

Topsoe SOEC Production A/S
Haldor Topsøes Allé 1 - 2800 Kgs. Lyngby - Denmark

Annual Report 2024

(1 January – 31 December)

Topsoe SOEC Production A/S
CVR no. 43 70 70 43

The Annual Report has been presented and adopted at the Annual General Meeting on May 28, 2025.

Chair of the meeting,
Marianne Zenius-Dik Mathur

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Statement by the Management and Board of Directors on the Annual Report

The Management and Board of Directors have today considered and adopted the Annual Report 2024 of Topsoe SOEC Production A/S.

The financial statements have been prepared in accordance with the Danish Financial Statements Act. In our opinion, the financial statements give a true and fair view of the financial position of the company at December 31, 2024 and of the results

of the company operations for 1st of January 2024 to 31st of December 2024 in accordance with the applied accounting policies.

In our opinion, the Managements' review includes a true and fair account of the development in the operations and financial circumstances of the company, and the results for the year and of the financial position of the company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Lyngby, May 28, 2025

Management

Nicky Lindberg-Holst

Board of Directors

Roeland Baan
(Chairman)

Lene Ramm

Kim Saaby Hedegaard

Independent Auditor's Report

To the Shareholder of Topsoe SOEC Production A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2024, and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Topsoe SOEC Production A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 Financial Statements" section of our report. We are independent of the Company 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and 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 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 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 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 and the 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 these Financial Statements.

As part of an audit conducted in accordance with ISAs and the 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying

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.

Hellerup, May 28, 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No. 33 77 12 31

Michael Groth Hansen
State Authorized Public Accountant
mne33228

Rikke Lund-Kühl
State Authorized Public Accountant
mne33507

Managements review

The business of the Company is to manufacture electrolysis cells. The activities of the company are mainly conducted through its production facility in Herning.

Results

The net result for 2024 was a loss of TDKK 1,694. There has been an increase in activity level in 2024 leading to higher external costs. Production is expected to commence in 2025.

The equity for 2024 amounted to TDKK 9,868 at year-end.

The loss for this year and previous years has resulted in loss of more than 50% of the company's equity, which will be treated on the General Assembly, including necessary decisions in accordance with § 119 of the Danish Companies Act.

Topsoe A/S has granted a Letter of financial support effective until 31 May 2026.

In order to reestablish the equity in Topsoe SOEC Production, capital increase will be proposed at the general assembly.

Accounting policies

The financial statements of Topsoe SOEC Production A/S for 2024 have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The financial statement includes reclassifications of minor significance. The result and equity remain unchanged after the adjustments.

The Annual Report has been denominated in DKK 1,000.

General

The financial statements have been prepared in accordance with the historical cost convention.

Translation policy

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of transaction. Foreign currency monetary items are translated into the functional currency at the exchange rates prevailing at the balance sheet date.

Currency translation adjustments arising on the translation of group enterprises' net assets at the beginning of the financial year and translation of group enterprises' income statements from average exchange rates to the exchange rates prevailing at the balance sheet date are recognized directly in equity.

Income statement

Revenue

The recognition of revenue is according to IFRS 15.

Revenue from contracts with customers is recognized in the income statement when control of the goods or services has been transferred to the customer, i.e. when goods or services are delivered. Revenue is recognized exclusive of VAT and net of discounts relating to sales.

Raw materials and consumables used

Raw materials and consumables used comprise raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff costs are recognized in the financial year in which the employees render the related service.

Depreciation

Depreciation based on cost reduced by impairment loss and residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings 13–40 years

Plant and machinery 5–10 years

Other fixtures and equipment 4–20 years

Land is not depreciated.

The residual value and useful lives of the assets are reassessed annually and adjusted if necessary.

Financial income and expenses

Financial income and expenses comprise of interest and realized and unrealized foreign currency translation adjustments.

Tax

The company is jointly taxed with Topsøe Holding A/S, the ultimate parent company. Tax for the individual companies is allocated fully on the basis of expected taxable income. Foreign group enterprises are not included in the joint taxation.

Tax consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognized in the income statement, whereas the tax attributable to equity entries is recognized directly in equity.

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation. Depreciation based on cost is calculated on a straight-line basis over the expected useful lives of the assets.

Gains and losses from sale of property, plant and equipment are recognized in 'Other external expenses'.

Land is not depreciated.

Impairment of fixed assets

The carrying amounts of property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortization and depreciation. If so, the asset is written down to its lower recoverable amount. Where a recoverable amount cannot be determined for the individual asset, the asset is assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Inventories

Inventories are measured at the lower of cost or net realizable value. Cost is determined using the first-in, first-out method. Cost comprises direct production costs such as raw materials, consumables and labor as well as indirect production costs. Production costs for work in progress and finished goods include indirect production costs such as staff costs, depreciation, maintenance, etc.

Receivables

Receivables are measured in the balance sheet at the lower of amortized cost and net realizable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments include expenses incurred in respect of subsequent financial years. Such expenses are typically prepaid expenses concerning rent.

Provisions

Provisions are recognized when – in consequence of a previous event – the company has a legal or constructive obligation, and it is probable that economic benefits must be given up, to settle the obligation. Provisions are measured at management's estimate of the discounted amount expected to be required to repay the obligation.

Tax

Current tax liabilities and current tax receivable are recognized in receivables in the balance sheet in the event of overpayment of tax on account, in debt in the event of underpayment of tax on account.

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the carrying amount and the tax base of assets and liabilities.

Deferred tax is measured on the basis of tax rules and tax rates expected to be in force on elimination of temporary differences. Any changes in deferred tax due to changes in tax rates are recognized in the income statement with the share attributable to the results for the year and directly on equity with the share attributable to equity transactions.

Debt

Debts are measured at amortized cost, mainly corresponding to nominal value.

Income statement

	Note	2024	2023
		DKK 1,000	DKK 1,000
Raw materials and consumables used		-618	0
Other external expenses		-1,468	-25
Gross profit		-2,086	-25
Staff costs	2	-31,305	0
Transferred to assets		31,305	0
EBIT		-2,086	-25
Financial income		62	6
Financial expenses		-148	0
Profit/(loss) before tax		-2,172	-19
Tax		478	4
Net profit/(loss)		-1,694	-15
Proposed distribution of profit/(loss)			
Retained earnings		-1,694	-15
		-1,694	-15

Balance sheet at December 31

Assets

	Note	2024	2023
		DKK 1,000	DKK 1,000
Land and buildings		8,385	8,319
Assets under construction		2,119,870	866,910
Fixed assets	3	2,128,255	875,229
Inventories	4	21,981	0
Trade receivables		142	0
Receivables from group enterprises		0	11,558
Tax receivables		14,542	4,099
Other receivables		6,952	0
Receivables		43,617	15,657
Current assets		43,617	15,657
Assets		2,171,872	890,886

Balance sheet at December 31

Equity and liabilities

	Note	2024 DKK 1,000	2023 DKK 1,000
Share capital		400	400
Share premium		11,177	11,177
Retained earnings		-1,709	-15
Equity	1	9,868	11,562
Deferred tax		14,064	4,095
Provisions		14,064	4,095
Trade payables		6,974	0
Payables to group enterprises		2,137,093	875,229
Other payables		3,873	0
Current liabilities		2,147,940	875,229
Liabilities		2,162,004	879,324
Equity and liabilities		2,171,872	890,886
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Statement of changes in equity

	<u>Share capital</u> DKK 1,000	<u>Share premium</u> DKK 1.000	<u>Retained earnings</u> DKK 1,000	<u>Total</u> DKK 1,000
Equity at January 1, 2024	400	11,177	-15	11,562
Net profit/(loss) for the year	<u>0</u>	<u>0</u>	<u>-1,694</u>	<u>-1,694</u>
Equity at December 31, 2024	<u>400</u>	<u>11,177</u>	<u>-1,709</u>	<u>9,868</u>

Notes

1 Equity

The short term liabilities, exceed the short term assets in 2024. Topsoe A/S has granted a letter of financial support stating that they will provide sufficient funding to the Company in order for the Company to meet its obligations. Further, loans extended will not be called unless the liquidity position justify such repayments. The letter of financial support is effective until May 31, 2026.

2 Staff costs

	<u>2024</u>	<u>2023</u>
	DKK 1,000	DKK 1,000
Wages, salary and other remuneration	-26,078	0
Social security cost and other staff costs	-2,702	0
Pension costs	-2,524	0
Staff costs	<u>-31,305</u>	<u>0</u>
Average number of employees	38	0

3 Asset under construction

	<u>Land and buildings</u>	<u>Assets under construction</u>
Cost at January 1, 2024	8,319	866,910
Acquisitions during the year	66	1,252,960
Cost at December 31, 2024	8,385	2,119,870
Depreciation at January 1, 2024	0	0
Depreciations during the year	0	0
Depreciation at December 31, 2024	0	0
Carrying amount at December 31, 2024	<u>8,385</u>	<u>2,119,870</u>

Topsoe SOEC Production A/S began its construction of a Factory in Heming in 2023. This is financed by the parent company Topsoe A/S, who has comitted DKK 2 Billion to the project, which is expected to be completed in 2025.

Notes

4 Inventories

	<u>2024</u>	<u>2023</u>
	DKK 1,000	DKK 1,000
Raw materials	19,226	0
Consumables	2,511	0
Goods in transit	244	0
Inventories	<u>21,981</u>	<u>0</u>

5 Contingent liabilities

Through participation in joint taxation scheme with Topsøe Holding A/S, the company is jointly liable for taxes and VAT payable in Denmark.

6 Consolidated financial statements

Topsoe A/S prepares consolidated financial statements, which include the Company and its group enterprises. Address: Haldor Topsøe's Allé 1, 2800 Kgs. Lyngby, Denmark. Company webpage: <https://www.topsoe.com/investor/annual-reports>.

7 Subsequent events

No events materially affecting the Company's financial position at December 31, 2024 have occurred after the balance sheet date.