reflect the discontinued activities. More information can be found in note 7.2.

2.13 Assets & liabilities held for sale

Assets held for sale at 31 December 2025 amounted to DKK 48m and constitutes the divestment of the head-quarter in Valby. The expected cash proceeds from the sale amounts to approximately DKK 730m to be paid in full to FLSmidth upon closing of the transaction, which is expected to take place at the end of first quarter 2026. The expected accounting gain amounts to approximately DKK 690m (ref. Company Announcement no. 9-2025).

§ Accounting policy

Non-current assets as well as assets and liabilities expected to be sold as a group (disposal group) in a single transaction are reclassified to assets and liabilities classified as held for sale, if their carrying value is likely to be recovered by sale within 12 months in accordance with a formal plan.

Assets or disposal groups held for sale are measured at the lower of the carrying value and the fair value less costs to sell. Assets and liabilities related to activities held for sale are presented on separate line items from the date the activities become discontinued. Hence, comparative figures in the balance sheet are not restated.



SECTION 3

Working capital

3.1	Net working capital	152
3.2	Inventories	153
3.3	Trade receivables	154
3.4	Work in progress	155
3.5	Other receivables	156
3.6	Trade payables	156
3.7	Other liabilities	156

3.1 Net working capital

Net working capital represents the assets and liabilities necessary to support FLSmidth's daily operations.

The impact on FLSmidth's cash flows from net working capital is showed in the table to the right.

Net working capital increased by DKK 299m compared to 31 December 2024, which is after a DKK 204m decrease in net working capital due to the divestment of the Cement business.

The increase in net working capital in the continuing business is driven primarily by increase in inventories and decrease in prepayments from customers and trade payables and offset by decrease in work in progress balances.

Utilisation of supply chain financing decreased during 2025 to DKK 234m (2024: DKK 515m).

Foreign exchange effect decreased the net working capital at 31 December 2025 by DKK 219m (2024: a decrease of DKK 23m).

Net working capital

DKKm	2025	2024
Inventories	3,435	3,572
Trade receivables	3,102	4,073
Work in progress, asset	1,873	3,009
Prepayments	433	351
Other receivables	762	781
Derivative financial instruments	29	53
Prepayments from customers	(1,097)	(1,783)
Trade payables	(2,585)	(3,538)
Work in progress, liability	(2,046)	(2,791)
Other liabilities	(1,458)	(1,587)
Derivative financial instruments	(42)	(33)
Net working capital	2,406	2,107

Cash flow effect from change in NWC*

DKKm	2025	2024
Inventories	(559)	(149)
Trade receivables	114	409
Trade payables	(339)	(475)
Work in progress	504	(658)
Prepayments from customers	(372)	(61)
Prepayments	(139)	66
Other receivables and other liabilities	(76)	118
- of which relate to foreign exchange gain/(loss)	(79)	(24)
	(946)	(774)
Change in net working capital	(299)	(725)
Acquisitions/disposal of activities, financial instruments and foreign exchange effect on cash flow	(647)	(49)
Cash flow effect from change in net working capital	(946)	(774)

3.2 Inventories

Inventories net of impairment

DKKm	2025	2024
Raw materials and consumables	744	370
Goods in progress	549	756
Finished goods and goods for resale	2,142	2,446
Inventories	3,435	3,572

Total inventories decreased by DKK137m predominately a result of the Cement divestment, offset by lower write down of inventory in 2025.

Impairment of inventories

DKKm	2025	2024
Impairment at 1 January	838	744
Foreign exchange adjustments	(45)	(7)
Additions	200	351
Realised	(251)	(199)
Reversals	(52)	(51)
Transferred to assets held for sale	(58)	-
Impairment at 31 December	632	838

! Key accounting estimate

Estimated valuation of inventories

When assessing the net realisable value of inventories we take marketability, obsolescence and development in expected selling prices into account. Also inventory turnover, quantities and the nature and condition of the inventory items including the classification as strategic inventory are considered in the assessment. We include all of these factors as relevant, to ensure that our inventory is reflected at the expected selling price, if lower than cost.

§ Accounting policy

Inventories are measured at cost based on weighted average cost prices.

In the event that cost of inventories exceeds the expected selling price less cost of completion and selling costs, the inventories are impaired to the lower net realisable value. The net realisable value of inventories is measured as the expected sales price less costs of completion and costs to finalise the sale.

Impairment assessment of the inventory is performed item by item including:

- Test for slow moving stock
- Test for aging of inventory
- Assessment of expected market (pricing and market potential)
- Assessment of strategic inventory items

Obsolete items are impaired to the value of zero. Management considers part of the inventories as strategic. Strategic items are held in inventory, even if slow moving, because they are considered key equipment to the customers, that we need to be able to deliver with very short notice.

Raw materials and consumables include purchase costs of materials and consumables, duties and freight. Work in progress, finished goods and goods for resale include cost of manufacturing including materials consumed and labour costs plus an allowance for production overheads. Production overheads include operating costs, maintenance of production facilities as well as administration and factory management directly related to manufacturing.



Copper

3.3 Trade receivables

Trade receivables decreased in 2025, primarily driven by Cement divestment, improved cash collection performance and tighter credit management.

Trade receivables net of impairment specified according to aging

DKKm	2025	2024
Not due for payment	1,891	2,763
Overdue < one month	467	540
Overdue one to two months	182	233
Overdue two to three months	108	56
Overdue > three months	454	481
Trade receivables	3,102	4,073
Trade receivables not due for payment with retentions on contractual terms	19	260

Impairment of trade receivables specified according to aging is shown to the upper right.

The impairment model is based on historical observed default rates adjusted for uncertainties related to specific project activities and prevailing market conditions.

Impairment of trade receivables

DKKm	2025	2024
Impairment at 1 January	908	691
Foreign exchange adjustments	(33)	2
Additions	191	463
Reversals	(131)	(223)
Realised	(112)	(25)
Transferred to assets held for sale	66	-
Impairment at 31 December	889	908

Impairment of trade receivables specified according to aging

DKKm	2025			2024		
	Expected loss rate	Gross carrying amount	Impairment	Expected loss rate	Gross carrying amount	Impairment
Not due for payment	1.9%	1,927	36	1.1%	2,794	31
Overdue < one month	8.3%	509	42	6.3%	576	36
Overdue one to two months	20.2%	228	46	14.3%	272	39
Overdue two to three months	22.9%	140	32	27.3%	77	21
Overdue > three months	61.8%	1,187	733	61.9%	1,262	781
Total		3,991	889		4,981	908



§ Accounting policy

Trade receivables are initially measured at fair value and subsequently measured at amortised cost.

A credit loss allowance is made upon initial recognition based on historical observed default rates adjusted for forward looking estimates. The cost of the credit loss allowances is included in administration costs. A loss is considered realised when it is certain that we will not recover the receivable, e.g. in case of bankruptcy or similar.



Lithium reserves, Atacama desert in Chile

3.4 Work in progress

Work in progress relates to contracts with customers where revenue is recognised over time. As the costs to produce the output under a contract are incurred, revenue is calculated reflecting the share of costs incurred compared to total expected costs to fulfil the contract (percentage of completion). The revenue is recognised as work in progress (gross work in progress) and consists of cost incurred including margin. Balances on a specific contract are removed from work in progress once the work is completed and accepted by the customer. Especially for more complex product bundles with engineering, the work typically extends over several financial years. The total amount of work in progress therefore includes accumulated revenue for several years for contracts where the work has not been finalised and/or accepted by the customer.

During the execution, invoices are issued according to the invoice structure for each transaction. The invoiced amounts reduce the balance on work in progress (Net work in progress in the table). Depending on the invoice structure, the net work in progress balance on a specific contract can change from being presented as an asset (a contract asset) in one period to being presented as a liability (a contract liability) in the next period. In the balance sheet and as shown in the table, net work in progress on contracts where work performed exceeds the invoiced amount are presented as assets while contracts where the invoiced amount exceeds the work performed are presented as liabilities.

In general, the invoicing structure reflects the progress on the work to be performed and work in progress liabilities are, therefore, usually converted into revenue in the next year. The decrease in gross work in progress reflects our de-risking strategy.

Composition of work in progress

DKKm	2025	2024
Gross work in progress	32,523	38,088
Invoicing on account to customers	(32,696)	(37,870)
Net work in progress	(173)	218
Of which is recognised as work in progress:		
Under assets	1,873	3,009
Under liabilities	(2,046)	(2,791)
Net work in progress	(173)	218

Gross work in progress and invoicing on account have decreased due to the divestment of the Cement business and finalisation of projects.

Note 1.4 include information on the order backlog reflecting effective contracts with customers where we will transfer control at future point in time and the remaining performance obligations on contracts where we transfer control over time.

In addition to net work in progress, contract liabilities include prepayments received from customers of DKK 1,097m (2024: DKK 1,783m). The prepayments are recognised separately in the balance sheet as current and non-current liabilities. Prepayments presented as current reflect amounts that are expected to be recognised as revenue during the following year.

When assessing impairment on the work in progress net balances we evaluate on a contract-by-contract basis. If an impairment on a contract is probable, we recognise the expected loss and a related provision.

§ Accounting policy

Work in progress consists of contract assets and contract liabilities for contracts with customers where revenue is recognised over time.

For contracts included as work in progress revenue reflecting the percentage of completion is recognised when the outcome of the contracts can be estimated reliably. The percentage of completion is calculated based on a cost-to-cost basis (input method) and is the ratio between the cost incurred and the total estimated cost.

The contracts are measured at an amount equal to the selling price of the work performed (percentage of completion) less progress billings and expected losses.

The selling price is the total expected income from the individual contracts. If variability is included in the selling price, we use the most likely amount method.

An expected loss is recognised when it is deemed probable that the total contract costs will exceed the total revenue from individual contracts. The expected loss is recognised immediately as a cost and as a provision for a loss-making contract. Further information can be found in note 2.7.

When the selling price of the work performed exceeds progress billings, work in progress is presented as an asset and relate to unbilled work in progress. Work in progress assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. Expected credit loss on work in progress assets is included within the loss allowance for trade receivables as managed together.

When progress billings exceed the selling price of the work performed, work in progress is presented as a liability.

! Key accounting estimate

Estimated costs to complete

We estimate the total expected costs for our contracts. The estimates primarily relate to the level of contingencies to cover unforeseen costs, such as cost changes due to changes in future supplies of raw materials, subcontractor products and services as well as unforeseen costs related to execution and hand-over.

The estimates are based on the specifics for each contract while taking historical data into account. For contracts sold to customers in politically and economically unstable countries, the estimates include additional risk coverage due to a higher level of uncertainty.

We reassess our project financials, including update of expected project costs on an ongoing basis, to ensure that expected cost increases are appropriately reflected in the estimated cost to complete.

3.5 Other receivables

Specification of other receivables

DKKm	2025	2024
Indirect taxes receivables	442	500
Deposits	51	51
Derivatives	29	53
Other	269	230
Included in NWC	791	834
Other receivables, included in NIBD	82	56
Total	873	890

Other receivables of DKK 791m, including the derivatives, are included within net working capital. The remaining DKK 82m is included in net interest bearing debt.

3.6 Trade payables

To improve the relationship with our suppliers and minimise the finance cost in the value chain, FLSmidth facilitates a supply chain financing programme funded by a credit institute to our key suppliers. At the end of 2025 trade payables for the continuing business covered by the programme amounted to DKK 234m (2024: DKK 515m of which DKK 408m related to the continuing business). The suppliers have received DKK 231m in payment from the credit institute.

When participating in this programme, the supplier has the option to receive early payment from the credit institution against a discount based on the invoices approved by FLSmidth through a factoring arrangement between the supplier and the credit institution, where the invoices are transferred to the credit institution without recourse. The payment due dates on trade payables part of the programme are as a standard 180 days after invoice date compared to typically 90-120 days on comparable trade payables that are not part of the programme. Except for a parent company guarantee to the credit institution for all obligations related to other FLSmidth entities, there is no security or guarantees provided to the credit institution.

The amounts payable under the programme are classified as trade payables in the balance sheet as well as in the cash flow statement (working capital within cash flow from operations). The trade payables covered by the supply chain financing programme arises in the ordinary course of business from supply of goods and services and the payment terms are not significantly extended compared to trade payables not part of the supply chain financing programme.

3.7 Other liabilities

Specification of other liabilities

DKKm	2025	2024
Indirect taxes payables	151	241
Accrued employee items	457	675
Derivatives	42	33
Other accruals and payables	850	671
Included in NWC	1,500	1,620
Other liabilities, included in NIBD	119	210
Employee benefits	125	206
Total	1,744	2,036

DKK 35m (2024: DKK 48m) is included in non-current liabilities and DKK 1,709m (2024: DKK 1,988m) in current liabilities.



Bauxite and alumina



SECTION 4

Tax

4.1	Income tax	158
4.2	Paid income tax	159
4.3	Deferred tax	159
4.4	Tax on other comprehensive income	161
4.5	Our approach to tax and tax risk	161



4.1 Income tax

The adjusted effective tax rate for the year was 33.3%. In light of recent macroeconomic and regulatory developments, as well as operational considerations, we have reassessed where taxable income is expected to be generated over the coming years. As a result, we have recognised an impairment of deferred tax assets in Denmark of approximately DKK 600 million in the fourth quarter of 2025, as at 31 December 2025. In addition, non-creditable withholding taxes had a negative impact, while prior year adjustments contributed positively. Total income tax expense for the year amounted to DKK 1,257m (2024: DKK 415m).

Uncertain tax positions reflect managements assessment of the risk of a position taken by FLSmidth being disputed by a tax authority. The assessment considers the inherent risk and uncertainty of undertaking complex projects and operating in a variety of developed and developing countries. The assessment includes the most likely outcome of both ongoing and potential future tax audits but also an assessment of whether the most

likely outcome differs significantly for other possible outcomes. During the year, the provision was adjusted slightly following updated assessments, yet remained broadly unchanged in the context of FLSmidth's overall tax risk profile.

§ Accounting policy

Income tax for the year comprises current tax and changes in deferred tax including valuation of deferred tax assets, adjustments to previous years, foreign paid withholding taxes including available credit relief and changes in provisions for uncertain tax positions.

Income tax for the year is recognised in the Income Statement, unless it is attributable to items recognised in other comprehensive income.

Current tax is calculated using the applicable tax rates for the financial year on the expected taxable income for the year. The resulting tax is reduced by tax paid on account in the year. Current tax is recognised in the

balance sheet as either a receivable or a liability for each tax jurisdiction and includes also previous years taxes.

Deferred tax is calculated using the balance sheet liability method on all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes, except differences relating to initial recognition of goodwill.

Tax losses that are likely used against future taxable income in the same legal tax unit and jurisdiction in the next five years are included in the measurement of deferred tax. Deferred tax liabilities regarding investments in subsidiaries are recognised if the shares are expected to be sold in the short-term.

Deferred tax assets and tax liabilities and tax receivables and tax payables are offset if FLSmidth has a legal right to offset these and intends to settle these on a net basis or to realise the assets and settle the liabilities simultaneously.

Uncertain tax positions are measured at the amount estimated to be required to settle such potential future obligations. We measure these uncertain tax positions on a yearly basis through interviews with key stakeholders in the main FLSmidth Group entities.

We determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty will be followed. Management assesses for each uncertain tax positions whether the most likely outcome method or the expected value provide the best prediction of the resolution of uncertainty.

Composition of tax for the year and effective tax rates

DKKm	2025		2024*	
	Tax	Effective tax rate	Tax	Effective tax rate
Tax according to Danish tax rate	(434)	22.0%	(267)	22.0%
Differences in the tax rates in foreign subsidiaries relative to 22%	(52)	2.6%	(26)	2.1%
Non-taxable income and non-deductible costs	46	(2.3%)	(34)	2.8%
Withholding tax	(82)	4.2%	(109)	9.0%
Unrecognised deferred tax assets	(179)	9.1%	(78)	6.4%
Net change in valuation of tax assets	(600)	30.4%	(73)	6.0%
Adjustments regarding previous years, deferred tax	57	(2.9%)	61	(5.0%)
Adjustments regarding previous years, current tax	6	(0.3%)	110	(9.0%)
Uncertain tax positions	(19)	1.0%	1	(0.1%)
Tax on profit for the year and effective tax rate	(1,257)	(63.8%)	(415)	34.2%

* The comparative information has been restated to reflect the continuing activities. More information can be found in note 7.2.

Composition of tax for the year

DKKm	2025	2024*
Current tax on net profit for the year	(485)	(483)
Change in deferred tax	45	156
Withholding tax	(82)	(109)
Unrecognised deferred tax assets	(179)	(78)
Net change in valuation of tax assets	(600)	(73)
Adjustments regarding previous years, deferred tax	57	61
Adjustments regarding previous years, current tax	6	110
Uncertain tax positions	(19)	1
Tax on profit for the year, continuing activities	(1,257)	(415)
Earnings before tax, continuing activities	1,971	1,216
Earnings before tax, discontinued activities	(270)	342
Earnings before tax (EBT)	1,701	1,558

* The comparative information has been restated to reflect the continuing activities. More information can be found in note 7.2.

4.2 Paid income tax

Income tax paid in 2025 amounted to DKK 630m (2024: DKK 876m). Taxes paid reflect cash tax payments for FLSmidth Group, including discontinued activities for 10 months and continuing activities for the full 12 month period.

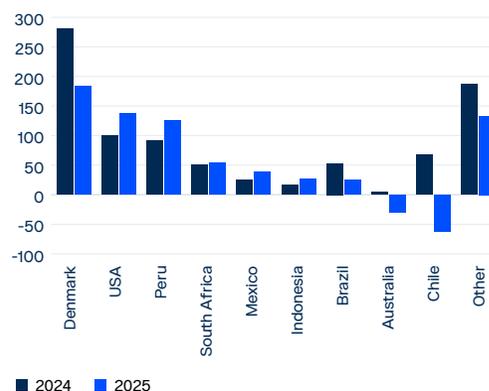
Taxes paid decreased compared to 2024. The reduction was mainly driven by lower withholding tax payments and timing effects across several jurisdictions, including settlements relating to prior year tax positions. These settlements contributed to the lower net cash tax outflow for 2025.

Besides income tax, FLSmidth's activities generate sales taxes, customs duties, personal income taxes paid by the employees, etc. which are excluded from income tax paid.

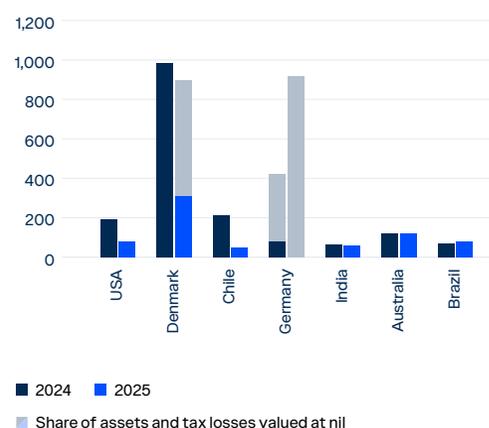
A Pillar II assessment for 2025 has been performed, including a safe harbour analysis and a calculation of the GloBE effective tax rates and potential top-up tax exposure.

Based on this assessment, the GloBE effective tax rates in the jurisdictions in which FLSmidth operates are above the minimum 15% threshold, and no Pillar II top up tax is expected for 2025.

Income tax paid
DKKm



Significant deferred tax assets, net
DKKm



4.3 Deferred tax

Deferred tax assets at the end of 2025 amount to DKK 1,265m (2024: DKK 2,358m) and deferred tax liabilities amount to DKK 149m (2024: DKK 220m). The net deferred tax assets amount to DKK 1,116m (2024: DKK 2,138m).

Recognition of net deferred tax assets is based on forecasted taxable income considering the business simplification, and forecasted growth and margins for the coming years.

As of 31 December 2025, deferred tax assets valued at nil amount to DKK 1,603m (2024: DKK 438m). These relate primarily to tax losses and certain temporary differences in Denmark and Germany, as well as entities under dissolution.

The increase in 2025 mainly reflects the impairment of deferred tax assets in Denmark of DKK 600m and the continued non recognition of tax losses in Germany due to the ongoing uncertainty regarding the utilisation horizon.

Recognition of deferred tax assets is a key accounting estimate and depends on management's expectations regarding future taxable profits, including cost saving initiatives, business simplification and anticipated market recovery. These assumptions are reassessed at each reporting date.

Temporary differences related to the future repatriation of profits from foreign entities remain unchanged from last year and are estimated at DKK 415m-475m in 2025 (2024: DKK 375m-425m). These liabilities are not recognised because FLSmidth controls the timing of their reversal and it is considered probable that they will not be triggered in the foreseeable future.

Net deferred tax

DKKm	2025	2024
Deferred tax assets	1,265	2,358
Deferred tax liabilities	(149)	(220)
	1,116	2,138

Maturity profile of tax assets valued at nil

DKKm	2025	2024
Within one year	9	34
Between one and five years	230	184
After five years	5,865	1,370

DKKm	2025	2024
Base value of tax assets valued at nil	6,104	1,588
Tax value	1,603	438

Deferred tax assets valued at nil consist of:

Temporary differences	916	51
Tax losses	5,188	1,537
	6,104	1,588

4.3 Deferred tax – continued

DKKm	2025								
	Included in Income Statement							Included in other compreh. income	Value at 31 December
	Value at 1 January	Transferred to assets held for sale	Currency adjustment	Adjustment to previous years	Changed tax rate	Change in deferred tax	Continuing activities		
Intangible assets	117	(1)	10	41	1	(30)	0	0	138
Property, plant and equipment	247	1	2	7	0	(3)	0	0	254
Current assets	295	(38)	(21)	91	1	2	(23)	0	307
Liabilities	822	(84)	(28)	57	0	(29)	13	(6)	745
Tax loss carry-forwards, etc.	1,095	(177)	(7)	258	0	105	1	0	1,275
Share of tax assets valued at nil	(438)	10	3	(397)	(2)	(779)	0	0	(1,603)
Net deferred tax assets/(liabilities)	2,138	(289)	(41)	57	0	(734)	(9)	(6)	1,116

DKKm	2024								
	Included in Income Statement							Included in other compreh. income	Value at 31 December
	Value at 1 January	Acquisition of enterprises	Currency adjustment	Adjustment to previous years	Change in deferred tax	Continuing activities	Discontinued		
Intangible assets	233	0	3	21	(110)	(30)	0	117	
Property, plant and equipment	263	0	(1)	4	(8)	(11)	0	247	
Current assets	316	(1)	(3)	(110)	98	(4)	(1)	295	
Liabilities	710	0	2	201	(10)	(76)	(5)	822	
Tax loss carry-forwards, etc.	870	0	(19)	(62)	187	119	0	1,095	
Share of tax assets valued at nil	(285)	0	(4)	7	(152)	(4)	0	(438)	
Net deferred tax assets/(liabilities)	2,107	(1)	(22)	61	5	(6)	(6)	2,138	

! Key accounting estimate

Estimated value of deferred tax assets

The value of deferred tax assets is recognised to the extent that it is deemed likely that taxable income in the future can utilise the tax losses. For this purpose, the income from the coming five years is estimated, based on forecasts.

In assessing the probability of the future realisation of deferred tax assets, we have considered the economic outlook in our forecasts of taxable income and reversals of taxable temporary differences. The uncertainty of forecasts is related to macroeconomic developments, including the demand for environmental investments by our customers, not least within the Cement industry.

4.4 Tax on other comprehensive income

Tax recognised in other comprehensive income by the components of other comprehensive income to which it relates is shown in the table below.

Composition of tax for the year and effective tax rates

DKKm	2025			2024*		
	Deferred tax	Current tax	Tax income/cost	Deferred tax	Current tax	Tax income/cost
Value adjustments of hedging instruments	0	0	0	(1)	0	(1)
Actuarial gains/(loss) on defined benefit plans	(6)	0	(6)	(5)	0	(5)
Tax on other comprehensive income	(6)	0	(6)	(6)	0	(6)

* The comparative information has not been restated as the actuarial gain/loss on defined benefit plan for the discontinued activities is considered not material and with little or no impact on the tax composition.

4.5 Our approach to tax and tax risk

Being a responsible taxpayer is important to us, and this means that we will pay the correct amount of taxes at the right time in all countries where we do business. We strive to accomplish this through a strong governance framework focused on compliance with applicable laws as well as generally agreed principles of international taxation and standards for responsible business conduct. We are a global company engaging and operating in a variety of developed and developing economies. Inherent risk and uncertainty regarding compliance requirements and double taxation of income are therefore common issues faced by our business. We actively mitigate tax risk and uncertainties from business operations. Our objective is to be transparent regarding our tax affairs by communicating openly and in a clear, timely and transparent manner.



Gold

SECTION 5

Financial risks & capital structure

5.1	Shares and capital structure	163
5.2	Earnings per share	164
5.3	Financial risks	164
5.4	Financial income and costs	167
5.5	Derivatives	167
5.6	Fair value measurement	168
5.7	Net interest bearing debt	169
5.8	Financial assets and liabilities	169



5.1 Shares and capital structure

Shares

Share capital is DKK 1,153m and the total number of authorised and issued shares is 57,650,000. Each share entitles the holder to 20 votes and no shares have special rights attached to it.

Shareholders

At 18 February 2026, FLSmidth had two major shareholders. Altor Invest 7 AS, Norway and Lundbeckfond Invest A/S, Denmark have both disclosed holdings of voting rights exceeding 10% of total outstanding voting rights. No other shareholders have reported a participating interest above 5%.

Capital structure

FLSmidth takes a conservative approach to capital structure with an emphasis on relatively low debt, leverage and financial risk. The Board of Directors' priority for capital structure is as follows:

- Leverage (NIBD/EBITDA < 2)
- Dividend pay-out ratio (30-50% of net profit)

The priority for capital allocation is to ensure a strong balance sheet while allowing for growth investments and value-adding M&A. Excess cash can be distributed either via extraordinary dividends or share buy-back programmes.

Shareholders' equity includes the following reserves:

- Share capital (nominal value of shares issued)
- Foreign exchange adjustments (accumulated currency adjustments regarding translation of foreign entities)
- Cash flow hedging (fair value of derivatives that hedge the currency risks on expected future cash flows and meet the criteria for cash flow hedging)
- Retained earnings (all other components of shareholders' equity including share premium)

Treasury shares

Our holding of treasury shares at the end of 2025 accounted for 5.2% of the share capital (2024: 1.4%). The increase is attributable to the share buyback programme initiated in 2025 (ref. Company Announcement no. 12-2025).

The Board of Directors is authorised until the next Annual General Meeting to let the Company acquire treasury shares up to a total nominal value of 10% of the Company's share Products in accordance with Section 12 of the Danish Companies Act.

Treasury shares not intended to be cancelled after share buy-back programmes are used to hedge sharebased incentive programmes and to calibrate capital structure.

They are recognised directly in equity in retained earnings (zero value in the balance sheet). Refer to note 6.1 for further information.

Dividend per share

The Board of Directors will propose at the Annual General Meeting that a dividend of DKK 4.00 per share (2024: 2.2%), will be distributed for 2025. The total dividend proposed amounts to DKK 231m.

Outstanding shares net of Treasury shares

1,000	2025	2024
Treasury shares at 1 January	813	914
Acquisitions of treasury shares	2,432	55
Used for share based payments	(270)	(156)
Treasury shares at 31 December	2,975	813
Outstanding shares net of Treasury shares:		
Outstanding shares net of Treasury shares 1 January	56,837	56,736
Movement, treasury shares	(2,162)	101
Outstanding shares net of Treasury shares at 31 December	54,675	56,837

5.2 Earnings per share

Earnings per share from continuing activities decreased to DKK 12.4 in 2025 (2024: DKK 13.9). Earnings per share from discontinued activities equalled DKK (12.3) in 2025 (2024: DKK 4.0).

The number of dilutive shares from share-based payment (see note 6.1) is determined as the number of shares that are expected to vest under share-based payments to employees, reduced by the numbers of shares that represents the fair value of service during the remaining vesting period.

Earnings per share from continuing and discontinued activities

DKKm	2025	2024*
Profit for the year, continuing activities	714	801
Minority interests	(8)	(12)
FLSmidth's share of profit, continuing activities	706	789
Profit/(loss) for the year, discontinued activities	(706)	229
FLSmidth's share of profit/(loss), discontinued activities	(706)	229
FLSmidth's share of profit	0	1,018
Number of shares (1,000)	2025	2024
Issued shares 1 January	57,650	57,650
Treasury shares, weighted	1,382	824
Average number of outstanding shares	56,268	56,826
Dilutive effect of share based payment	333	508
Average diluted number of outstanding shares	56,601	57,334
DKK per share	2025	2024*
Earnings per share from continuing activities	12.4	13.9
Earnings per share from discontinued activities	(12.3)	4.0
Earnings per share from continuing and discontinued activities	0.1	17.9
Diluted earnings per share from continuing activities	12.3	13.7
Diluted earnings per share from discontinued activities	(12.3)	4.0
Diluted earnings per share from continuing and discontinued activities	0.0	17.7

* The comparative information has been restated to reflect the continuing activities. More information can be found in note 7.2.

5.3 Financial risks

International operations and the nature of our industry inherently involve several risks. FLSmidth is exposed to financial risks that could materially affect its consolidated financial statements.

To the extent possible, these financial risks are managed centrally and governed by the Treasury Policy, which is approved by the Board of Directors. The policy is reviewed and updated annually to reflect changes in FLSmidth's risk profile.

The primary financial risks to which the Group is exposed include interest rate risk, currency risk, credit risk and liquidity risk.

Interest rate risk

Interest rate risks arise from interest-bearing assets and liabilities. Interest-bearing items consist primarily of cash and cash equivalents, bank loans and mortgage debt.

Interest rate risk is, when it exceeds policy thresholds, managed using derivatives such as interest rate swaps. No interest rate derivatives have been used in 2025 or 2024.

As of 31 December 2025, most of interest-bearing debt is carrying a floating rate.

All other things being equal, a 1%-point increase in the interest rate will increase interest cost by DKK 20m (2024: DKK 8m), calculated as 1% of the net interest-bearing debt as of 31 December 2025. The sensitivity to changes in the interest rate has increased in 2025 due to the increase in net debt.

Currency risk

Currency fluctuations expose FLSmidth to transactions risk from purchase and sales activities, and to translation risk when net investment in subsidiaries is translated into other comprehensive income.

The objective of the Treasury Policy is to manage material currency risks to improve visibility on income statement and cash flow impacts, and to protect the EBITDA of individual entities from adverse exchange rate changes. Consequently, FLSmidth operates an active risk policy for transaction risks focusing on hedging material risks. Translation risks are generally unhedged.

Transaction risks are managed using netting opportunities and derivatives such as forward contracts. Hedge accounting is applied for the largest project transactions.

We are primarily carrying out transactions in EUR and USD as these currencies are preferred in the mining industry. EUR against DKK is currently not considered an exposure due to the Danish Kroner being pegged to the Euro.

5.3 Financial risks – continued

The table 'Transaction impact' is a sensitivity analysis showing the gain/loss on EBITA of a 5% percent appreciation of the largest currency exposure towards DKK (a 5% decrease will have similar opposite effect). The analysis assumes that all other variables, exposures and interest rates, remain constant. The analysis includes the offsetting impact from monetary items and derivatives used to hedge the currency risk.

Transaction impact

DKKm	Change	2025	2024*
		EBITA	EBITA
Currency			
USD	5.0%	54	51
CLP	5.0%	33	32
ZAR	5.0%	14	17
AUD	5.0%	13	16
CAD	5.0%	10	4
BRL	5.0%	7	12

* The comparative information has been restated to reflect the continuing activities. More information can be found in note 7.2.

In the event of currency developments, we will also be impacted by currency translation effects from the FLSmidth Group entities with net assets in functional currencies other than Danish Kroner and Euro. In 2025 translation effects of DKK -830m (2024: DKK 113m) have been recognised in Other comprehensive income.

A 5% appreciation on the currencies with largest exposure towards Danish Kroner will have the following effect on Other comprehensive income (a 5% depreciation will have a similar negative effect).

Translation impact

DKKm	Change	2025	2024*
USD	5.0%	293	378
AUD	5.0%	83	82
CLP	5.0%	71	57
CAD	5.0%	56	54
ZAR	5.0%	39	34
GBP	5.0%	19	20

* The comparative information has been restated to reflect the continuing activities. More information can be found in note 7.2.

Credit risk

We are exposed to credit risks arising from cash and cash equivalents, derivatives and receivables including work in progress.

Total exposure to credit risk

DKKm	2025	2024
Non-financial counterparties:		
Trade receivables, note 3.3	3,102	4,073
Work in progress, assets, note 3.4	1,873	3,009
Other receivables, note 3.5	873	890
of which derivatives	(29)	(53)
Other securities and investments	60	56
Total non-financial counterparties	5,879	7,975
Financial counterparties:		
Derivatives, netted amount	19	37
Cash and cash equivalents	594	1,070
Total financial counterparties	613	1,107
Total exposure to credit risk	6,492	9,082

At 31 December 2025, total credit risk was DKK 6,492m (2024: DKK 9,082m) as shown in the table below. The credit risk is governed by FLSmidth's Credit Risk Policy.

For receivables the credit risk is managed by continuous risk assessments and credit evaluations of customers and trading partners under considerations of country specific risk factors. To the extent possible, the credit risks are mitigated through use of payment securities, such as letters of credit and guarantees issued by first class rated banks, or by securing positive cash flow throughout the execution under customer contract. At the end of 2025 0% (2024: 3%) of our work in progress asset and 2% (2024: 4%) of our trade receivables balance were covered by payment securities.

The Treasury Policy sets forth authority limits for the credit risk exposure related to cash and cash equivalents as well as derivatives. The limits are based on the counterparty credit rating.

We have entered into netting agreements with the counterparties used for trading of derivatives, which means that the credit risk for derivatives is limited to the net assets per counterparty.

We aim at using banks of high quality in the countries we operate in. However, due to the nature of our business and operations in emerging markets, we are sometimes exposed to banks where the credit rating and quality can be lower than what we typically see in developed countries.

We consider the maximum credit risk to financial counterparties to be DKK 613m (2024: DKK 1,107m).

5.3 Financial risks – continued

Liquidity risk

The Treasury Policy includes requirements for FLSmidth's financial reserve to ensure that the Group always has sufficient and flexible financial resources available to ensure continuous operations and to honour liabilities when they become due.

The financial reserve must exceed DKK 2,000m and is defined as unrestricted cash together with undrawn committed facilities less the impact from supply chain financing programme.

Committed facilities consists of a revolving credit facility and a term loan with a group of international banks. The weighted average maturity of these loans is 4.6 years at the end of 2025 (2024: 2.4) and no facilities mature before 2029.

The committed facilities contain standard clauses such as pari passu, negative pledge and change of control provisions, as well as a financial covenant (NIBD/adjusted EBITDA), tested quarterly. As at 31 December 2025, the FLSmidth's leverage ratio showed ample headroom to the covenant threshold.

By the end of 2025, total committed credit facilities were DKK 6,125m (2024: DKK 6,324m) of which DKK 3,917m (2024: DKK 4,801m) was unutilised. Together with non-restricted cash less impact from supply chain finance, the financial reserve amounts to DKK 3,985m and shows comfortable headroom to the DKK 2,000m threshold.

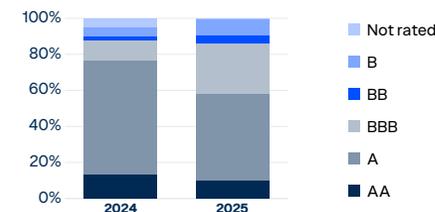
Short-term liquidity is managed through international cash-pools and by having overdraft facilities in place with various financial institutions.

Restricted cash

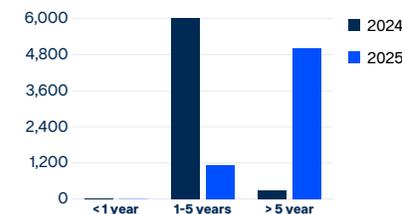
Restricted cash is bank balances in countries with currency restrictions or other restrictions preventing the funds to be readily available for the wider group. The definition of restricted cash is unchanged from last year.

Restricted cash amounted to DKK 409m (2024: DKK 517m). Continued focus on repatriation during 2025 has reduced restricted cash.

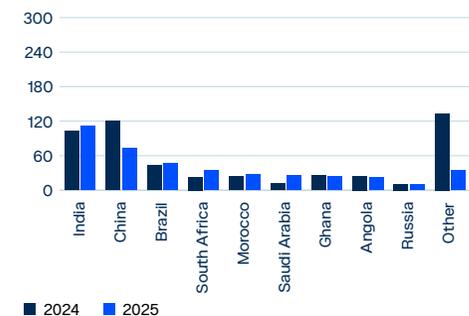
Credit risk ratings per financial institution
%



Maturity profile of Group funding facilities
DKKm



Group restricted cash
DKKm



5.4 Financial income and costs

Net financial costs

DKKm	2025	2024*
Interest income	26	35
Fair value adjustment of derivatives	171	299
Foreign exchange gains	812	433
Fair value adjustment of shares	2	3
Total financial income	1,011	770
Interest cost	(109)	(132)
Loss from associates	0	(43)
Lease interest cost	(8)	(8)
Fair value adjustment of derivatives	(315)	(213)
Foreign exchange losses	(662)	(588)
Fair value adjustment of shares	0	(4)
Total financial costs	(1,094)	(988)
Net financial costs	(83)	(218)

* The comparative information has been restated to reflect the continuing activities. More information can be found in note 7.2.

Cash flow effect from financial income and costs

DKKm	2025	2024*
Interest received	30	35
Interest paid	(143)	(164)
Cash flow effect	(113)	(129)

On a net basis, foreign exchange adjustments, including the impact from economic hedges, amounted to a gain of DKK 6m (2024: loss of DKK 69m) primarily related to hedging of the loan portfolio and exposures in the non-hedgeable emerging market currencies, as well as timing differences between cash flows and hedges.

The net interest cost totalled DKK 83m (2024: DKK 218m) related to loans and deposits.

Fair value adjustment of shares of net DKK 2m (2024: DKK -1m) relates to shareholdings in minor shareholdings also described in note 5.6.

Further information on income/loss from associates can be found in note 2.6.

§ Accounting policy

Financial income and costs comprise interest income and costs, realised and unrealised foreign exchange gains and losses arising from monetary items, income/loss from associates accounted for at equity method and fair value adjustments of shares and derivatives where hedge accounting is not applied.

5.5 Derivatives

FLSmidth's derivatives are entered into to the hedge currency risk and accounted for as hedge accounting or economic hedges.

We use derivatives to hedge currency risks arising from monetary items recognised in the balance sheet. Fair value adjustments recognised in financial items in the income statement amounted to a net loss of DKK 144m (2024: net gain of DKK 86m).

Economic hedge

At 31 December 2025 the fair value of our hedge agreements that are not recognised as hedge accounting amounted to DKK -19m (2024: DKK 25m). The breakdown of the economic hedges by most important currencies for each of the years 2025 and 2024 is shown in the table below.

Carrying amount, net fair value

DKKm	2025			2024		
	Economic hedge	Cash flow hedge	Total hedge	Economic hedge	Cash flow hedge	Total hedge
Financial instruments asset	21	8	29	49	4	53
Financial instruments liability	(40)	(2)	(42)	(24)	(9)	(33)
Total	(19)	6	(13)	25	(5)	20

Economic Hedge

DKKm	2025		2024	
	Notional amount	Net fair value	Notional amount	Net fair value
Currency				
AUD	(286)	(5)	AUD (381)	19
USD	915	(26)	USD 1,200	11
CAD	183	2	CAD 74	(8)
GBP	480	6	GBP 495	2
MXN	70	1	MXN 200	3
Other		3	Other	(2)
Total		(19)	Total	25

A negative notional amount represents a sale of the currency.

5.5 Derivatives – continued

Cash flow hedge

We use forward exchange contracts to hedge currency risks regarding expected future cash flows that meet the criteria for cash flow hedging.

The fair value reserve of the derivatives is recognised in other comprehensive income until the hedged items affect the income statement through work in progress. The fair value of derivatives is recognised in other receivables and other liabilities. Most of the cash flow hedge instruments are expected to settle and affect the income statement within one year.

Ineffectiveness is recognised in the income statement within financial items. Ineffectiveness was immaterial in 2025 and 2024.

At 31 December 2025, the fair value of our cash flow hedge instruments amounted to DKK 6m (2024: DKK -5m). The breakdown of the cashflow hedges by most important currencies for each of the years 2025 and 2024 is shown in the table below.

Changes in the cash flow hedging reserve

DKKm	2025	2024
Change in cash flow hedge reserve	(6)	(11)
Reclassified from other comprehensive income to work in progress	(4)	15

Cash flow hedge

DKKm	2025		2024	
	Notional amount	Net fair value	Notional amount	Net fair value
Currency				
AUD	18	0	AUD (133)	1
USD	(79)	5	USD 53	(6)
ZAR	(15)	1		
Total		6	Total	(5)

A negative notional amount represents a sale of the currency.

§ Accounting policy

Derivatives are initially recognised in the balance sheet at fair value and subsequently remeasured at fair value. Fair value of derivatives is included in other receivables or other liabilities respectively.

Fair value changes of derivatives that are accounted for as cash flow hedging instruments are recognised in other comprehensive income. Any ineffective portions of the cash flow hedges are recognised in the income statement within financial item. When the hedged cash flows materialise, the fair value of the hedging instrument is transferred from other comprehensive income into the line item of the hedged item.

Any changes in the fair value of derivatives not used for hedge accounting are recognised in the income statement within financial items.

Certain contracts contain conditions that correspond to derivatives. In case the embedded derivatives deviate significantly from the overall contract, they are recognised and measured as separate instruments at fair value. That is unless the contract concerned as a whole is recognised and measured at fair value.

5.6 Fair value measurement

Financial instruments measured at fair value on a recurring basis and with changes to fair value recognised in the Income statement are Securities and investments and Derivatives (included within Other receivables and Other liabilities), see note 5.8.

Securities and investments consist of a fund investment in Chrysalix, a venture capital firm that specialises in transformational industrial innovation, and investments in cement companies.

The fair value of investments is determined using a valuation technique that is in level 3 of the fair value hierarchy (primarily based on non-observable input) as there were no quoted investments by the end of 2025. The fair value is based on available data which include valuation based on multiple of earnings or equity from the latest available financial statements.

The derivatives are used for hedging of foreign currency exposure and are forward exchange contracts not traded in an active market. The fair value of derivatives is determined using a valuation technique that is in level 2 of the fair value hierarchy (primarily based on observable prices or traded prices for comparable instruments). The observable market data used in the valuation include exchange rates, interest rates, credit risk and volatility.

5.7 Net interest bearing debt

DKKkM	2025						
	Carrying amount 1 January 2025	Foreign exchange adjustments	Cash flows	Disposal of enterprises	Additional lease liability during the year	Transferred to assets held for sale at 30 June	Carrying amount 31 December 2025
Lease liabilities	218	(15)	(93)	0	231	(91)	250
Bank loans and mortgage debt, committed	1,509	10	689	0	0	0	2,208
Bank loans and mortgage debt, uncommitted	46	(11)	78	0	0	0	113
Other liability	200	(6)	(75)	0	0	0	119
Interest bearing debt	1,973	(22)	599	0	231	(91)	2,690
Cash and cash equivalents	1,070	(56)	(420)	0	0	0	594
Other receivables	56	19	7	0	0	0	82
Interest bearing assets	1,126	(37)	(413)	0	0	0	676
Net interest bearing debt / (assets)	847	15	1,012	0	231	(91)	2,014

DKKkM	2024						
	Carrying amount 1 January 2024	Foreign exchange adjustments	Cash flows	Disposal of enterprises	Additional lease liability during the year	Transferred to assets held for sale at 30 June	Carrying amount 31 December 2024
Lease liabilities	233	3	(93)	(55)	130	-	218
Bank loans and mortgage debt, committed	1,633	1	(125)	0	0	-	1,509
Bank loans and mortgage debt, uncommitted	54	0	(8)	0	0	-	46
Other liability	175	(19)	44	0	0	-	200
Interest bearing debt	2,095	(15)	(182)	(55)	130	-	1,973
Cash and cash equivalents	1,352	(1)	(281)	0	0	-	1,070
Other receivables	104	(29)	(19)	0	0	-	56
Interest bearing assets	1,456	(30)	(300)	0	0	-	1,126
Net interest bearing debt / (assets)	639	15	118	(55)	130	-	847

5.8 Financial assets and liabilities

§ Accounting policy

Financial assets are classified based on the contractual cash flow characteristics of the financial asset as well as our intention with the financial asset according to our business model.

If cash flows from a financial asset are solely payments of principal and interests the classification is either:

- Amortised cost, for financial assets, where the objective is to hold the financial asset to collect the contractual cash flows.
- Fair value through profit/loss, for other financial assets

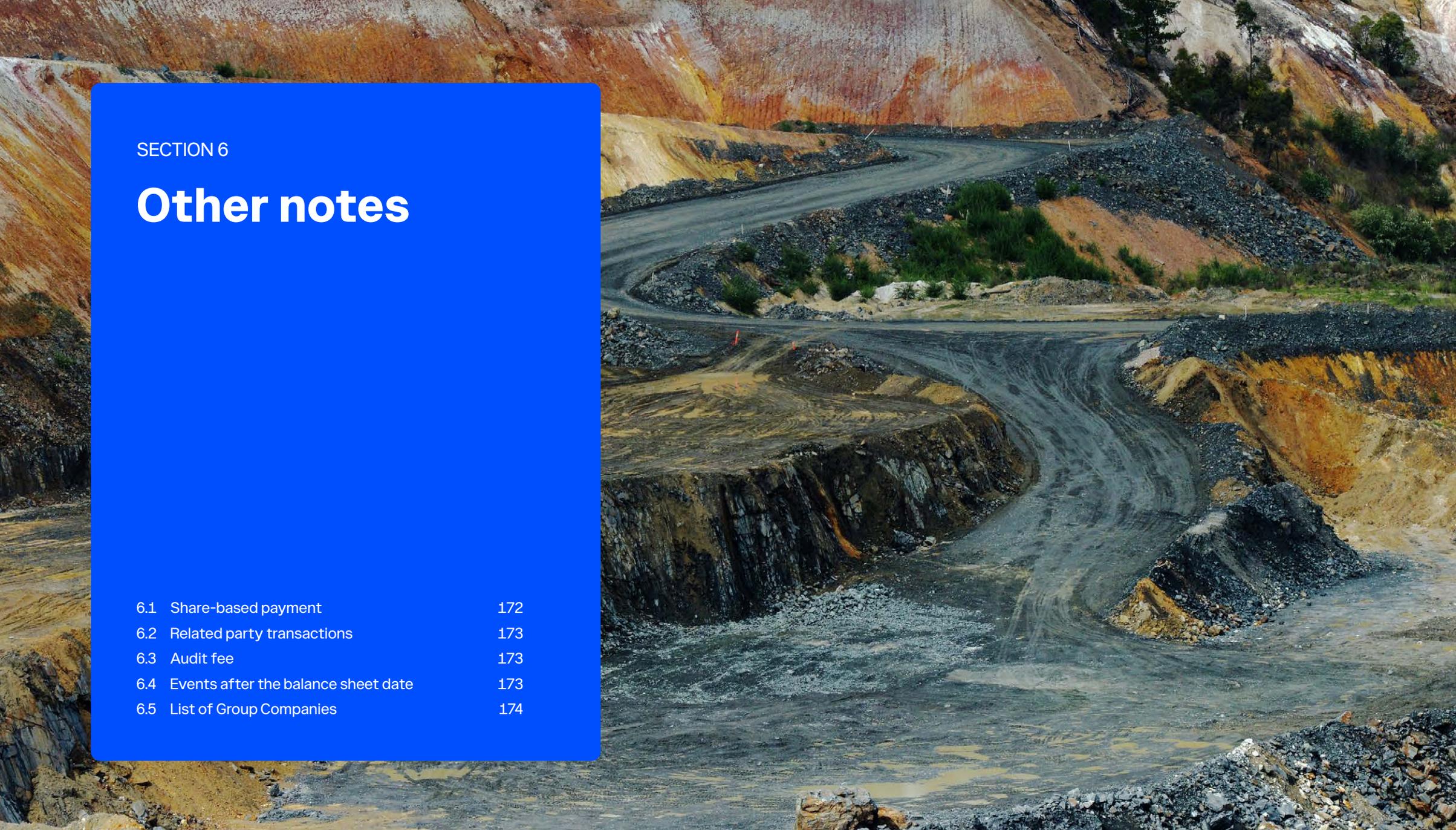
Hedging instruments designated as hedge accounting are classified separately and are measured at fair value.

Based on this, all financial assets and liabilities, except for hedging instruments, securities and investments, are measured at amortised cost.

The table on the next page shows the fair value of all financial instruments and compares it to the carrying amount. For the mortgage debt, the fair value is determined as the quoted price of the underlying mortgage bonds funding the debt. The carrying amount for the other items is a reasonable approximation of fair value.

5.8 Financial assets and liabilities – continued

DKKm	2025						2024					
	Maturity of cash flows			Total cash flows	Fair value	Carrying amount	Maturity of cash flows			Total cash flows	Fair value	Carrying amount
	< 1 year	1-5 years	> 5 year				< 1 year	1-5 years	> 5 year			
Hedging instruments (hedge accounting)	8	0	0	8	8	8	4	0	0	4	4	4
Hedging instruments (economic hedging)	21	0	0	21	21	21	49	0	0	49	49	49
Securities and investments	0	0	60	60	60	60	0	0	56	56	56	56
Fair value through profit and loss	21	0	60	81	81	81	49	0	56	105	105	105
Trade receivables	3,102	0	0	3,102	3,102	3,102	4,073	0	0	4,073	4,073	4,073
Work in progress	1,873	0	0	1,873	1,873	1,873	3,009	0	0	3,009	3,009	3,009
Other receivables	402	0	0	402	402	402	337	0	0	337	337	337
Cash and cash equivalents	594	0	0	594	594	594	1,070	0	0	1,070	1,070	1,070
Amortised cost	5,971	0	0	5,971	5,971	5,971	8,489	0	0	8,489	8,489	8,489
Total financial assets	6,000	0	60	6,060	6,060	6,060	8,542	0	56	8,598	8,598	8,598
Liabilities	2025						2024					
DKKm	Maturity of cash flows			Total cash flows	Fair value	Carrying amount	Maturity of cash flows			Total cash flows	Fair value	Carrying amount
	< 1 year	1-5 years	> 5 year				< 1 year	1-5 years	> 5 year			
Hedging instruments (hedge accounting)	(2)	0	0	(2)	(2)	(2)	(9)	0	0	(9)	(9)	(9)
Hedging instruments (economic hedging)	(40)	0	0	(40)	(40)	(40)	(24)	0	0	(24)	(24)	(24)
Fair value through profit and loss	(40)	0	0	(40)	(40)	(40)	(24)	0	0	(24)	(24)	(24)
Lease liabilities	(71)	(138)	(51)	(260)	(250)	(250)	(93)	(149)	(1)	(243)	(218)	(218)
Mortgage debt	-	-	-	-	-	-	(19)	(77)	(150)	(246)	(204)	(204)
Bank debt	(175)	(1,289)	(1,083)	(2,547)	(2,321)	(2,321)	(102)	(1,297)	(142)	(1,541)	(1,351)	(1,351)
Trade payables	(2,585)	0	0	(2,585)	(2,585)	(2,585)	(3,538)	0	0	(3,538)	(3,538)	(3,538)
Other liabilities	(1,516)	(35)	0	(1,551)	(1,551)	(1,551)	(1,722)	(49)	0	(1,771)	(1,771)	(1,771)
Amortised cost	(4,347)	(1,462)	(1,134)	(6,943)	(6,707)	(6,707)	(5,474)	(1,572)	(293)	(7,339)	(7,082)	(7,082)
Total financial liabilities	(4,389)	(1,462)	(1,134)	(6,985)	(6,749)	(6,749)	(5,507)	(1,572)	(293)	(7,372)	(7,115)	(7,115)



SECTION 6

Other notes

6.1	Share-based payment	172
6.2	Related party transactions	173
6.3	Audit fee	173
6.4	Events after the balance sheet date	173
6.5	List of Group Companies	174

6.1 Share-based payment

Share-based payment programmes outstanding at the end of 2025 consist of the performance share programme (the recurring long-term incentive programme) and restricted share programmes that were granted in 2023 and 2025.

Performance shares

The performance shares units (PSU) are based on a three year performance period and the performance measurement is based on key financial performance indicators as well as continued employment. For the outstanding programmes the key performance indicators are Order Intake, EBITA margin, total shareholder return (TSR) and sustainability indicators (MZ).

Under the programmes, the number of PSUs (shares) that will eventually vest depends on the level of achievement of the key performance indicators. The purpose of the performance share programme is to ensure common goals for Executive Leadership Team, key employees and shareholders.

The value of the PSUs at grant date is measured at fair value (market price) of the shares adjusted for the expected performance under the TSR KPI.

The programme granted in March 2022 expired during 2025 with a payout of 199,333 shares (total fair value of DKK 78m). For the 2025 plan, a maximum of 173,480

shares were granted with 62,929 shares (2024: 72,353 shares on the 2024 plan) to Executive Leadership Team at grant date. The fair value at grant date was DKK 43m.

The total number of outstanding performance shares at the end of 2025 was 508,559 (2024: 669,731) of which 421,161 are expected to vest (2024: 618,255). This includes the expected vesting of 185,084 performance shares in 2026 under the programme granted in March 2023.

Restricted shares

To realise FLSmidth's transformation journey selected key employees were granted a three-year share programme in 2023, see table below. The programme will vest in two tranches, with 1/3 vesting in 2025 and the remaining shares in 2026, and is subject to the participants being actively employed.

In 2025 33,553 restricted shares have vested, with the expectation that a further 48,813 will vest in 2026. This is lower than expected due to the stepping down and consequent forfeit of any future grants, by the former CEO.

Conditional grant	March-25	March-24	March-23
Performance period	Jan 2025 - Dec 2027	Jan 2024 - Dec 2026	Jan 2023 - Dec 2025
Vesting period	Mar 2025 - Feb 2028	Mar 2024 - Feb 2027	Mar 2023 - Feb 2026
Vesting conditions, other than service conditions	OI, EBITA, TSR, MZ	EBITA, TSR, MZ	EBITA, TSR, MZ

Share price at grant date and share-based payments measured at fair value

DKK/DKKm	2025	2024
Share price at grant date	374.92	324.04
Market price per share, end of year	445.00	356.00
Total fair value of performance shares expected to vest at the end of the vesting period, end of year	187	220

Outstanding performance shares

DKKm	2025			2024		
	Executive Leadership Team	Key employees	Total number	Executive Leadership Team	Key employees	Total number
Outstanding performance shares 1 January	164,360	505,371	669,731	161,436	493,647	655,083
Awards 2025	62,929	131,911	194,840	72,353	213,822	286,175
Vested	(54,020)	(145,313)	(199,333)	(27,935)	(121,182)	(149,117)
Lapsed/forfeited	(85,604)	(71,075)	(156,679)	(14,985)	(107,425)	(122,410)
Change in positions	(10,647)	10,647	0	(26,509)	26,509	0
Outstanding performance shares 31 December	77,018	431,541	508,559	164,360	505,371	669,731
Expected to vest	63,782	357,379	421,161	152,571	465,684	618,255

6.1 Share-based payment – continued

To further realise FLSmidth's continuing transformational journey over the next three years a share-based long term incentive programme (Restricted Share Units – RSUs) was granted in 2025 to selected management positions, including the former CEO and the CFO. The programme will vest in 2028.

§ Accounting policy

The performance share and the restricted share programmes are classified as equity based, as the schemes settle in shares.

The value of the services received in exchange for the granting of performance share units (PSUs) and restricted share units (RSUs), is measured as the fair value of the share units at grant date. The fair value of the PSUs and RSUs is determined based on the quoted share price and for the PSUs adjusted for the expected

performance under the TSR KPI, both determined at grant date.

The fair value is not adjusted for dividend as participants of the programme are compensated for dividend pay-outs during the performance period.

The fair value is recognised in staff cost in the income statement and in equity over the vesting period which is three years.

On initial recognition of the PSUs, the number of PSUs expected to vest are estimated. Subsequently, the estimate is revised so that the total cost recognised is based on the actual number of PSUs expected to vest, however, keeping the expectations related to the TSR KPI unchanged compared to grant date.

Restricted shares	2025		2024	
Conditional grant		March-23 March-25		March-23 -
Performance and vesting period		Mar 2023-Mar 2026 Mar 2025-Mar 2028		Mar 2023-Mar 2026 -
Vesting conditions, other than service conditions		None		None
Fair value, end of year (DKKm)		36		33

Outstanding restricted shares	2025			2024		
	Executive Leadership Team	Key employees	Total number	Executive Leadership Team	Key employees	Total number
DKKm						
Outstanding restricted shares 1 January	36,546	55,545	92,091	45,912	57,458	103,370
Awards	18,906	25,404	44,310	0	0	0
Vested	(11,268)	(22,255)	(33,523)	0	0	0
Forfeited	(21,498)	(190)	(21,688)	(238)	(11,041)	(11,279)
Change in positions	(3,423)	3,423	0	(9,128)	9,128	0
Outstanding restricted shares 31 December	19,263	61,927	81,190	36,546	55,545	92,091
Expected to vest			81,190			92,091

6.2 Related party transactions

Related parties to FLSmidth are determined as members of the Board of Directors and Executive Leadership Team, their close family members, or companies in which these persons have significant influence and the associated entities over which FLSmidth has significant influence.

During 2025, FLSmidth had ordinary sales transactions of DKK 9m (2024: DKK 12m) with its associate Intertek Robotic Laboratories Pty Ltd. Other than that, there were no significant transactions between FLSmidth and any of its related parties, other than ordinary remuneration of the Board of Directors and Executive Leadership Team in 2024 and 2025. Refer to note 1.5 Staff cost and the Remuneration report 2025.

6.3 Audit fee

Fees to independent auditor

DKKm	2025	2024
Statutory audit	19	21
Other assurance engagement	1	2
Total audit related services	20	23
Tax and indirect taxes consultancy	0	0
Other services	1	0
Total non-audit services	1	0
Total fees to independent auditor	21	23

In addition to statutory audit, EY Godkendt Revisionspartnerselskab, the FLSmidth Group auditors appointed at the Annual General Meeting, provided other assurance engagements, primarily consisting of limited assurance on the Sustainability statement and reasonable assurance on the Remuneration Report for FLSmidth & Co. A/S. Other services for 2025 primarily relates to cyber security advisory. All non-audit services have been approved by the Audit Committee.

6.4 Events after the balance sheet date

We are not aware of any subsequent matters, that could be of material importance to FLSmidth's financial position.

6.5 List of Group Companies

The Group structure has been reorganised to represent the ongoing business activities following the divestment of the Cement business. An exception to this revised Group structure is Matr. nr. 2055 A/S. This entity is recognised as an asset held for sale as it includes the previous headquarter located in Valby. Further information regarding this classification can be found in note 2.13 Assets & liabilities held for sale.

Company name	Country	Direct Group holding (pct.)	Company name	Country	Direct Group holding (pct.)
FLSmidth & Co. A/S	Denmark		○ FLSmidth Argentina S.A. (in Members voluntary liquidation)	Argentina	100
○ FLSmidth S.A.C.	Peru	100	○ PT FLSmidth Indonesia	Indonesia	100
○ FLSmidth Mining Technology (Beijing) Co. Ltd.	China	100	○ FLSmidth GmbH	Austria	100
○ FLSmidth Finans A/S	Denmark	100	○ FLSmidth Co. Ltd.	Vietnam	100
○ Matr. nr. 2055 A/S****	Denmark	100	○ FLSmidth LLP	Kazakhstan	100
○ SLF Romer XV ApS	Denmark	100	△ TOO FLSmidth Plant Construction Kazakhstan	Kazakhstan	100
□ Gemena Sp. Z.o.o.	Poland	100	△ TOO FLSmidth Plant Engineering Kazakhstan	Kazakhstan	100
FLSmidth A/S	Denmark	100	○ FLSmidth Shanghai Ltd.	China	100
○ FLS Maroc	Morocco	100	○ FLSmidth Qingdao Ltd.	China	100
○ FLSmidth Kenya Limited	Kenya	100	○ Saudi FLSmidth Co.	Kingdom of Saudi Arabia	100
○ FLSmidth Panama Inc.	Panama	100	○ FLSmidth Nepal Private Limited	Nepal	100
○ FLSmidth Paraguay S.A.	Paraguay	100	○ FLSmidth SAS	France	100
○ Cement Knowledge Center	Kingdom of Saudi Arabia	51	○ FLSmidth Rusland Holding A/S	Denmark	100
○ FLSmidth S.A.	Spain	100	△ FLSmidth Rus OOO **	Russia	100
△ FLSmidth S.A.S. EN LIQUIDACION	Colombia	100	○ FLSmidth Industrial Solutions Ltda.	Brazil	100
○ FLSmidth Mongolia	Mongolia	100	○ FLSmidth Industrial Solutions Makine Sanayi Ve Ticaret A.Ş.	Turkey	100
○ FLSmidth (UK) Limited	United Kingdom	100	○ FLSmidth Services Foreign Enterprise LLC	Uzbekistan	100
○ FLSmidth Caucasus Limited Liability Company (LLC) (in Members voluntary liquidation)	Armenia	100	○ FLSmidth Support Services (Philippines) Inc.	Philippines	100
○ NHI-Fuller (Shenyang) Mining Co. Ltd.	China	50	○ FLS Global Business Centre Romania S.R.L.	Romania	100
○ FLS GHANA LTD	Ghana	100	○ NL Supervision Company Tunisia	Tunisia	100
			○ NLSupervision Company Angola (SU) LDA.	Angola	100

6.5 List of Group Companies – continued

Company name	Country	Direct Group holding (pct.)	Company name	Country	Direct Group holding (pct.)
FLS US Holdings, Inc.	USA	100	FLSmidth Minerals Holding ApS	Denmark	100
○ FLSmidth Inc.	USA	100	○ FLSmidth Private Limited	India	100
○ Phillips Kiln Services (India) Pvt. Ltd.*	India	50	○ FLSmidth S.A.	Chile	100
○ Fuller Company	USA	100	○ FLSmidth Ltd.	Canada	100
○ FLSmidth Dorr-Oliver Elmco SLC Inc.	USA	100	○ FLSmidth S.A. de C.V.	Canada	100
○ FLSmidth Dorr-Oliver Inc.	USA	100	○ FLSmidth (Pty.) Ltd.	Mexico	100
○ FLSmidth Dorr-Oliver International Inc.	USA	100	○ FLSmidth (Pty.) Ltd.	South Africa	100
○ B & R Warehousing, L.L.C.	USA	100	○ FLSMIDTH-SOCIEDADE UNIPessoal, LDA	Angola	100
			○ FLSmidth Mozambique Limitada	Mozambique	100
FLSmidth Germany GmbH ***	Germany	100	○ FLSmidth (Pty) Ltd.	Botswana	85
○ FLSmidth Wadgassen Ltd. **	Russia	100	○ FLSmidth South Africa (Pty.) Ltd.	South Africa	74
○ thyssenkrupp Industrial Solutions Maroc SARL (in Members voluntary liquidation)	Morocco	100	○ Scott Specialized Rubber and Engineering Company (Pty) Ltd	South Africa	100
○ FLSmidth Cement (Beijing) Ltd.	China	100	○ FLSmidth Industrial Solutions Africa (Pty) Ltd.	South Africa	100
○ KH Mineral S.A.S. (in liquidation)	France	100	○ FLSmidth Industrial Solutions South Africa (Pty) Ltd.	South Africa	100
○ OOO FLSmidth Mining Technologies (RUS) **	Russia	100	○ FLSmidth Industrial Solutions Mozambique Limitada	Mozambique	100
○ FLSmidth Mining Technologies (Thailand) Ltd. (in Members voluntary liquidation)	Thailand	100	○ FLSmidth Pty. Ltd.	Australia	100
			○ FLSmidth ABON Pty. Ltd. (under Members voluntary liquidation)	Australia	100
			○ Intertek Robotic Laboratories Pty Ltd *	Australia	50
			○ FLSmidth Industrial Solutions (Australia) Pty. Ltd	Australia	100

* Associate

** There are no activities in the Russian companies

*** FLSmidth Germany GmbH makes use of the exemption provisions according to section 264 (3) of the German Commercial Code (HGB)

**** The entity is classified as assets held for sale (ref. note 2.13).

All other enterprises are Group enterprises. The activity level in Group companies in hyperinflation countries is insignificant. Therefore, IAS29 Financial Reporting in Hyperinflationary Economies has not been used.

SECTION 7

Basis of reporting

7.1	Introduction	177
7.2	Discontinued activities and key figures	177
7.3	Segment information	177
7.4	Basis of preparation	177
7.5	Defining materiality	177
7.6	Alternative Performance Measures	178
7.7	Material Accounting policies	178
7.8	Impact from new IFRS Accounting Standards	178
7.9	New IFRS Accounting Standards not yet adopted	179
7.10	Definition of terms	180

7.1 Introduction

This section provides an overview of our principal accounting policies and judgements as well as new and amended IFRS standards and interpretations.

The following sections provide an overall description of the accounting policies applied to the consolidated financial statements. We provide a more detailed description of the accounting policies and key estimates and judgements in the relevant notes. An overview of key accounting estimates and judgements are provided in a separate section after the primary financial statements.

The descriptions of accounting policies in the statements and notes form part of the overall description of accounting policies.

The annual report has been approved by the Board of Directors at its meeting 18 February 2026. The annual report will be presented to the shareholders of FLSmidth & Co. A/S for approval at the Annual General Meeting on 24 March 2026.

7.2 Discontinued activities and key figures

During 2025 FLSmidth Cement, including the Air Pollution Control business, were classified as discontinued activities and assets held for sale. The divestments were completed during Q4 2025. Consequently, the result from discontinued activities, including any impairments, is presented in the income statement with restated comparative figures.

Assets and liabilities related to the discontinued activities were presented as held for sale as separate financial line items in the balance sheet from 30 June 2025. Balance sheet comparative figures are not restated.

The calculations of key figures, margins and ratios in this report are impacted by the classification described above. The figures, margins and ratios related to the income statement are based on continuing activities unless otherwise specifically stated in the text for each financial line item.

In the consolidated cash flow statement, cash flow from discontinued activities is included in the cash flow from operating, investing, and financing activities, combined with the cash flow from continuing activities.

For financial ratios where the numerator or denominator is derived from the income statement, as well as the capital employed ratio, figures relating to continuing activities only are used in both the current and comparative reporting periods.

Financial ratios that include equity, share ratios, and sustainability performance are comprising both continuing and discontinued operations.

7.3 Segment information

Following the sale of the Cement business, FLSmidth decided to revise its segmental reporting into the following segments: Service, Products, and Pumps, Cyclones & Valves (PC&V). Comparative figures have been restated. Additional information is available in note 1.2.

7.4 Basis of preparation

The consolidated financial statements of FLSmidth Group have been prepared in accordance with IFRS Accounting Standards® as adopted by the EU and further requirements in the Danish Financial Statements Act for listed companies in class D.

The consolidated financial statements have been prepared on a going concern basis and under the historical cost convention, except for derivatives and securities, which are measured at fair value. The accounting policies are unchanged from last year except for changes included in note 7.8.

As required under the Commission's Delegated Regulation (EU) 2019/815 (ESEF Regulation), FLSmidth & Co. A/S' annual report is filed in the European Single Electronic Format (ESEF). The consolidated financial statements and notes are tagged using inline eXtensible Business Reporting Language (iXBRL). FLSmidth Group's iXBRL tagging complies with the ESEF taxonomy included in the ESEF Regulation and developed based on the IFRS taxonomy published by the IFRS Foundation. Where a financial statement line item is not defined in the ESEF taxonomy, an extension to the taxonomy has been created, except for elements corresponding to subtotals. The annual report submitted to the Danish Financial Supervisory Authority consists of a zip-file (213800MXXDGQ3ITPXI41-2025-12-31-en.zip) that includes an XHTML file, that can be opened in standard web browsers and a number of technical XBRL files that make automated extracts of the incorporated XBRL data possible.

7.5 Defining materiality

The annual report is based on the concept of materiality, to ensure that the content is material and relevant to the readers. The consolidated financial statements consist of many transactions. These transactions are aggregated into classes according to their nature or function and presented in classes of similar items in the consolidated financial statements and in the notes as required by IFRS. If items are individually immaterial, they are aggregated with other items of a similar nature in the consolidated financial statements or in the notes.

The disclosure requirements throughout IFRS are substantial, and we provide the specific disclosures required by IFRS unless the information is considered immaterial to the economic decision making of the readers of these consolidated financial statements.

7.6 Alternative Performance Measures

We present financial measures which are not defined according to IFRS. We use these alternative performance measures (APM) as we believe that these financial measures provide valuable information to our stakeholders and management. The financial measures should not be considered as a replacement for performance measures as defined under IFRS, but rather as supplementary information.

The alternative performance measures may not be comparable to similarly titled measures presented by other companies, as the definitions and calculations may be different. Our definitions of the financial measures are included in note 7.10 Definition of terms.

We use several alternative performance measures throughout the report. The most commonly used are:

Growth

We use different alternative performance measures related to growth, such as order intake, order backlog and growth. We use these measures in the daily management of our business, as order intake and order backlog are part of the main indicators of our future activity level.

Profit

We use different alternative performance measures related to profit, such as EBIT, EBITA and EBITDA. EBITA is a measure which is commonly used within the industry and included in our calculation of return of capital employed (ROCE).

To reflect the underlying performance, we have in 2024 and 2025 additionally included adjusted EBITA and adjusted EBITA margin in the management report. In 2025 these adjustments relate to transformation and separation costs of DKK 244m (2024: DKK 191m) relating primarily to the pure play strategy.

Additionally, we consider operating income net income to represent recurring and non recurring items that are not part of FLSmidth's ordinary operating activities and therefore also include this in our adjusted EBITA. For 2025, other operating net income amounted to DKK 262m, where DKK 202m arises from gain on sales of land and buildings.

Cash flow

We use different alternative performance measures related to cash flow, such as free cash flow. We use free cash flow to measure how much cash we generate from our operations after maintaining our capital employed. Therefore, free cash flow is determined as cash flow from operating and investing activities.

Financial position

We use different alternative performance measures related to the financial position, such as capital employed, net working capital and net interest-bearing debt. Capital employed and net working capital are included in our calculation of return of capital employed. Net working capital is also a measure we use in the daily management of our business, as it is closely related to the activity.

7.7 Material Accounting policies

The descriptions of material accounting policies in the notes form part of the overall description of accounting policies.

Consolidation

The consolidated financial statements comprise the financial statements of FLSmidth & Co. A/S (the parent company) and subsidiaries controlled by FLSmidth & Co. A/S, prepared in accordance with Group accounting policies. The consolidated financial statements are prepared by combining items of a uniform nature and subsequently eliminating intercompany transactions, internal

shareholdings and balances and unrealised intercompany profits and losses.

Foreign currencies

The consolidated financial statements are presented in Danish Kroner (DKK) that is the functional currency of the parent company.

Foreign currency transactions are translated into the functional currency defined for each company using the prevailing exchange rates at the transaction date. Monetary items denominated in foreign currencies are translated into the functional currency at the prevailing exchange rates at the reporting date.

Financial statements of foreign subsidiaries are translated into Danish Kroner at the prevailing exchange rates at the reporting date for assets and liabilities, and at average exchange rates for income statement items.

All exchange rate differences are recognised as financial income or financial costs, except for the following, that are recognised in other comprehensive income, translated at the prevailing exchange rates at the reporting date:

- Translation of foreign subsidiaries' net assets at the beginning of the year
- Translation of foreign subsidiaries' income statements from average exchange rates to the exchange rates prevailing at the reporting date
- Translation of long-term intercompany balances, which are considered to form part of the net investment in subsidiaries

Goodwill arising from the acquisition of new companies is treated as an asset belonging to the new foreign subsidiaries and translated into Danish Kroner at prevailing exchange rates at the reporting date.

Unrealised gain/loss relating to hedging of future cash flow is recognised in other comprehensive income.

7.8 Impact from new IFRS Accounting Standards

We have implemented all changes to IFRS Accounting Standards as adopted by the EU and applicable for the 2025 financial year, including:

- Amendments to IAS 21, Lack of Exchangeability. The amendment adds provisions on how to assess whether a currency is exchangeable into another currency and, when it is not, how to estimate the exchange rate and disclosures to be provided (issued August 2023).

The implementation of the above amendments has not had and is not expected to have a significant impact on the consolidated financial statements.

7.9 New IFRS Accounting Standards not yet adopted

Generally, we expect to implement all new or amended accounting standards and interpretations when they become mandatory and have been endorsed by the EU. IASB has issued new or amended accounting standards, which become effective after 31 December 2025.

The following amendments are relevant for FLSmidth & Co. A/S. We are currently assessing the impact and foresee some changes to the presentation in the income and cash flow statements and to the disclosures in the notes to the financial statements but none of these are expected to have a significant impact on the consolidated financial statements:

New IFRS not yet updated

IFRS	Description	Effective date
Annual improvements, Volume 11	Include amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 (issued July 2024).	01-Jan-2026
Amendments to IFRS 9 and IFRS 7	The post-implementation review of the classification and measurement requirements in IFRS 9 led to limited amendments to what constitutes basic lending features (issued May 2024).	01-Jan-2026
Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity	Amendment to improve the accounting for contracts referencing nature-dependent electricity, including allowing to apply hedge accounting when such contracts are used as hedging instruments (issued December 2024).	01-Jan-2026
IFRS 18, Presentation and Disclosure in Financial Statements	The standard replaces IAS 1 and includes new structure and required subtotals in the income statement, disclosures on management-defined performance measures (MPMs) and enhanced guidance on grouping of information (aggregation and disaggregation) (issued April 2024).	01-Jan-2027

IFRS 18 – Presentation and disclosure in financial statements

IFRS 18 which is effective for accounting periods commencing on or after 1 January 2027, introduces changes to the structure and presentation of the statement of profit or loss, including the following. The standard requires retrospective application, meaning comparative information must be restated for the year preceding initial application.

- Mandatory classification of income and expenses into five categories (operating, investing, financing, income taxes, and discontinued activities)
- Two new required subtotals: operating profit and profit before financing and income tax

- A dedicated note for management defined performance measures (MPMs), including reconciliations to IFRS totals
- Enhanced guidance on aggregation and disaggregation of financial information, expanding the detail required in the notes

Expected impact on FLSmidth

FLSmidth's full impact assessment of IFRS 18 will be completed in due time before implementation in the report for Q1 2027.

Key effects are currently assessed to be:

- Starting point for the cash flow statement changing from EBITDA to operating profit (EBIT)

- Foreign exchange rate differences will be classified in the same category as the related income and expenses from the items, giving rise to the foreign exchange rate differences
- Reclassification of interest received to investing cash flows and interest paid to financing cash flows in the cash flow statement
- Taxes reported in the current income statement will be classified either under operating or income tax categories based on whether they are within the scope of IAS 12 or not
- Additional disclosures will be required relating to management defined performance measures

7.10 Definition of terms

Alternative performance measure

A financial measure of historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified according to IFRS.

Book-to-bill

Order intake as a percentage of reported revenue.

Book value per share (BVPS)

FLSmidth & Co. A/S' share of equity excluding minorities divided by year-end number of shares.

Capital employed, average

Capital employed is total of the opening and closing intangible assets, property, plant and equipment, lease assets plus net working capital divided by two.

Capital expenditure (CAPEX)

Investment in intangible assets as well as property, plant and equipment and leased assets. Excludes impact from purchase price of acquisitions.

CFFF

Cash flow from financing activities.

CFFI

Cash flow from investing activities.

CFFO

Cash flow from operating activities.

Dividend yield

Dividend as percent of share price end of year.

EBITA

Earnings before, interest, tax, amortisation and impairments of investments in associated companies.

Adjusted EBITA

Earnings before, interest, tax, amortisation and impairments of investments in associated companies adjusted for non recurring costs and income.

EBITA margin and adj. EBITA margin

EBITA as a percentage of revenue. Adjusted EBITA margin calculated as Adjusted EBITA as a percentage of revenue.

Effective tax rate (EBT)

Income tax expense as a percentage of earnings before tax.

Earnings per share (EPS)

Net profit/(loss) divided by the average number of shares outstanding (adjusted for treasury shares).

Earnings per share (EPS), diluted

Net profit/(loss) divided by the average number of shares outstanding (adjusted for treasury shares) less share options in-the-money.

Equity ratio

Equity as a percentage of total assets.

Free cash flow

Post tax cash flow from operating activities less cash flow from investing activities (CFFO + CFFI).

Market capitalisation

The share price multiplied by the number of shares issued end of year.

Net interest-bearing debt (NIBD)

Interest-bearing debt less interest-bearing assets and bank balances.

Net working capital, end

Net amount of current assets (inventories, trade receivables, work in progress assets, prepayments and other receivables) less trade payables, other current liabilities and work in progress liabilities. Tax balances are excluded.

Number of shares outstanding

The total number of shares, excluding FLSmidth's holding of treasury shares.

Order backlog

The value of outstanding performance obligations on current contracts at end of year.

Order backlog maturity

The expected timing of revenue recognition of the order backlog revenue.

Order intake

Orders are included as order intake when an order becomes effective, meaning when the contract becomes binding for both parties dependent on the specific conditions of the contract.

Organic growth

Organic development is measured at constant exchange rates and excludes the effects from acquisitions and disposals

Pay-out ratio

The total dividends for the year as a percentage of profit/(loss) for the year.

Return on equity

Profit/(loss) for the last 12 months' as a percentage of equity.

Return on capital employed (ROCE)

EBITA as a percentage of capital employed, average.

Treasury shares

Issued share capital held by the company.

Total shareholder return

Share price increase and paid dividend.

Parent company financial statements

Primary statements

Management's review
Income statement
Balance sheet
Equity statement

182
183
184
185

Notes

1 Staff costs
2 Other operating income
3 Financial income
4 Financial costs
5 Tax for the year
6 Distribution of profit for the year
7 Property, plant and equipment
8 Financial non-current assets
9 Deferred tax assets and liabilities
10 Other receivables
11 Derivatives

186
186
186
186
186
186
187
188
189
189
189

12 Provisions
13 Other liabilities
14 Maturity profile of current and
non-current liabilities
15 Audit fee
16 Contractual and contingent liabilities
17 Related party transactions
18 Shareholders
19 Events after the balance sheet date
20 Accounting policies

189
189
189
189
190
190
190
190
190
191

Management's review

FLSmidth & Co. A/S' activities include holding of shares in group enterprises and undertaking the Group's Treasury activities. Regarding the holding of treasury shares reference is made to section 5.1 in the consolidated financial statements.

Dividend from group enterprises to the parent company, FLSmidth & Co. A/S, amounted to DKK 0m in 2025 (2024: DKK 614m) and the loss for the year amounted to DKK -718m (2024: profit of DKK 597m).

Staff costs were lower, primarily related to a lower number of employees as well as an adjustment arising from the forfeiting of shares that occurred following the stepping down of the CEO and one other member of the Executive Leadership team in 2025. The accrued costs relating to these shares for all past periods have been reversed in 2025.

Other operating costs amounted to DKK 15m (2024: DKK 36m) primarily consisting of administrative costs and management costs. The decrease compared to 2024 is mainly related to lower administrative costs.

The loss from investment in group enterprises relates to the disposal of FLSmidth Cement. No impairment of investments in group enterprises occurred in the year.

Net financial income is DKK 20m (2024: DKK 110m). The decrease is primarily related to lower net interest income.

Total assets at year-end amounted to DKK 8,900m (2024: 14,731m) and the equity amounted to DKK 1,824m (2024: 4,039m).

The result for the Parent is in line with management's expectations. The lower result is primarily caused by the loss related to the disposal of FLSmidth Cement, and no dividend income received during the year from group enterprises.

The financial guidance for 2026 for the Parent is that we expect to realise a loss for the year between DKK 0m and DKK 50m. The guidance for the year does not include any potential impairments of investments in group enterprises.



Income statement

Notes	DKKm	2025	2024*
	Dividend from group enterprises	0	614
2	Other operating income	95	93
1	Staff costs	(36)	(124)
	Other operating costs	(15)	(36)
8	Impairment of investment in group enterprises	(773)	0
	EBIT	(729)	547
3	Financial income	943	1,257
4	Financial costs	(923)	(1,147)
	EBT	(709)	657
5	Tax for the year	(9)	(60)
	Profit for the year	(718)	597
6	Distribution of profit for the year:		
	Retained earnings	(949)	136
	Proposed dividend	231	461
		(718)	597

* In order to more accurately reflect the gross staff costs prior to allocation to other group enterprises, the 2024 comparative figures have been reclassified between staff costs, other operating costs, and other operating income.



Balance sheet

Notes	DKKm	31/12 2025	31/12 2024
	Assets		
	Land and buildings	5	6
7	Property, plant and equipment	5	6
	Investments in group enterprises	3,420	4,211
	Other securities and investments	11	9
8	Financial non-current assets	3,431	4,220
	Total non-current assets	3,436	4,226
	Receivables from group enterprises	5,276	10,107
	Income tax receivables	16	0
9	Deferred tax assets	39	4
10, 11	Other receivables	57	102
	Receivables	5,388	10,213
	Cash and cash equivalents	76	292
	Total current assets	5,464	10,505
	Total assets	8,900	14,731

Notes	DKKm	31/12 2025	31/12 2024
	Equity and liabilities		
	Share capital	1,153	1,153
	Retained earnings	440	2,425
	Proposed dividend	231	461
	Equity	1,824	4,039
12	Provisions	6	6
	Provisions	6	6
13, 14	Bank loans	2,208	1,316
	Total non-current liabilities	2,208	1,316
14	Bank loans	101	13
14	Debt to group enterprises	4,625	9,217
14	Income tax liabilities	0	3
13, 14	Other liabilities	136	137
	Total current liabilities	4,862	9,370
	Total liabilities	7,076	10,692
	Total equity and liabilities	8,900	14,731

Equity statement

DKKm	Share capital	Retained earnings	Proposed dividend	Total	
Equity at 1 January 2024	1,153	2,304	231	3,688	
Profit for the year	0	597	0	597	
Dividend paid	0	3	(231)	(228)	
Proposed dividend	0	(461)	461	0	
Share-based payment	0	2	0	2	
Acquisition of treasury shares	0	(20)	0	(20)	
Equity at 31 December 2024	1,153	2,425	461	4,039	
Profit for the year	0	(718)	0	(718)	
Dividend paid	0	3	(461)	(458)	
Proposed dividend	0	(231)	231	0	
Share-based payment	0	(6)	0	(6)	
Acquisition of treasury shares	0	(1,033)	0	(1,033)	
Equity at 31 December 2025	1,153	440	231	1,824	
Number of shares (1,000)	2021	2022	2023	2024	2025
Share capital at 1 January	51,250	57,650	57,650	57,650	57,650
Issue of shares	6,400	0	0	0	0
Share capital at 31 December	57,650	57,650	57,650	57,650	57,650

Share capital is divided into 57,650,000 shares of DKK 20 each. Each share entitles its holder to 20 votes, and there are no special rights attached to the shares.

Loss for the year DKK 718m (2024: profit of DKK 597m) is transferred to retained earnings, of which DKK 231m (2024: DKK 461m) is proposed as dividend.

1 Staff costs

DKKm	2025	2024*
Wages and salaries	19	37
Bonus	8	24
Benefits	2	3
Severance package	1	24
Share-based payment	(6)	23
Other incentives	5	6
	29	117
Average number of employees	5	8

* The 2024 comparative figures have been reclassified between staff costs, other operating costs, and other operating income.

The company pays remuneration to the FLSmidth's Board of Directors and the FLSmidth's Executive Leadership Team employed in Denmark, with the latter being an average of 5 employees (2024: 8).

Remuneration Board of Directors

DKKm	2025	2024
Board of Directors fees	7.3	7.0
Total	7.3	7.0

The reduction in the charge for share-based payments is attributable to the forfeiting of the shares that occurred following the stepping down of the CEO and one other member of the Executive Leadership Team during 2025. The accrued costs relating to the forfeited shares for all past periods have been reversed in 2025.

Remuneration registered executives

DKKm	2025	2024
Wages and salaries	14	14
Bonus	8	10
Benefits	1	1
Severance package	1	0
Share-based payment	(5)	11
Other incentives	5	2
Total	24	38

2 Other operating income

During the year the company sold four properties with a total gain of DKK 40m. In addition management fee income from subsidiaries that amounted to DKK 55m was received.

3 Financial income

DKKm	2025	2024
Interest income	2	6
Interest income from group enterprises	329	523
Foreign exchange gains	612	728
Total financial income	943	1,257

Foreign exchange gains and losses relate primarily to derivatives used to hedge the currency exposure for the Group.

4 Financial costs

DKKm	2025	2024
Writedown of loans to group enterprises	(26)	-
Interest costs	(85)	(110)
Interest costs to group enterprises	(237)	(358)
Foreign exchange losses	(575)	(679)
Total financial costs	(923)	(1,147)

Foreign exchange gains and losses relate primarily to derivatives used to hedge the currency exposure for the Group.

5 Tax for the year

DKKm	2025	2024
Current tax on profit/loss for the year	(53)	(13)
Withholding tax	(1)	(1)
Adjustments of deferred tax	30	(3)
Adjustments regarding previous years, deferred taxes	17	(38)
Adjustments regarding previous years, current taxes	(2)	(5)
Tax for the year	(9)	(60)

6 Distribution of profit for the year

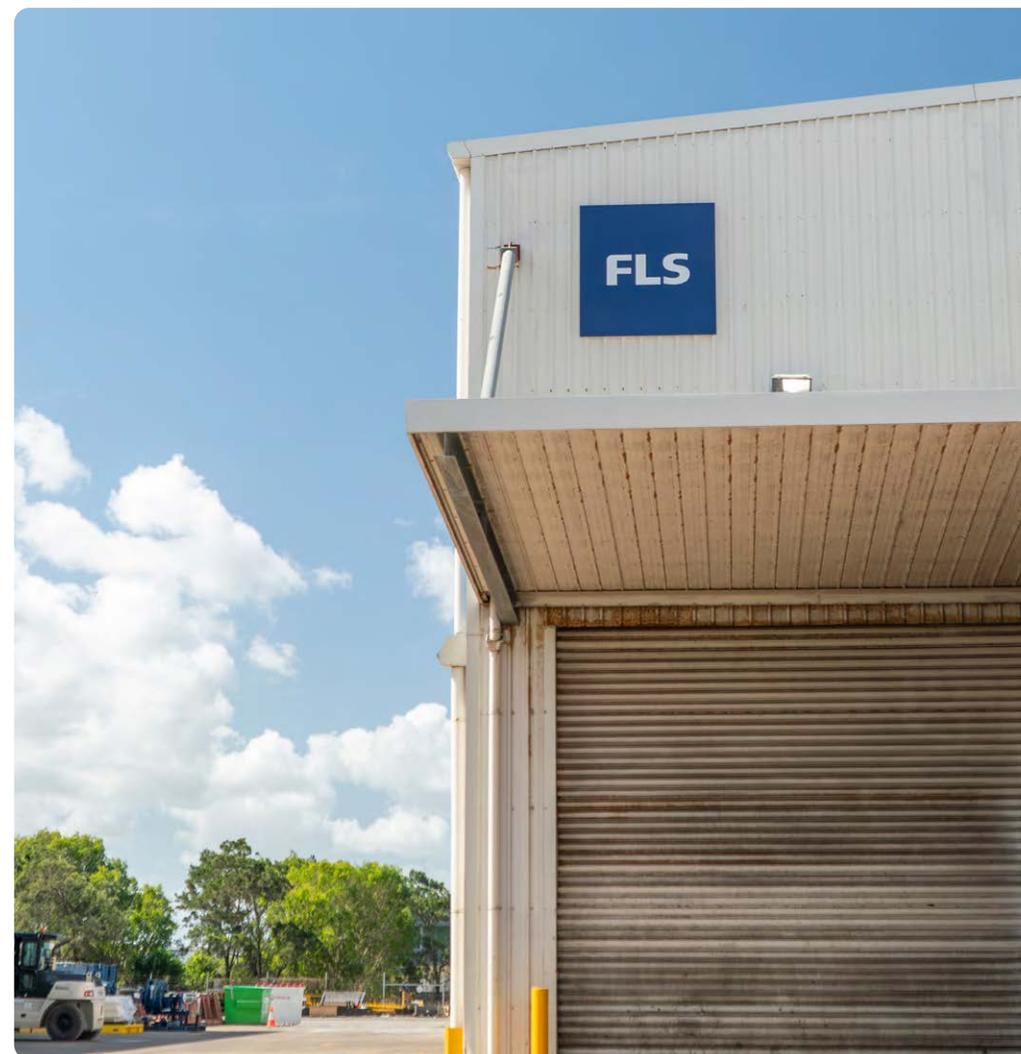
Proposed distribution of profit:

DKKm	2025	2024
Proposed dividend	231	461
Retained earnings	(949)	136
Profit for the year	(718)	597

7 Property, plant and equipment

DKKm	2025		
	Land and buildings	Operating equipment, fixtures and fittings	Total
Cost at 1 January	23	2	25
Disposals	(1)	0	(1)
Cost at 31 December	22	2	24
Depreciation and impairment at 1 January	(17)	(2)	(19)
Depreciation	0	0	0
Depreciation and impairment at 31 December	(17)	(2)	(19)
Carrying amount at 31 December	5	0	5

DKKm	2024		
	Land and buildings	Operating equipment, fixtures and fittings	Total
Cost at 1 January	23	2	25
Cost at 31 December	23	2	25
Depreciation and impairment at 1 January	(17)	(2)	(19)
Depreciation	0	0	0
Depreciation and impairment at 31 December	(17)	(2)	(19)
Carrying amount at 31 December	6	0	6



8 Financial non-current assets

Financial non-current assets include investments in Group enterprises measured at cost less impairment and other securities and investments measured at fair value.

The disposals and reversal of past impairments for the year predominantly relate to the divestment of FLSmidth Cement. At the end of 2025, the carrying amount of the investments is DKK 3,431m (2024: DKK 4,220m).

For a list of investments in group enterprises refer note 6.5 in the consolidated financial statements.

Result of annual impairment test

At the end of 2025, the carrying amount of the investments in group enterprises was assessed for indicators of impairment. Based on this assessment, it is management's conclusion that no impairment indicators exist and as a result no impairment tests have been performed.

DKKm	2025		
	Investments in group enterprises	Other securities and investments	Total
Cost at 1 January	4,890	37	4,927
Additions	0	0	0
Disposals	(1,465)	0	(1,465)
Cost at 31 December	3,425	37	3,462
Impairment at 1 January	(679)	(28)	(707)
Reversal of past impairments relating to current year disposals	674	0	674
Fair value adjustments	0	2	2
Impairment at 31 December	(5)	(26)	(31)
Carrying amount at 31 December	3,420	11	3,431

DKKm	2024		
	Investments in group enterprises	Other securities and investments	Total
Cost at 1 January	4,308	37	4,345
Additions	614	0	614
Disposals	(32)	0	(32)
Cost at 31 December	4,890	37	4,927
Impairment/fair value adjustments at 1 January	(679)	(25)	(704)
Fair value adjustments	0	(3)	(3)
Impairment/fair value adjustments at 31 December	(679)	(28)	(707)
Carrying amount at 31 December	4,211	9	4,220

9 Deferred tax assets and liabilities

DKKm	2025	2024
Tangible assets	9	18
Liabilities	30	(14)
Net value of deferred tax assets	39	4

For impact from deferred taxes on the income statement, refer note 6.

10 Other receivables

Other receivables mainly consist of foreign exchange rate derivatives with positive fair value of DKK 29m (2024: DKK 61m). The derivatives relate to Group Treasury's hedge of the currency exposure in the group.

11 Derivatives

The currency exposure for FLSmidth Group is hedged according to the Group Treasury Policy, however at Parent company level, the hedges are treated as economic hedges, as no hedge accounting is applied. At 31 December 2025, the fair value of hedge agreements amounted to DKK -17m (2024: DKK 9m). More information on the background etc. for hedging of the currency exposure in FLSmidth Group can be found in note 5.5 Derivatives in the consolidated financial statements.

Economic hedge

DKKm	Notional amount	Net fair value
Currency		
AUD	139	(2)
CAD	187	2
CLP	230	3
GBP	480	6
MXN	13	1
USD	1,299	(28)
CNY	71	0
DKK	1,045	0
ZAR	57	1
Total		(17)

A negative notional amount represents a sale of the currency

DKKm	Notional amount	Net fair value
Currency		
AUD	(40)	6
CAD	3	(7)
CLP	(1)	0
GBP	495	2
MXN	(16)	0
USD	1,162	10
Other	0	(2)
Total		9

A negative notional amount represents a sale of the currency

12 Provisions

DKKm	2025	2024
Provisions at 1 January	6	9
Reversals	0	(3)
Provisions at 31 December	6	6

13 Other liabilities

Other liabilities mainly consists of foreign exchange rate derivatives with negative fair value of DKK 47m (2024: DKK 53m). The derivatives relate to Group Treasury's hedge of the currency exposure in the group.

14 Maturity profile of current and non-current liabilities

Maturity profile of liabilities:

DKKm	2025	2024
Bank loans	101	13
Debt to Group enterprises	4,625	9,217
Income tax liabilities	0	3
Other liabilities	136	137
Within one year	4,862	9,370
Bank loans	2,208	1,316
Other liabilities	0	0
Within one to five years	2,208	1,316
After five years	0	0
Total	7,070	10,686

15 Audit fee

In addition to statutory audit, EY Godkendt Revisionspartnerselskab, the Parent company auditors provided other assurance engagements to the Parent company.

DKKm	2025	2024
Statutory audit	5	5
Other assurance engagement	1	2
Total audit related services	6	7
Total fees to independent auditor	6	7

16 Contractual and contingent liabilities

The Parent company has provided guarantees primarily to financial institutions at a total amount of DKK 8,215m (2024: DKK 11,137m) of which DKK 2,006m have been utilised in 2025 (2024: DKK 3,346m). Of the total amount, DKK 7,466m are related to the Parent corporate guarantees issued for guarantee facilities with banks (2024: DKK 9,994m), of which DKK 1,727m is utilised (2024: DKK 2,783m).

The Parent company is the administration company of the Danish joint taxation. According to the Danish corporate tax rules, as of 1 July 2012, the Company is obliged to withhold taxes on interest, royalty and dividend for all companies subjected to the Danish joint taxation scheme.

The Parent company has issued letter of support for a limited number of group companies.

There are no significant contingent assets or liabilities apart from the above.

17 Related party transactions

Related parties include the Parent company's Board of Directors and Executive Leadership Team and the group companies and associates that are part of the FLSmidth Group.

There have been no transactions with related parties in 2025 and 2024, apart from Executive Leadership Team's remuneration stated in note 1, dividend and Treasury activities as mentioned below. Capital transactions with subsidiaries are included in note 8 and balances are disclosed separately in the balance sheet.

Dividends received are disclosed in the income statement. Parent company's sales of services consist of managerial services and insurance services. The parent company's purchase of services mainly consists of legal and tax assistance provided by the subsidiary FLSmidth A/S.

Financial income and costs are attributable to FLSmidth Group's in-house Treasury function, which is performed by the parent company, FLSmidth & Co. A/S.

Other receivables and other liabilities are mainly attributable to this activity.

For guarantees provided by the Parent company for related parties, see note 16.

18 Shareholders

At 18 February 2026:

Two shareholders have reported a participating interest above 10%:

- Altor Invest 7 AS, Norway
- Lundbeckfond Invest A/S, Denmark

No other shareholders have reported a participating interest above 5%.

19 Events after the balance sheet date

For more information refer to note 6.4 Events after the balance sheet date in the consolidated financial statements.

We are not aware of any other subsequent matters, that could be of material importance to FLSmidth's financial position.

20 Accounting policies

The financial statements of the Parent company (FLSmidth & Co. A/S) are prepared in conformity with the provisions of the Danish Financial Statements Act for reporting class D enterprises.

To ensure uniform presentation, the terminology used in the consolidated financial statements has as far as possible been applied in the Parent company's financial statements.

The accounting policies for the Parent company are unchanged from 2024.

Income statement

The company's main activity, dividend income from group enterprises, is presented first in the income statement. We have updated the presentation for 2025 to reflect the actual allocation of staff costs. Management fee income is now presented as other operating income. For the 2024 comparative figures, we have reclassified the figures between staff costs, other operating costs, and other operating income to align with the revised presentation.

Dividend from group enterprises

Dividend from investments in group enterprises is recognised as income in the Parent company's income statement in the financial year in which the dividend is declared. This will typically be at the time of the approval by the Annual General Meeting of distribution from the company concerned. When the dividend distributed exceeds the accumulated earnings after the date of acquisition, the dividend is recognised in the income statement, however, this will trigger an impairment test of the investment.

Property, plant and equipment

Depreciation is charged on a straight-line basis over the estimated useful life of the assets until they reach the estimated residual value. In the parent company's financial statements, the depreciation period and the residual value are determined at the time of acquisition and are reassessed every year.

Estimated useful life is as follows:

- Buildings, 20-40 years
- Operating equipment and fixtures and fittings, 3-15 years
- Land is not depreciated.

Leases

The company has chosen IAS 17 as an interpretation for the accounting for leases. Operating leases are recognised in the income statement on a straight-line basis.

Investments in group enterprises

Investments in group enterprises are measured at cost less impairment. Where the cost exceeds the recoverable amount, an impairment loss is recognised to this lower value. To the extent the distributed dividend exceeds the accumulated earnings after the date of acquisition, an impairment test of the investment is triggered.

Other securities and investments

Other securities and investments consist of shares in cement plants that are acquired in connection with the signing of contracts and are measured at fair value. Value adjustments are recognised in the income statement as financial items.

Receivables and financial liabilities

Receivables from group enterprises are measured at amortised cost. The Parent company has chosen IAS 39 as interpretation for impairment of financial assets. Therefore, an impairment loss on a receivable is recognised if it is expected that the receivable will not be collected in full.

Financial liabilities other than derivatives, are measured at amortised cost.

Derivatives are measured at fair value on a recurring basis with value adjustments recognised in the income statement as financial items. Derivatives with a positive fair value are presented in the line item Other receivables and derivatives with a negative fair value are presented in the line item Other liabilities.

Cash flow statement

As the consolidated financial statements include a cash flow statement for the FLSmidth Group, no individual statement for the Parent company has been included, see the exemption provision, section 86(4) of the Danish Financial Statements Act.

Statement by Management

The Board of Directors and the Executive Leadership have today considered and approved the Annual Report for the financial year 1 January – 31 December 2025.

The consolidated financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU. The Parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

Further, the Annual Report is prepared in accordance with additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the Parent company financial statements give a true and fair view of the Group's and the Parent company's financial position at 31 December 2025 as well as of the results of their operations and the consolidated cash flows for the financial year 1 January – 31 December 2025.

The sustainability statement is prepared in accordance with the European Sustainability Reporting Standards ESRS as required by the Danish Financial Statements Act paragraph 99a as well as article 8 in the EU Taxonomy regulation.

In our opinion, the management's review gives a fair review of the development in the Group's and the Parent company's activities and financial matters, results of operations, consolidated cash flows and financial position as well as a description of material risks and uncertainties that the Group and the Parent company face.

In our opinion, the annual report for the financial year 1 January – 31 December 2025 with the file name 213800MXDQGQ3ITPXI41-2025-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

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

Copenhagen, 18 February 2026

Executive Leadership

Toni Laaksonen
CEO

Roland M. Andersen
CFO

Board of Directors

Mads Nipper
Chair

Christian Bruch
Vice chair

Anne Louise Eberhard

Thrasylvoulos Moraitis

Anna Kristiina Hyvönen

Lars Engström

Rune Wichmann

Nour Amrani

Saleh Kamal

Henrik Jørgensen

Independent auditor's report

To the shareholders of FLSmidth & Co. A/S

Report on the audit of the Consolidated Financial Statements and Parent Company Financial Statements

Opinion

We have audited the consolidated financial statements and the parent company financial statements of FLSmidth & Co. A/S for the financial year 1 January – 31 December 2025, which comprise income statement, balance sheet, statement of changes in equity and notes, including material accounting policy information, for the Group and the Parent Company, and a consolidated statement of comprehensive income and a consolidated cash flow statement. The consolidated financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group at 31 December 2025 and of the results of the Group's operations and cash flows for the financial year 1 January – 31 December 2025 in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Further, in our opinion the parent company financial statements give a true and fair view of the financial position of the Parent Company at 31 December 2025 and of the results of the Parent Company's operations for the financial year 1 January – 31 December 2025 in accordance with the Danish Financial Statements Act.

Our opinion is consistent with our long-form audit report to the Audit Committee and the Board of Directors.

Basis for opinion

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

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), as applicable to audits of financial statements of public interest entities, and the additional ethical requirements applicable in Denmark to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge, we have not provided any prohibited non-audit services as described in article 5(1) of Regulation (EU) no. 537/2014.

Appointment of auditor

We were initially appointed as auditor of FLSmidth & Co. A/S on 30 March 2017 for the financial year 2017. We have been reappointed annually by resolution of the general meeting for a total consecutive period of 9 years up until the financial year 2025.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year 2025. These matters were addressed during our audit of the financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section, including in relation to the key audit matters below. Accordingly, our audit included the design and performance of procedures to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Revenue from contracts with customers recognised over time

The material accounting policy information and disclosures about revenue recognition, trade receivables, work in progress and provisions related to revenue from contracts with customers recognised over time are included in notes 1.4, 2.7, 3.3 and 3.4 to the consolidated financial statements.

FLSmidth deliver products and services (projects in the form of more complex product bundles with engineering), which usually have a significant contract price and typically extends over more than one financial year. Due to the nature of these projects and in accordance with the accounting policy, FLSmidth recognises and measures revenue from such long-term projects over time based on the cost-to-cost method.

Accounting for revenue with customers recognised over time involve significant management judgments in respect of estimating the cost to complete the projects, including risk contingencies, warranties, liquidated damages, claims and the expected time to completion as well as the risk of credit losses related to such recognised projects and related customer receivables. Together with the impact from executing projects in parts of the world where macro-economic and geopolitical factors as well as various on-going conflicts may have an adverse effect, changes in these estimates during the execution of projects can significantly impact the revenue, cost and contribution recognised. Accordingly, we considered the accounting for revenue with customers recognised over time to be a key audit matter for the consolidated financial statements.

How our audit addressed the key audit matter

As part of our procedures, we assessed the judgments made by management regarding the estimated costs to complete the projects and the assumptions made in assessment of warranty provisions by comparing these on a sample basis to underlying accounting records and supporting documentation. We assessed the changes in estimated project cost and risk contingencies by comparing these to budgets, latest estimates and underlying documentation on a sample basis, and discussed these with project accounting, project management and group management. We further assessed management's judgements regarding exposures related to claims and liquidated damages for projects and provisions to mitigate contract-specific financial risks as well as the risk of credit losses on such recognised projects and related customer receivables. For those balances subject to claims, we made inquiries of legal counsel.

Valuation of inventories

The material accounting policy information and disclosures about inventories are included in note 3.2 to the consolidated financial statements.

FLSmidth carries inventories in the balance sheet at the lower of cost and net realisable value. The inventories include strategic items, which are held in inventory, even if slow moving, because they are considered key equipment for the customers that FLSmidth needs to be able to deliver with short notice. The valuation of inventories involves management judgements to determine whether inventories are still technically relevant when demand for the inventory items is expected. The current market conditions are also considered. Accordingly, we considered this to be a key audit matter for the consolidated financial statements.

How our audit addressed the key audit matter

As part of our procedures, we analysed the ageing of inventories recorded and obtained on a sample basis supporting documentation regarding valuation of slow-moving items. Further, we assessed management's judgements in respect of the expected market demand and expected sales price for significant aged items by comparing these on a sample basis to available supporting documentation.

Statement on the Management's review

Management is responsible for the Management's review.

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

In connection with our audit of the financial statements, our responsibility is to read the Management's review

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

Moreover, it is our responsibility to consider whether the Management's review provides the information required by relevant law and regulations. This does not include the requirements in paragraph 99a related to the sustainability statement covered by the separate auditor's limited assurance report hereon.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of relevant law and regulations. We did not identify any material misstatement of the Management's review.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and for the preparation of parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act.

Moreover, Management is responsible for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and the parent company financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on compliance with the ESEF Regulation

As part of our audit of the Consolidated Financial Statements and Parent Company Financial Statements of FLSmidth & Co. A/S, we performed procedures to express an opinion on whether the annual report of FLSmidth & Co. A/S for the financial year 1 January – 31 December 2025 with the file name 213800MXXDGQ3ITPXI41-2025-12-31-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes;

- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of FLSmidth & Co. A/S for the financial year 1 January – 31 December 2025 with the file name 213800MXXDGQ3ITPXI41-2025-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Copenhagen, 18 February 2026

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jan C. Olsen
State Authorised
Public Accountant
mne33717

Claus Kronbak
State Authorised
Public Accountant
mne28675

Independent auditor's limited assurance report on sustainability statement

To the shareholders of FLSmidth & Co. A/S

Limited assurance conclusion

We have conducted a limited assurance engagement on the sustainability statement of FLSmidth & Co. A/S (the group) included in the Annual Report 2025, pages 53-121 (the sustainability statement) for the financial year 1 January – 31 December 2025 including disclosures incorporated by reference listed on page 62.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the sustainability statement is not prepared, in all material respects, in accordance with the Danish Financial Statements Act paragraph 99 a, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the management to identify the information reported in the sustainability statement (the process) is in accordance with the description set out in the section Double materiality assessment on pages 57-58 and
- compliance of the disclosures in the section EU Taxonomy within the environmental section on pages 87-89 of the sustainability statement with Article 8 of EU Regulation 2020/852 (the Taxonomy Regulation).

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information (ISAE 3000 (Revised)) and the additional requirements applicable in Denmark.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Auditor's responsibilities for the assurance engagement section of our report.

Our independence and quality management

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

EY Godkendt Revisionspartnerselskab applies International Standard on Quality Management 1, which requires

the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Inherent limitations in preparing the sustainability statement

In reporting forward-looking information in accordance with ESRS, management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Management's responsibilities for the sustainability statement

Management is responsible for designing and implementing a process to identify the information reported in the sustainability statement in accordance with the ESRS and for disclosing this Process in the sections Double materiality assessment on pages 57-58 of the sustainability statement. This responsibility includes:

- understanding the context in which the group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the group's

financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;

- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the sustainability statement, in accordance with the Danish Financial Statements Act paragraph 99a, including:

- compliance with the ESRS;
- preparing the disclosures in in the section EU Taxonomy within the environmental section on pages 87-89 of the sustainability statement, in compliance with Article 8 of the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the sustainability statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Auditor's responsibilities for the assurance engagement

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the sustainability statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the process include:

- Obtaining an understanding of the process but not for the purpose of providing a conclusion on the effectiveness of the process, including the outcome of the process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS, and
- Designing and performing procedures to evaluate whether the process is consistent with the group's description of its process, as disclosed in the sections Double materiality assessment on pages 57-58.

Our other responsibilities in respect of the sustainability statement include:

- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to disclosures in the sustainability statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the sustainability statement.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the sustainability statement.

In conducting our limited assurance engagement, with respect to the process, we:

- Obtained an understanding of the process by performing inquiries to understand the sources of the information used by management; and reviewing the group's internal documentation of its process; and
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the group's was consistent with the description of the Process set out in the sections Double materiality assessment on pages 57-58.

In conducting our limited assurance engagement, with respect to the sustainability statement, we:

- Obtained an understanding of the group's reporting processes relevant to the preparation of its sustainability statement by obtaining an understanding of the group's control environment, processes and information systems relevant to the preparation of the Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Evaluated whether material information identified by the process is included in the sustainability statement;
- Evaluated whether the structure and the presentation of the sustainability statement are in accordance with the ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected information in the sustainability statement;
- Performed substantive assurance procedures on selected information in the sustainability statement;
- Evaluated methods, assumptions and data for developing material estimates and forward-looking information and how these methods were applied;
- Obtained an understanding of the process to identify EU taxonomy eligible and aligned economic activities for turnover, CAPEX and OPEX and the corresponding disclosures in the sustainability statements;

- Evaluated compliance processes, methods, and data for covered activities, assessed minimum safeguards compliance through personnel inquiries, and conducted analytical procedures on EU taxonomy aligned disclosures
- Evaluated the presentation and use of EU taxonomy templates in accordance with relevant requirements;
- Reconciled and ensured consistency between the reported EU taxonomy economic activities and the items reported in the primary financial statements including the disclosures provided in related notes.

Copenhagen, 18 February 2026

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jan C. Olsen
State Authorised
Public Accountant
mne33717

Margrethe B. Bergkvist
State Authorised
Public Accountant
mne34312

Forward looking statements

FLSmidth & Co. A/S' financial reports, whether in the form of annual reports or interim reports, filed with the Danish Business Authority and/or announced via the company's website and/or NASDAQ Copenhagen, as well as any presentations based on such financial reports, and any other written information released, or oral statements made, to the public based on this report or in the future on behalf of FLSmidth & Co. A/S, may contain forward looking statements.

Words such as 'believe', 'expect', 'may', 'will', 'plan', 'strategy', 'prospect', 'foresee', 'estimate', 'project', 'anticipate', 'can', 'intend', 'target' and other words and terms of similar meaning in connection with any discussion of future operating or financial performance identify forward-looking statements. Examples of such forward-looking statements include, but are not limited to:

- Statements of plans, objectives or goals for future operations, including those related to FLSmidth & Co. A/S' markets, products, product research and product development.

- Statements containing projections of or targets for revenues, profit (or loss), CAPEX, dividends, Products structure or other net financial items.
- Statements regarding future economic performance, future actions and outcome of contingencies such as legal proceedings and statements regarding the underlying assumptions or relating to such statements.
- Statements regarding potential merger & acquisition activities.

These forward-looking statements are based on current plans, estimates and projections. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, which may be outside FLSmidth & Co. A/S' influence, and which could materially affect such forward-looking statements.

FLSmidth & Co. A/S cautions that a number of important factors, including those described in this report, could cause actual results to differ materially from those contemplated in any forward-looking statements.

Factors that may affect future results include, but are not limited to, global as well as local political and economic conditions, including interest rate and exchange rate fluctuations, delays or faults in project execution, fluctuations in raw material prices, delays in research and/or development of new products or service concepts, interruptions of supplies and production, unexpected breach or termination of contracts, market-driven price reductions for FLSmidth & Co. A/S' products and/or services, introduction of competing products, reliance on information technology, FLSmidth & Co. A/S' ability to successfully market current and new products, exposure to product liability and legal proceedings and investigations, changes in legislation or regulation and interpretation thereof, intellectual property protection, perceived or actual failure to adhere to ethical marketing practices, investments in and divestitures of domestic and foreign enterprises, unexpected growth in costs and expenses, failure to recruit and retain the right employees and failure to maintain a culture of compliance. Unless required by law FLSmidth & Co. A/S is under no duty and undertakes no obligation to update or revise any forward-looking statement after the distribution of this report.

Annual Report
1 January – 31 December 2025

FLSmidth & Co. A/S

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