

Subcontinent Ammonia Investment Company ApS
Haldor Topsøes Allé 1, 2800 Kgs. Lyngby - Denmark

Annual Report 2023

(1 January – 31 December)

Subcontinent Ammonia Investment Company ApS
CVR-no. 26 79 13 16

The Annual Report has been presented and adopted at the Annual General Meeting on June 25, 2024

Chair of the meeting,
Marianne Zenius-Dik Mathur

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Managements' review

The Company's objectives are trade, financing, investment in shares in other companies and other financial activities, activities related to granting licenses, especially for catalysts and chemical process technology, and other activities deemed relevant by the Management.

The company's main asset is a 15% share in ammonia and urea producer Karnaphuli Fertilizer Company Ltd. (KAFCO) in Bangladesh.

KAFCO generated for the financial year 2022/23 (1 July 2022 – 30 June 2023) a profit after tax amounting to USD 117 million/ DKK 814 million (2021/22: USD 185 million/ DKK 1.321 million). KAFCO distributes the majority of the profit as dividends to the shareholders.

The decrease in the result of KAFCO was caused by a return to normal production utilization compared to the higher utilization of capacity than expected in 2021/2022.

The Group holds shares in KAFCO of nominally BDT 692 million, which equals 15% of the shares in KAFCO.

Results

The net result for 2023 was an income of DKK 97 million. The net result mainly comprises the result from other investments.

The equity for 2023 amounted to DKK 140 million at year-end.

Statement by the Management on the Annual Report

The Management have today considered and adopted the Annual Report 2023 of Subcontinent Ammonia Investment Company ApS.

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, 2023 and of the results

Lyngby, June 25, 2024

Management

Roeland Baan
Managing director

Lene Ramm
Director

of the Company operations for 2023 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.

Independent Auditor's Report

To the Shareholder of Subcontinent Ammonia Investment Company ApS.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Subcontinent Ammonia Investment Company ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, 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.

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 au-

ditor'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 judgment and maintain professional skepticism 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 transactions and events in a manner that gives a true and fair view.

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.

Copenhagen, June 25, 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Rikke Lund-Kühl
State Authorized Public Accountant
mne33507

Martin Jarness Schmidt Andersen
State Authorized Public Accountant
mne49061

Accounting policies

The financial statements of Subcontinent Ammonia Investment Company ApS 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 accounting policies are unchanged from 2022, with the exception that subsequent measurement of investments in other investments has been changed from previously following the fair value method to now following the cost method. Management has reassessed the policy and found cost price to be more appropriate as management evaluates the investments based on their ability to generate dividends.

The impact in changing the accounting policy is recognized 1. January 2022. The effects of the policy change on the balance sheet at January 1, 2022 are that Equity has decreased from DKK 269 million to DKK 143 million and Investments in KAFCO has decreased from DKK 156 million to DKK 30 million. There is no impact on the income statement for 2022.

Translation policies

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.

Income statement

Other external expenses

Other external expenses comprise of administration fee, audit etc.

Financial income and expenses

Financial income and expenses comprise of interest, dividends, fair value adjustment and realized and unrealized foreign currency translation adjustments.

Tax

The Company is jointly taxed with Danish entities within the Topsøe Holding A/S Group in the mandatory Danish joint taxation. Tax for the year comprises 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. Any share of the tax reported in the income statement arising from profit/loss on extraordinary activities for the year is attributed to such activities, whereas the remaining share is attributed to profit/loss on ordinary activities for the year.

Balance sheet

Other investments

Other investments are measured at cost.

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.

Debt

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

Tax

Current tax liabilities and current tax receivables 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 the 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.

Dividend

Proposed dividend for the financial year is recognized in 'Retained earnings'.

Income Statement January 1 - December 31

	<u>Note</u>	<u>2023</u> DKK 1,000	<u>2022</u> DKK 1,000
Other external expenses		-264	-256
EBIT		-264	-256
Financial income	1	98,652	129,662
Financial expenses		0	-2,795
Profit before tax		98,388	126,611
Tax		-1,429	-12,346
Net profit		96,959	114,265
Proposed distribution of profit			
Proposed dividend		100,000	100,000
Retained earnings		-3,041	14,265
		96,959	114,265

Balance sheet at December 31

Assets

	Note	2023 DKK 1,000	2022 DKK 1,000
Other investments		29,857	29,857
Other investments	2	29,857	29,857
Non-current assets		29,857	29,857
Tax receivables		7,155	591
Receivables		7,155	591
Cash		235,058	145,053
Current assets		242,213	145,644
Assets		272,070	175,501

Equity and liabilities

	Note	2023 DKK 1,000	2022 DKK 1,000
Share capital		1,000	1,000
Retained earnings		38,583	41,624
Proposed dividend		100,000	100,000
Equity		139,583	142,624
Corporate income tax		0	0
Payables to group enterprises		132,467	32,853
Other payables		20	24
Current liabilities		132,487	32,877
Liabilities		132,487	32,877
Equity and liabilities		272,070	175,501
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Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend	Total
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
Equity at January 1, 2023	1,000	167,767	100,000	268,767
Impact of changes in accounting policies		-126,143	0	-126,143
Restated equity at January 1, 2023	1,000	41,624	100,000	142,624
Dividend paid to shareholders	0	0	-100,000	-100,000
Net profit	0	-3,041	100,000	96,959
Equity at December 31, 2023	1,000	38,583	100,000	139,583

Notes

1 Financial income

	2023	2022
	<u>DKK 1,000</u>	<u>DKK 1,000</u>
Income from other investments	91,893	129,297
Interest received from group enterprises	6,479	365
Foreign currency translation adjustments	280	0
Other financial income	0	0
	<u>98,652</u>	<u>129,662</u>

2 Other investments

	<u>Other investments</u>
Cost at January 1, 2023	29,857
Additions for the year	<u>0</u>
Cost at December 31, 2023	<u>29,857</u>
Value adjustment at January 1, 2023	0
Value adjustment for the year through income statement	<u>0</u>
Value adjustment at december 31, 2023	<u>0</u>
Carrying amount at December 31, 2023	<u>29,857</u>

2 Other investments (continued)

Karnaphuli Fertilizer Limited, Bangladesh (KAFCO)

The Company holds shares in KAFCO of nominally BDT 692 million, which equals 15% of the shares in KAFCO.

In 2023 the accounting policy for investments have been changed from the fair value to cost price method. See the accounting policies.

Other investments are specified as follows:

<u>Name</u>	<u>Ownership</u>
KAFCO	15%
Topsoe India Pvt. Ltd. *)	0.01%

*) Other shares are owned by the affiliated company, Topsoe International A/S.

3 Contingent liabilities

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

4 Consolidated accounts

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

5 Subsequent events

No events materially affecting the Company's financial position at December 31, 2023 have occurred after the balance sheet date.