

Registered No. 2672031

Deepstore Limited

Annual report and financial statements

31 December 2020



**Annual report and financial statements
for the year ended 31 December 2020**

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Directors and Advisors

Directors

B G Dunn
R S Thomson

Secretary

R S Thomson

Auditors

Ernst & Young LLP
2 St Peter's Square
Manchester M2 3EY

Bankers

Bank of Scotland
33 Old Broad Street
London
EC2N 1HZ

Solicitors

JMW Solicitors LLP
1 Byrom Place
Manchester M3 3HG

Registered Office

Astbury House
Bradford Road
Winsford
Cheshire
United Kingdom
CW7 2PA

Registered No. 2672031

Strategic report

The directors present their Strategic report for the year ended 31 December 2020.

Principal activities and review of the business

The company continued to operate as a holding company for the year.

The profit for the year, after taxation, is £54,000 (2019: £54,000).

Key financial indicators

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

	<i>2020</i>	<i>2019</i>	<i>Change</i>
	<i>£'000</i>	<i>£'000</i>	<i>%</i>
Profit for the year before tax	67	67	0.00%
Net assets	3,511	3,457	1.56%

Principal risks and uncertainties

The COVID-19 pandemic has, at the time of approving these financial statements, had no adverse impact on the Company as it is a non-trading holding company.

As a holding company, the only impact that COVID-19 can have on the Company is in the performance of its subsidiaries, however this has been minimal, largely due to the essential nature of their supplies.

Financial risk management policies

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

On behalf of the board



R S Thomson

Director

26 November 2021

Directors' report

The directors present their report for the year ended 31 December 2020.

Dividends

The directors do not intend to declare a dividend in respect of the year (2019: £nil).

Going concern

The Directors have assessed the principal risks and uncertainties, including the ongoing Covid-19 crisis in preparing their forecasts to support the going concern conclusion. Forecasts have been prepared for a period up to and including 30 November 2022. 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 November 2022. For this reason, the Directors continue to adopt the going concern basis in preparing these financial statements.

Directors

B G Dunn and R S Thomson held office for the whole of the year to 31 December 2020.

Directors' insurance

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

Future development of the business

As far as the company is concerned future developments of the business will take place in the subsidiaries Compass Minerals UK Limited and Compass Minerals Storage & Archives Limited as described in the directors' report of those companies.

Political or charitable contributions

The company has made no political or charitable contributions in the year (2019: £nil).

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to as a director in order to have made himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the board



R S Thomson
Director

26 November 2021

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report and 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgments and 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; and
- 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 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.

Independent auditor's report

to the members of Deepstore Limited

Opinion

We have audited the financial statements of Deepstore Limited for the year ended 31 December 2020 which comprise the Statement of income and retained earnings, the Statement of financial position, and the related notes, 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 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 company's affairs as at 31 December 2020 and of its profit for the year 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 Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 at least a period up to and including 30 November 2022.

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 auditor's report (continued)

to the members of Deepstore Limited

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 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 auditor's report (continued)

to the members of Deepstore Limited

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities set out on page 4, 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.

Auditor's 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 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 (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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report

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 material misstatements in respect of 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.

Due to the simplicity of the Company and the small number of transactions our procedures focussed on:

- 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 regulation in the United Kingdom.
- We understood how the Company is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas.

Independent auditor's report (continued)

to the members of Deepstore Limited

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

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud 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. Our procedures involved testing journals identified by specific risk criteria.

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 auditor's 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.

Ernst & Young LLP

Jamie Dixon (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester
Date: 26 November 2021

Statement of income and retained earnings
for the year ended 31 December 2020

	<i>Notes</i>	<i>2020 £'000</i>	<i>2019 £'000</i>
Other operating expenses		-	-
<i>Operating profit</i>		<u>-</u>	<u>-</u>
Interest receivable	5	67	67
<i>Profit on ordinary activities before taxation</i>	3	<u>67</u>	<u>67</u>
Tax on Profit on Ordinary Activities	6	(13)	(13)
<i>Profit for the financial year</i>		<u>54</u>	<u>54</u>
<i>Retained earnings as at 1 January</i>		3,230	3,176
<i>Retained earnings as at 31 December</i>		<u>3,284</u>	<u>3,230</u>

All amounts relate to continuing activities.

Statement of financial position at 31 December 2020

Registered No: 2672031

	Notes	2020 £'000	2019 £'000
Current assets			
Debtors	7	3,511	3,457
		<u>3,511</u>	<u>3,457</u>
Net current assets		<u>3,511</u>	<u>3,457</u>
Net assets		<u>3,511</u>	<u>3,457</u>
Equity			
Called up share capital	8	10	10
Retained earnings	9	3,284	3,230
Capital contribution reserve	9	217	217
Equity shareholders' funds		<u>3,511</u>	<u>3,457</u>

The notes on subsequent pages are an integral part of these financial statements.

The financial statements were approved by the board of directors on 26 November 2021 and were signed on its behalf by:



R S Thomson
Director

Notes to the financial statements

1 Company Information

DeepStore Limited is a limited liability company incorporated in England, registration number 2672031 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' strategic report.

2 Basis of preparation and principal accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard FRS 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006.

The financial statements are presented in Sterling (£).

The accounts present information about the company as an individual undertaking and not about its group. 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 12.

The directors have adopted the following disclosure exemptions:

- a) requirement to present a statement of cash flows (FRS section 7)
- b) financial instrument disclosures (FRS 102.11.39-48A and FRS 102.12.26-29)
- c) share-based payment disclosures (FRS 102.26.18b, FRS 102.26.19-21 and FRS 102.26.23)
- d) related party transactions (FRS 102.33.1a)
- e) presentation of consolidated financial statements (FRS 102.93)

Going concern

The Directors have assessed the principal risks and uncertainties, including the ongoing Covid-19 crisis in preparing their forecasts to support the going concern conclusion. Forecasts have been prepared for a period up to and including 30 November 2022. 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 November 2022. For this reason, the Directors continue to adopt the going concern basis in preparing these financial statements.

COVID-19

The COVID-19 pandemic has, at the time of approving these financial statements, had no adverse impact on the Company as it is a non-trading subsidiary company.

As a non-trading subsidiary company, the only impact that COVID-19 can have on the Company is in the performance of other Group trading companies, however this has been minimal, largely due to the essential nature of their supplies.

Interest income

Interest income is recognised using the effective interest rate method.

Significant judgements and estimates

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 fixed asset investments is adequate with regard to the performance of its underlying businesses.

Notes to the financial statements (continued)

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.

Investments

Fixed asset investments are stated at cost less provision for diminution in value. The carrying values of investments are reviewed for impairment at the reporting date and if events or changes in circumstances indicate the carrying value may not be recoverable.

Debtors and creditors

Debtors and creditors receivable or payable within one year are recorded at transaction price less any impairment and any loss arising from impairment is recognised in other operating expenses.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

i. Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii. Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial period. Exchange gains or losses are taken to the profit and loss account in the financial period in which they arise. Trading transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling when the transaction was entered into except for transactions to be settled at a contractual rate which are translated at these contracted rates.

Notes to the financial statements (continued)

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with its parent or with members of the same group that are wholly owned.

3 Profit on ordinary activities before taxation

Auditors' remuneration is included in the accounts of a fellow group undertaking. There were no non-audit fees in either year.

4 Directors' emoluments

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.

5 Interest receivable

	<i>2020</i> <i>£'000</i>	<i>2019</i> <i>£'000</i>
On loans to parent undertakings	67	67
	<u>67</u>	<u>67</u>

6 Income tax

(a) Tax on profit on ordinary activities

	<i>2020</i> <i>£'000</i>	<i>2019</i> <i>£'000</i>
<i>Current tax:</i>		
UK corporation tax on the profit for the year	13	13
Total current tax	<u>13</u>	<u>13</u>

Notes to the financial statements (continued)

6 Income tax (continued)

(b) Factors affecting the current tax charge

Tax assessed for the year is the same as (2019: same as) the standard rate of corporation tax in the UK for the year ended 31 December 2020 of 19% (2019: 19%).

	2020 £'000	2019 £'000
Profit on ordinary activities before tax	<u>67</u>	<u>69</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2019: 19%)	13	13
Total tax for the year (note 6(a))	<u>13</u>	<u>13</u>

(c) Factors that may affect future tax charges

The UK government has announced that the corporation tax rate will rise to 25% from April 2023. This announcement had not been substantively enacted at the balance sheet date and therefore the effect of this planned change has not been reflected in the financial statements.

7 Debtors

	2020 £'000	2019 £'000
Amounts due from parent undertakings	<u>3,511</u>	<u>3,457</u>
	<u>3,511</u>	<u>3,457</u>

There was no impairment charge for the year (2019: 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.

8 Called up share capital

Ordinary shares of £1 each

Allotted and fully paid

At 1 January 2020 and 31 December 2020

Number	£'000
10,000	10

Called up share capital represents the nominal value of shares that have been issued.

Notes to the financial statements (continued)

9 Reserves

	<i>Capital contribution reserve</i>	<i>Retained earnings</i>
	<i>£'000</i>	<i>£'000</i>
<i>At 1 January 2020</i>	217	3,230
Profit for the year	-	54
At 31 December 2020	217	3,284

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

Retained earnings includes all current and prior period retained profits and losses.

10 Contingent liability

(i) Revolving credit facility/term loans

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 instalments 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 UPC 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 UPC'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 UPC's borrowings under the previous outstanding credit agreement was variable based on either the LIBOR 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 UPC's leverage ratio and the type of term loan borrowing. As of December 31, 2020, the weighted average interest rate was 2.2% on all borrowings outstanding under the 2019 Credit Agreement. Both credit agreements require the UPC 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. As of December 31, 2020, there was \$130.3 million outstanding under the revolving credit facility, and, after deducting outstanding letters of credit totalling \$12.5 million, the UPC's borrowing availability was \$157.2 million. The UPC incurs participation fees related to its outstanding letters of credit and commitment fees on its available borrowing capacity. The rates vary depending on the UPC's leverage ratio. Bank fees are not material.

In connection with the 2019 Credit Agreement, the UPC paid \$4.1 million of fees (\$3.8 million was capitalized as deferred financing costs with \$0.3 million recorded as an expense). The UPC also wrote-off \$0.3 million of previously capitalized deferred financing costs as part of this refinancing in 2019.

Notes to the financial statements (continued)

10 Contingent liability (continued)

(I) Revolving credit facility/term loans (continued)

Credit Agreement (continued)

In December 2018, the UPC entered into an amendment to its credit agreement, which eased restrictions in certain covenants contained in the agreement. In connection with this amendment, the UPC paid fees totalling \$1.4 million (\$1.4 million was capitalized as deferred financing costs with less than \$0.1 million recorded as an expense).

The UPC's 2019 Credit Agreement borrowings are secured by substantially all existing and future U.S. assets of the UPC, the Goderich mine in Ontario, Canada, and capital stock of certain subsidiaries. As of December 31, 2020, the UPC was in compliance with each of its covenants under the 2019 Credit Agreement.

Senior Notes

In November 2019, the UPC 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 UPC's domestic subsidiaries. Interest on the 6.75% Notes is due semi-annually in June and December beginning in 2020. The 6.75% Notes are subordinated to all existing and future indebtedness. In connection with the 6.75% Notes, the UPC 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 UPC'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 UPC'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 UPC's organizational documents or fiscal periods; grant liens on the UPC's assets or make certain intercompany dividends, investments or asset transfers; enter into new lines of business; enter into transactions with the UPC's stockholders and affiliates; and acquire the assets of or merge or consolidate with other companies.

Other Debt

As of December 31, 2020, the UPC had \$92.8 million of loans related to Compass Minerals South America, which have maturity dates ranging from February 2021 through November 2023 and bear interest at rates of either a percentage of CDI, an overnight inter-bank lending rate in Brazil, or LIBOR plus a margin. A portion of the loans are denominated in U.S. dollars and a portion of the loans are denominated in Brazilian real, Compass Minerals South America's functional currency. The UPC has entered into foreign currency swap agreements in relation to some of these loans whereby the UPC agreed to swap interest and principal payments on loans denominated in U.S. dollars for principal and interest payments denominated in Brazilian real.

In the first quarter of 2020, the UPC entered into three loans totaling \$20.0 million which mature between February 2021 and March 2022, respectively. Two of the loans were denominated in Brazilian real and one loan was denominated in euros. In connection with the loan denominated in euros, the UPC entered into a swap to exchange principal and interest payments denominated in euros to Brazilian real. These loans bear interest ranging from 143% - 150% of CDI.

During the third quarter of 2020, the UPC entered into six new loans totaling \$15.1 million which mature between July 2021 and July 2022. These loans are denominated in Brazilian real and bear interest rates ranging from 200% - 204% of CDI. The liquidity created from these loans allowed the UPC to prepay \$15.4 million worth of existing loans with maturity date of September 2021.

Notes to the financial statements (continued)

10 Contingent liability (continued)

Other Debt (continued)

During the fourth quarter of 2020, the UPC entered into three new loans totaling \$21.2 million which mature between February 2022 and October 2022. These loans are denominated in Brazilian real and bear interest rates ranging from 171% - 186% of CDI. The proceeds of the new loans were used to pay a loan that matured in October 2020 and a loan scheduled to mature in December 2021.

In the first quarter of 2019, the UPC entered into two Brazilian real-denominated loans totaling \$18.0 million which matured in July and September of 2019, respectively. These loans bore interest at 123% and 128% of CDI, respectively. In the third quarter of 2019, the UPC entered into Brazilian real-denominated loans totaling \$36.0 million which mature in July and September of 2021. These loans bear interest at 120% and 141% of CDI, respectively. During the fourth quarter of 2019, the UPC entered into two Brazilian real-denominated loans totaling \$27.3 million which mature in September and December 2021. These loans bear interest at 126% and 129% of CDI, respectively. The UPC also refinanced a loan with Rabobank that expired during the fourth quarter of 2019 in the amount of \$17.4 million with a new loan with the same principal that bears interest at 122% of CDI and matures in November 2021.

(ii) Group guarantee

On June 30, 2020, certain of the UPC'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.

The UPC has agreed to guarantee the performance by its subsidiaries. The UPC 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.

11 Related party transactions

The group 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.

12 Ultimate 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.