

Registered number: 02672031

DEEPSTORE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2021



DEEPSTORE LIMITED

COMPANY INFORMATION

Directors Brian Gordon Dunn
Richard Stewart Thomson

Company secretary Richard Stewart Thomson

Registered number 02672031

Registered office Astbury House
Bradford Road
Winsford
CW7 2PA

Independent auditors Ernst & Young LLP
Manchester
M2 3EY

Bankers Bank of Scotland
London
EC2N 1HZ

Solicitors JMW Solicitors LLP
Manchester
M3 3HG

DEEPSTORE LIMITED

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DEEPSTORE LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2021

Introduction

The directors present their Strategic report for the period ended 30 September 2021.

The company has changed its accounting period from 31 December to 30 September to align with the change of reporting date of the ultimate parent company Compass Minerals International, Inc. Previously the company had prepared financial statements for the financial year from 1 January 2020 to 31 December 2020. The company's reporting period for the period ended 30 September 2021 is 9 months.

Business review

The company continued to operate as a non-trading company for the year.

Principal risks and uncertainties

The principal risk the company faces is liquidity risk. The company manages its short term working capital requirements through the amounts due to or owed from other group companies.

Financial risk management policies

The company makes no use of financial instruments. Exposure to price, credit, currency, and cash flow risks is not material to the assessment of assets, liabilities and profit or loss of the company.

Financial key performance indicators

The company's key financial indicators in the period were as follows:

Financial key performance indicators

	30 September 2021 £000	31 December 2020 £000
Net assets	3,551	3,511
Profit for the period/year before tax	50	67

DEEPSTORE LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

Directors' statement of compliance with duty to promote the success of the Company

The directors confirm that, during the year, they continued to promote the success of the Company for the benefit of all stakeholders. In doing so, the Board's desire to act fairly for its sole member, maintain a reputation for high standards of business conduct, and consider the long-term consequences of the decisions they take, have underpinned the way it operates.

The Company is a non-trading company for the immediate parent and has no employees. The Company's ultimate parent and controlling party is the Compass Minerals International, Inc. which owns 100% of the Company. The Company's only stakeholders are therefore its parent companies.

The board believe that effective communication and proactive engagement with the its parent companies is paramount in establishing a mutual understanding of objectives. The company's directors sit on the boards of the Company's immediate parent company. This forms the primary communication between all stakeholders and facilitates effective open, transparent and two-way engagement, any appropriate feedback from which forms part of each board's strategic discussions. This structure supports the board in performing its duties in compliance with the matters set out in paragraphs a-f of section 172 of the Companies Act 2006 and to have regard for the interests of all key stakeholders, including on the principal decisions taken such as, for instance, transactional agreements, payment of dividends, board appointments and approval of accounts.

This report was approved by the board on 30/6/22

and signed on its behalf.



Richard Stewart Thomson
Director

DEEPSTORE LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2021

The directors present their report and the financial statements for the period ended 30 September 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The company is a non-trading company.

Results and dividends

The profit for the period, after taxation, amounted to £40,000 (2020 - £54,000).

The directors do not intend to declare a dividend for the period (2020: £nil)

Directors

The directors who served during the period were:

Brian Gordon Dunn
Richard Stewart Thomson

Directors benefit from qualifying third party indemnity provisions in place during the financial period and at the date of this report.

DEEPSTORE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

Future developments

As far as the company is concerned future developments of the business will take place in the parent company Compass Minerals Storage & Archives Limited, as described in the directors' report of that company.

Engagement with suppliers, customers and others

As a holding company, the company has no interaction with suppliers or customers.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the period end.

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 30/6/22 and signed on its behalf.



Richard Stewart Thomson
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DEEPSTORE LIMITED

Opinion

We have audited the financial statements of Deepstore Limited for the period ended 30 September 2021 which comprise the Statement of income and retained earnings, the Statement of financial position, and the related notes 1 to 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2021 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period up to and including 30 June 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DEEPSTORE LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DEEPSTORE LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are responsible for assessing the 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 unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant direct tax compliance regulations in the United Kingdom.
- We understood how the Company is complying with those frameworks by making enquiries of management, including those charged with governance, to understand how the Company maintains and communicates its policies and procedures in these areas and to understand the controls put in place to reduce the risk of non-compliance.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud risk might occur by considering the risk of management override.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DEEPSTORE LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jamie Dixon (Senior Statutory Auditor)

for and on behalf of
Ernst & Young LLP

Manchester
M2 3EY

Date: 30 June 2022

DEEPSTORE LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

		Period ended 30 September 2021 £000	Year ended 31 December 2020 £000
	Note		
Interest receivable and similar income	6	50	67
Profit before tax		50	67
Tax on profit	7	(10)	(13)
Profit after tax		40	54
Retained earnings at the beginning of the period		3,284	3,230
		3,284	3,230
Profit for the period		40	54
Retained earnings at the end of the period		3,324	3,284

The notes on pages 11 to 18 form part of these financial statements.

All amounts relate to continuing activities.

DEEPSTORE LIMITED
REGISTERED NUMBER: 02672031

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

		30 September 2021 £000	31 December 2020 £000
	Note		
Current assets			
Debtors: amounts falling due after more than one year	8	3,551	3,511
		<u>3,551</u>	<u>3,511</u>
Total assets less current liabilities		3,551	3,511
Net assets		<u>3,551</u>	<u>3,511</u>
Capital and reserves			
Called up share capital	10	10	10
Capital contribution reserve	11	217	217
Profit and loss account	11	3,324	3,284
		<u>3,551</u>	<u>3,511</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

30/6/22



Richard Stewart Thomson
Director

The notes on pages 11 to 18 form part of these financial statements.

DEEPSTORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

1. General information

Deepstore Limited is a limited liability company incorporated in England, registration number 02672031 and its registered office is Astbury House, Bradford Road, Winsford, Cheshire, United Kingdom CW7 2PA. The nature of its operations and principal activities are set out in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The directors consider that the company is a qualifying entity in accordance with the conditions for exemption under the Companies Act 2006 section 401 and Financial Reporting Standard FRS 102 section 1 as it is a wholly owned subsidiary of Compass Minerals International, Inc. incorporated in the USA, which produces consolidated financial statements that comply with US Generally Accepted Accounting Principles. These accounts are publicly available from the address in note 14.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7;

This information is included in the consolidated financial statements of Compass Minerals International, Inc as at 30 September 2021 and these financial statements may be obtained from its registered office at 9900 West 109th Street, Overland Park, Kansas, 66210, USA..

2.3 Change in reporting date

The company has changed its accounting period from 31 December to 30 September to align with the change of reporting date of the ultimate parent company Compass Minerals International, Inc. Previously the company had prepared financial statements for the financial year from 1 January 2020 to 31 December 2020. The company's reporting period for the period ended 30 September 2021 is 9 months.

DEEPSTORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

2. Accounting policies (continued)

2.4 Going concern

The Directors have assessed the principal risks and uncertainties in preparing their forecasts to support the going concern conclusion.

Forecasts have been prepared for a period up to and including 30 June 2023. The long term loan is due for repayment in December 2027. The company manages its short term working capital requirements through the amounts due to or owed from other group companies.

Consequently the Directors have requested and received written confirmation from the ultimate parent undertaking Compass Minerals International Inc that it will provide financial support to the Company to enable it to meet its liabilities as they fall due for a period up to and including 30 June 2023. For this reason the Directors continue to adopt the going concern basis in preparing these financial statements.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2.7 Impairment

Where there are indicators of impairment of individual assets, the company performs impairment tests based on a value in use calculation using a discounted cash flow model. The cash flows are derived from the budget for the next five years. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires the directors to make significant judgements and estimates. In this respect the directors consider that the amount provided against the intercompany loan receivable is adequate with regard to the performance of the underlying business.

4. Auditors' remuneration

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

DEEPSTORE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

5. Directors' remuneration

The directors of the company are also directors of fellow group companies. The directors received no remuneration from the company but are paid by Compass Minerals UK Limited, a fellow group subsidiary. Their services as directors of this company are inconsequential to their other roles hence no remuneration is disclosed.

6. Interest receivable

	Period ended 30 September 2021 £000	Year ended 31 December 2020 £000
On loans to parent undertakings	50	67
	<u>50</u>	<u>67</u>

7. Taxation

	Period ended 30 September 2021 £000	Year ended 31 December 2020 £000
Corporation tax		
Current tax on profits for the period/year	10	13
Total current tax	<u>10</u>	<u>13</u>

DEEPSTORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

7. Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is the same as (2020 - the same as) the standard rate of corporation tax in the UK of 19% (2020 - 19%) as set out below:

	Period ended 30 September 2021 £000	Year ended 31 December 2020 £000
Profit on ordinary activities before tax	50	67
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	10	13
Effects of:		
Total tax charge for the period/year	10	13

Factors that may affect future tax charges

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

8. Debtors

	30 September 2021 £000	31 December 2020 £000
Due after more than one year		
Amounts owed by group undertakings	3,551	3,511
	3,551	3,511

There was no impairment charge for the year (2020: nil).

The company's financing facilities are with fellow group companies. All loans accrue interest on a monthly basis. The loans are due for repayment in full in 2027.

DEEPSTORE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

9. Creditors: Amounts falling due after more than one year

10. Share capital

	30 September 2021 £000	31 December 2020 £000
Authorised, allotted, called up and fully paid		
10,000 (2020 - 10,000) Ordinary shares of £1.00 each	10	10

11. Reserves

Capital contribution reserve

Capital contribution reserve represents a contribution received from the ultimate parent company to settle a bank loan.

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

DEEPSTORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

12. Contingent liabilities

Credit Agreement

In November 2019, the ultimate parent company (UPC) entered into an agreement to amend and restate its credit agreement (the "2019 Credit Agreement"), which matures in January 2025. The 2019 Credit Agreement provides for senior secured financing consisting of a \$400 million term loan facility and a \$300 million revolving credit facility. The term loan is repayable in quarterly installments of interest and principal which began in March 2020 with principal payments equal to 2.5% per year during the first 2 years and 5% per year during the final 3 years. The ultimate parent company may elect for the credit facility to bear interest at either an alternate base rate or an adjusted eurocurrency bank deposit rate plus, in each case, an interest rate margin, based upon a defined consolidated leverage ratio. The outstanding term loan can be prepaid at any time without penalty. Prior to the 2019 Credit Agreement, the ultimate parent company's credit agreement consisted of two senior secured term loans and a senior secured revolving credit facility which matured in July 2021. Interest on the ultimate parent company's borrowings under the previous outstanding credit agreement was variable based on either the London Inter-bank Offered Rate or a base rate (defined as the greater of a specified U.S. or Canadian prime lending rate or the federal funds effective rate, increased by 0.5%) plus a margin which was dependent upon the ultimate parent company's leverage ratio and the type of term loan borrowing. As of September 30, 2021, the weighted average interest rate was 2.4% on all borrowings outstanding under the 2019 Credit Agreement. Both credit agreements require the ultimate parent company to maintain certain financial ratios, including a minimum interest coverage ratio and a maximum total leverage ratio. Under the current revolving credit facility, up to \$40 million may be drawn in Canadian dollars and \$10 million may be drawn in British pounds sterling. Additionally, the revolving credit facility includes a sub-limit for short-term letters of credit in an amount not to exceed \$50 million. The ultimate parent company incurs participation fees related to its outstanding letters of credit and commitment fees on its available borrowing capacity. The rates vary depending on the ultimate parent company's leverage ratio. Bank fees are not material. In July 2021, the ultimate parent company utilized cash proceeds from the sale of a component of its North America micronutrient product business and its South America specialty plant nutrition business to repay amounts borrowed against its revolving credit facility of \$35.0 million.

The ultimate parent company also utilized an additional \$265.0 million of the proceeds to pay down its term loan balance as required by the Credit Agreement. In the first quarter of 2021, the ultimate parent company made a \$41.7 million required prepayment of its term loan for 2020 Excess Cash Flow (as such term is defined in the 2019 Credit Agreement). This prepayment, along with the prepayment made in the third quarter of 2021 described above, will reduce the future required term loan payments. As such, the ultimate parent company will not have a scheduled term loan payment until January 2025. As of September 30, 2021, there was \$88.4 million outstanding under the revolving credit facility and, after deducting outstanding letters of credit totaling \$13.4 million, the ultimate parent company's borrowing availability was \$198.2 million. In connection with the 2019 Credit Agreement, the ultimate parent company paid \$4.1 million of fees (\$3.8 million was capitalized as deferred financing costs with \$0.3 million recorded as an expense). The ultimate parent company also wrote-off \$0.3 million of previously capitalized deferred financing costs as part of this refinancing in 2019. The ultimate parent company's 2019 Credit Agreement borrowings are secured by substantially all existing and future U.S. assets of the ultimate parent company, the Goderich mine in Ontario, Canada, and capital stock of certain subsidiaries. As of September 30, 2021, the ultimate parent company was in compliance with each of its covenants under the 2019 Credit Agreement.

Senior Notes

In November 2019, the ultimate parent company also issued \$500 million 6.75% Senior Notes due December 2027 (the "6.75% Notes"), which are subordinate to the 2019 Credit Agreement borrowings. The 6.75% Notes are unsecured obligations and are guaranteed by certain of the ultimate parent company's domestic subsidiaries.

Interest on the 6.75% Notes is due semi-annually in June and December beginning in fiscal 2020. The

DEEPSTORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

12. Contingent liabilities (continued)

6.75% Notes are subordinated to all existing and future indebtedness. In connection with the 6.75% Notes, the ultimate parent company paid \$8.2 million of fees, all of which were capitalized as deferred financing costs. The 4.875% Senior Notes due July 2024 (the "4.875% Notes") are subordinate to the 2019 Credit Agreement borrowings. Interest on the 4.875% Notes is due annually in January and July. The 2019 Credit Agreement and the agreements governing the 4.875% Notes and the 6.75% Notes and other indebtedness contain covenants that limit the ultimate parent company's ability, among other things, to incur additional indebtedness or contingent obligations or grant liens; pay dividends or make distributions to stockholders; repurchase or redeem the ultimate parent company's stock; make investments or dispose of assets; prepay, or amend the terms of certain junior indebtedness; engage in sale and leaseback transactions; make changes to the ultimate parent company's organizational documents or fiscal periods; grant liens on the ultimate parent company's assets or make certain intercompany dividends, investments or asset transfers; enter into new lines of business; enter into transactions with the ultimate parent company's stockholders and affiliates; and acquire the assets of or merge or consolidate with other companies.

Securitization

On June 30, 2020, certain of the ultimate parent company's U.S. subsidiaries entered into a three-year committed revolving accounts receivable financing facility (the "AR Facility") of up to \$100.0 million with PNC Bank, National Association ("PNC"), as administrative agent and lender, and PNC Capital Markets, LLC, as structuring agent. In connection with the AR Facility, two of the ultimate parent company's U.S. subsidiaries, from time to time, sell and contribute receivables and certain related assets to a special purposes entity and wholly-owned U.S. subsidiary of the ultimate parent company (the "SPE"). The SPE finances its acquisition of the receivables by obtaining secured loans from PNC and the other lenders party to a receivables financing agreement. A U.S. subsidiary of the ultimate parent company services the receivables on behalf of the SPE for a fee. In addition, the ultimate parent company has agreed to guarantee the performance by its subsidiaries.

The ultimate parent company and its subsidiaries do not guarantee the loan principal or interest under the receivables financing agreement or the collectability of the receivables under the AR Facility. As of September 30, 2021, the ultimate parent company received proceeds from the AR Facility in the amount of \$26.8 million. The purchase price for the sale of receivables consists of cash available to the SPE from loans under the AR Facility and from collections on previously sold receivables and, to the extent the SPE does not have funds available to pay the purchase price due on any day in cash, through an increase in the principal amount of a subordinated intercompany loan. The SPE pays monthly interest and fees with respect to amounts advanced by the lenders under the AR Facility. The SPE's sole business consists of the purchase or acceptance through capital contributions of the receivables and the subsequent granting of a security interest in these receivables and related rights to PNC on behalf of the lenders under the AR Facility. The SPE is a separate legal entity with its own separate creditors who will be entitled, upon its liquidation, to be satisfied out of the SPE's assets prior to any assets or value in the SPE becoming available to the ultimate parent company and the assets of the SPE are not available to pay ultimate parent company of the Company or any of its affiliates other than the SPE.

13. Related party transactions

The Company has taken advantage of the exemption available under Financial Reporting Standard FRS 102 section 33 as a qualifying entity in order not to disclose intra-group transactions. There are no other related party transactions requiring disclosure.

DEEPSTORE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

14. Controlling party

The immediate parent undertaking is Salt Union Limited.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Compass Minerals International, Inc.. Copies of the Compass Minerals International, Inc. consolidated financial statements can be obtained from its registered office at 9900 West 109th Street, Overland Park, Kansas, 66210, USA.

The directors regard Compass Minerals International, Inc. of Kansas, USA, as the ultimate parent and controlling party.