Topsoe Project Investment A/S
Haldor Topsøes Alle 1, 2800 Kgs.Lyngby

Annual Report for 2023

(1 January – 31 December)

Topsoe Project Investment A/S
CVR No 39 53 48 86

Penneo dokumentnøgle: OYVHZ-8ES7W-GH4AN-6EBA4-7CYP0-NJELP

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

The Management and the Board of Directors have today considered and adopted the Annual Report of Topsoe Project Investment A/S for the financial year 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

We consider the accounting policies applied appropriate, and the estimates made reasonable.

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 of the Company operations for 2023.

In our opinion, Managements review includes a true and fair account of the issues it addresses as well as a description of the Company's most significant risks and elements of uncertainty.

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

Lyngby, June 25, 2024

Management

Anders Hindum

Board of Directors

Roeland Baan
(Chairman)

Lene Ramm

Allan Bødskov Andersen

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Independent Auditor's Report

To the Shareholder of Topsoe Project Investment 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 2023, and of the results of the Company's operations for the financial year 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Topsoe Project Investment A/S for the financial year 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

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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 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

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Managements review

Main activities

The purpose of the Company is to pursue and conduct project investments and related commercial activities. The activities include holding shares in subsidiaries, whenever deemed relevant by the Board of the Company.

Topsoe Project Investment A/S owns 100% of T Ramagundam A/S and Haldor Topsoe Project Development Inc.

Topsoe Project Investment A/S is a wholly-owned subsidiary of Topsoe A/S.

Results

The net result for 2023 was a profit of DKK 5.5 million. The net result mainly comprises the results from subsidiaries.

The company's equity is negative with DKK 8 million. Management expects to restore the Company's registered capital through a capital increase. The parent company has granted a Letter of financial support effective until May 31, 2025.

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

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Accounting policies

Basis of preparation

The Annual Report of Topsoe Project Investment A/S for 2023 has 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 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 in other investments based on their ability to generate dividends.

The impacts are recognized at 1 january 2022. The main effects of the policy change on the balance sheet at January 1, 2022 are that Equity has decreased from DKK -1.5 million to DKK -15.7 million and Investments in Liquid Wind has decreased from DKK 24.8 million to DKK 10.5 million. The impact on the income statement for 2022 is a decrease in income from DKK 14.3 million to DKK 0 million.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act, the Company has not prepared Consolidated Financial Statements. Reference is made to the Consolidated Financial Statements of Topsoe A/S.

Recognition and measurement

Income is recognized in the income statement as earned. All expenses are recognized in the income statement.

Assets are recognized in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation of foreign currency

Transactions in foreign currencies are translated during the year at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the rates at the transaction date and the rates at the dates of payment are recognized in financial income and expenses in the income statement.

Receivables and payables in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognized in financial income and expenses in the income statement.

Income statement

Other external expenses

Other external expenses comprise expenses for external assistance etc.

Financial expenses

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

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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

Investments in group enterprises

Investments in group enterprises are recognized and measured under the equity method. Acquisitions are measured using the consolidation method.

Group enterprises which have negative equity are measured at DKK 0, and receivables from these group enterprises are written down by the parent company's share of the negative equity if it is estimated to be irrecoverable.

If the negative equity exceeds receivables, the remaining amount is recognized under provisions to the extent the parent company has a legal or constructive obligation to cover the group enterprise's deficit.

The item "Result of investments in group enterprises" in the income statement includes the proportionate share of the result after tax.

Other investments

Other investments are measured at cost price.

Receivables

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

Corporate income tax and deferred tax

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

Deferred tax is measured under the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realized, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

Financial liabilities

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

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Income statement

	Note	2023	2022
		DKK 1,000	DKK 1,000
Other external expenses		-113	-114
EBIT		-113	-114
Result of investments in group enterprises	2	5,618	-335
Financial expenses		-35	0
Profit before tax		5,470	-449
Tax		33	25
Net profit/(loss)		5,503	-424
Proposed distribution of profit			
Reserve for net revaluation under the equity method		7,566	-335
Retained earnings		-2,063	-89
		5,503	-424

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Balance sheet

Assets

	Note	2023	2022
		DKK 1,000	DKK 1,000
Investments in group enterprises		0	0
Other investments		12,112	10,508
Investments	2	12,112	10,508
Fixed assets		12,112	10,508
Corporation tax		32	25
Receivables		32	25
Cash		0	305
Current assets		32	330
Assets		12,144	10,838

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Balance sheet

Equity and liabilities

	Note	2023	2022
		DKK 1,000	DKK 1,000
Share capital		500	500
Premium capital		35,141	35,141
Retained earnings		-43,642	-51,434
Equity	1	-8,001	-15,793
Other provisions	2	16,224	24,131
Provisions		16,224	24,131
Payables to group enterprises		2,000	2,000
Long-term liabilities		2,000	2,000
Payable to group enterprises		1,914	488
Other payables		7	12
Short-term liabilities		1,921	500
Liabilities		20,145	26,631
Equity and liabilities		12,144	10,838
Contingent liabilities	3		
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Statement of changes in equity

	Share capital	Premium share capital	Net revaluation reserve according to the equity	Retained earnings	Total
	DKK 1,000	DKK 1.000	DKK 1,000	DKK 1,000	DKK 1,000
Equity at January 1, 2023	500	35,141	0	-37,156	-1,515
Effect of change in accounting policies	0	0	0	-14,278	-14,278
Modified equity January 1, 2023	500	35,141	0	-51,434	-15,793
Adjustments relating to separate foreign legal entities	0	0	2,289	0	2,289
Transfer to Retained earnings	0	0	-9,855	9,855	0
Net profit/(loss) for the year	0	0	7,566	-2,063	5,503
Equity at December 31, 2023	500	35,141	0	-43,642	-8,001

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Notes to the financial statements

1 Equity

The Company's equity is negative. Management expects to restore the Company's registered capital through a capital increase. 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, 2025.

2 Investments

	Investments in group enterprises	Other investments
Cost at January 1, 2023	27,004	10,508
Additions for the year	0	1,604
Cost at December 31, 2023	27,004	12,112
Value adjustment at January 1, 2023	-51,135	0
Foreign currency adjustments	2,289	0
Net profit for the year	5,618	0
Value adjustment at december 31, 2023	-43,228	0
Investment with negative equity transferred to other provisions	16,224	0
Carrying amount at December 31, 2023	0	12,112

Investments in group enterprises are specified as follows:

Name	Registered office	Voting and ownership share
T Ramagundam A/S	Lyngby, Denmark	100%
Haldor Topsoe Project Development Inc.	Houston, USA	100%

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Notes to the financial statements

2 Investments (continued)

Other investments are specified as follows:

Name	Registered office	Voting and ownership share
Liquid Wind	Gothenburg, Sweden	5%

The Company takes part in a Power-to-X project, led by Liquid Wind. The consortium will establish commercial-scale facilities producing liquid, carbon neutral methanol from captured carbon dioxide and green hydrogen. In 2023 the company has invested further DKK 1.6 million. The value of the investment is measured at cost price.

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 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

5 Subsequent events

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

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Allan Bødskov Andersen
Bestyrelsesmedlem
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