

MINERALS TECHNOLOGIES INC. AND SUBSIDIARY COMPANIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company mines various minerals using a surface mining process that requires the removal of overburden. In certain areas and under various governmental regulations, the Company is obligated to restore the land comprising each mining site to its original condition at the completion of the mining activity. This liability will be adjusted to reflect the passage of time, mining activities, and changes in estimated future cash outflows.

The current portion of the liability of approximately \$0.7 million is included in other current liabilities and the long-term portion of the liability of approximately \$23.7 million is included in other non-current liabilities in the Consolidated Balance Sheet as of December 31, 2021.

Accretion expense is included in cost of goods sold in the Company's Consolidated Statements of Income.

Note 21. Segment and Related Information

The Company determines its operating segments based on the discrete financial information that is regularly evaluated by its chief operating decision maker, our Chief Executive Officer, in deciding how to allocate resources and in assessing performance. Accordingly, in the first quarter of 2021, the Company reorganized the management structure for its Energy Services and Performance Materials operating segments to support MTI's key growth initiatives, more closely align complementary technologies, processes and capabilities, and better reflect the way performance is evaluated and resources are allocated. As a result, Energy Services was combined into the Environmental Products product line within the Performance Materials operating segment. Presented below are the restated financial results for fiscal years ended 2020 and 2019 to conform to the current management structure.

The Company's operating segments are strategic business units that offer different products and serve different markets. They are managed separately and require different technology and marketing strategies.

The Company has three reportable segments: Performance Materials, Specialty Minerals and Refractories.

- The Performance Materials segment is a leading global supplier of bentonite and bentonite-related products and leonardite. This segment also provides products for non-residential construction, environmental and infrastructure projects worldwide, serving customers engaged in a broad range of construction and remediation projects, as well as offers a range of patented and unpatented technologies, products and services to the upstream and downstream oil and gas sector throughout the world.
- The Specialty Minerals segment produces and sells the synthetic mineral product precipitated calcium carbonate ("PCC") and processed mineral product quicklime ("lime"), and mines mineral ores then processes and sells natural mineral products, primarily limestone and talc.
- The Refractories segment produces and markets monolithic and shaped refractory materials and specialty products, services and application and measurement equipment, and calcium metal and metallurgical wire products.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The Company evaluates performance based on the operating income of the respective business units. The costs deducted to arrive at operating profit do not include several items, such as net interest or income tax expense. Depreciation expense related to corporate assets is allocated to the business segments and is included in their income from operations. However, such corporate depreciable assets are not included in the segment assets. Intersegment sales and transfers are not significant.