TOPSOE ANNUAL REPORT 2024

DELIVERING FOR THE ENERGY TRANSITION AT SCALE

TOPSOE

Making Energy Transition

DELIVERING FOR THE ENERGY TRANSITION AT SCALE

Meeting today's energy challenges can be incredibly complex and requires a diverse range of technologies and solutions. At Topsoe, we are dedicated to finding answers to these challenges, helping our customers and partners to drive energy resilience and to achieve their sustainability goals. We do this through our science-based technologies and proven solutions, while also ensuring that our conventional solutions contribute to the most energy-efficient fuel production.

In 2020, we launched a bold vision that marked the beginning of our transformation "to be recognized as a global leader in carbon emission reduction technologies by 2024". We have been successful in delivering on our vision through substantial investments and by taking decisive leaps forward in technological innovation, building a strong platform for scaling our solutions to benefit our customers and the world.

In our Annual Report, you can learn how we create value for our customers, investors and other key stakeholders. It shows how we are ambitiously developing our business financially, environmentally and socially – and how we manage risks, supported by governance, and how we document our financial and sustainable performance.

We are committed to meeting global sustainability requirements. This year, we have progressed in the preparation for complying with new EU disclosure requirements on sustainability that are mandatory for Topsoe for the financial year 2025.

CONTENTS

MANAGEMENT REVIEW

TOPSOE AT A GLANCE

OVERVIEW

PERFORMANCE HIGHLIGHTS 2024 10
BUSINESS HIGHLIGHTS 12
LETTER FROM OUR CHAIRMAN & OUR CEO 14

OUR BUSINESS

OUR VALUE CREATION 20
STRATEGY 22

RISK

RISK MANAGEMENT 38

CORPORATE GOVERNANCE

BOARD OF DIRECTORS 57
SENIOR LEADERSHIP TEAM 61
SUSTAINABILITY GOVERNANCE 63

ESG STATEMENT

GENERAL DISCLOSURES 68
ENVIRONMENT 70
SOCIAL 84
GOVERNANCE 98

FINANCIAL RESULTS & OUTLOOK

FINANCIAL HIGHLIGHTS 106
FINANCIAL PERFORMANCE 108
KEY FINANCIAL FIGURES 109
OUTLOOK 2025 110

FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

Income statement 115
Statement of comprehensive income 115
Balance sheet 116
Cash flow statement 117
Statement of changes in equity 118
Notes 120

FINANCIAL STATEMENTS OF TOPSOE A/S

Income statement 155
Balance sheet 156
Statement of changes in equity 158
Notes 159

STATEMENTS

Statement by the Executive Management and Board of Directors on the Annual Report 171
Independent auditor’s report 172
Independent auditor’s report on ESG 176

TOPSOE AT A GLANCE

H-index

178

Our H-index*** is 178 with more than 1,800 scientific publications since 1950.

Topsoe is a leading global provider of advanced technology and solutions for the energy transition.

Built on decades of scientific research and innovation, we are working with customers and partners to drive energy resiliency and to achieve their sustainability goals.

We offer world-leading solutions for transforming renewable resources into fuels and chemicals, and we provide technologies needed to produce low-carbon and conventional fuels and chemicals as well as ensuring clean air.

We were founded in 1940 and are headquartered in Denmark, with over 2,800 employees serving customers all around the globe.

1/3

H_2

of hydrogen is produced using Topsoe solutions.*

Driven by innovation, we invested DKK 745 million in R&D in 2024.

MeOH

Methanol's properties have put it on the map as an alternative fuel source for shipping and automotive industries. We play a leading role in deploying methanol from various pathways.

Our industrial-scale Solid Oxide Electrolyzer Cell (SOEC) factory in Herning, Denmark will be ready to deliver stacks to customers in 2025.

1/3

of the current renewable diesel and SAF operating capacity is based on Topsoe technology.**

CO_2

We aim to reach net zero across scope 1, 2 and 3 in 2040.

NH_3

From the very beginning, our ammonia solutions have supported fertilizer production that has secured food for growing populations. Today, we are a preferred partner in ammonia production.

* Calculation is based on hydrogen production data in IEA's Global Hydrogen Review 2024.

** Calculation is based on operating renewable diesel and SAF production units registered in BNEF Global Renewable Fuel Projects Tracker.

*** The H-index measures the author productivity and citation impact of scientific publications. The overall Topsoe h-index of 178 is one of the highest in the corporate world, demonstrating scientific leadership amongst industrial peers.

2,800+

colleagues working across the globe

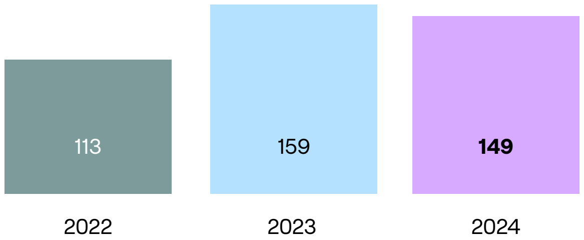
OVERVIEW

PERFORMANCE HIGHLIGHTS 2024

Carbon footprint

1,000 tCO_2e (Scope 1 & 2)

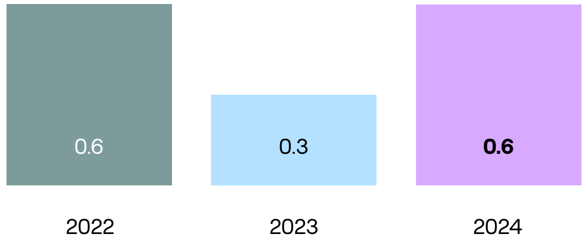
149



In 2024, our total GHG emissions (Scope 1 and 2, market-based) amounted to 148,550 tCO_2e, which is a decrease of 6% compared to 159,350 tCO_2e in 2023 and a decrease of 7% compared to our 2020 base year.

Safety (TRIF)

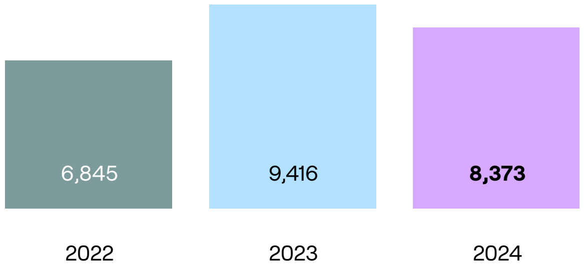
0.6



We experienced an increase in our TRIF during 2024 particularly in the first half of the year. With added focus and attention on training and thorough planning of the work, we managed to change the trend during the second half of 2024.

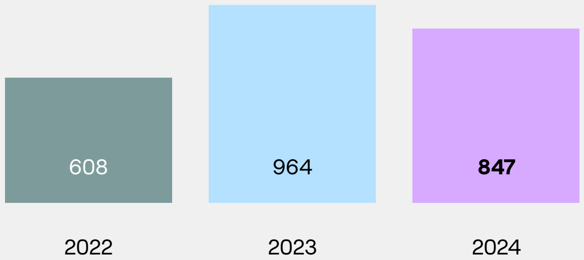
Revenue

DKK million



EBIT before special items

DKK million



Revenue amounted to DKK 8,373 million, which was in line with expectations. Lower revenue from the catalyst business was the primary reason for the 11% revenue decrease compared to the exceptionally strong 2023 (DKK 9,416 million). Also in our technology segment, we saw a decline compared to 2023. The revenue is in line with the full-year guidance range of DKK 8,200-8,600 million, which was communicated in the half-year report.

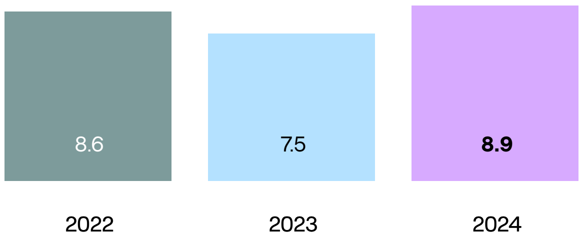
EBIT before special items ended at DKK 847 million (2023: DKK 964 million), a decrease of 12%, while our margin ended at 10%. The EBIT before special items margin is in the higher end of the full-year guidance range of 8-10% which was communicated in the half-year report.

Net profit

DKK million

Innovation

Percent of revenue



Net profit amounted to DKK 420 million in 2024 (2023: DKK 775 million), representing a decrease of 46%. This decrease can be attributed to the decrease in EBIT combined with costs associated with special items. Further, we received no dividends from our investments in 2024 compared to the DKK 92 million received the year before.

Innovation increased to 8.9% of revenue mainly driven by the 11 % revenue decrease compared to 2023. Actual spend increased 5% in 2024 compared to 2023.

Further, and not included in our Innovation KPI, we have in 2024 made significant investments in technologies and solutions that support the energy transition, mainly driven by the investment in the SOEC factory in Herning.

BUSINESS HIGHLIGHTS

We help find solutions to some of the world's greatest challenges. Guided by our dedication to science and our purpose, 'Perfecting chemistry for a better world', we are determined to help our customers and the world transition to a more sustainable future. This is how.

Launching Zaffra to help decarbonize aviation

We have successfully launched Zaffra, our joint venture with global chemicals and energy company Sasol. Focusing on the development and delivery of SAF based on the unique combination of pioneering SAF technologies and operational excellence, Zaffra is set to become a key player at the forefront of the aviation industry's global transformation.

→ Explore

Raising EUR 200 million in green hybrid bonds

We have raised EUR 200 million in a green hybrid bonds issuance to invest in our SOEC manufacturing facilities and other energy transition technologies and solutions.

→ Explore

Announcing our plans for an SOEC factory in the U.S.

We received a federal 48C tax credit allocation from the Inflation Reduction Act for a potential expansion of Topsoe's SOEC production to the United States. Final decision on the expansion will be dependent on market conditions and developments.

→ Explore

Starting production at our SOEC factory in Herning

Our advanced industrial-scale Solid Oxide Electrolyzer Cell (SOEC) manufacturing facility in Herning, Denmark will be ready to deliver energy-efficient stacks to customers in the first half of 2025. Our SOEC technology enables the production of green hydrogen which is needed to decarbonize energy-intensive industries and long-distance transportation. First Ammonia has signed supply and service agreements for the fabrication of the first 100 MW of SOEC for their flagship green ammonia facility Port of Victoria in Texas, U.S. The project is pending financial closing.

→ Explore

Delivering technology for renewable fuel complex in Germany

Continuing the momentum we have in the global market for renewable fuel technology, we will deliver HydroFlex™ technology to HOLBORN's renewable fuel complex in Hamburg, Germany. The facility is expected to be operational in early 2027 and aims to produce 220,000 tons of renewable diesel and SAF per year.

→ Explore

Helping fuel Brazil's first commercial-scale SAF plant

With our HydroFlex™ and H2bridge™ technologies, we are helping Refinaria Riograndense to produce SAF and renewable diesel in the first commercial-scale SAF plant in Brazil. The plant is expected to be operational in the first half of 2028 and aims to produce 16,000 barrels of renewable diesel and SAF per day.

→ Explore

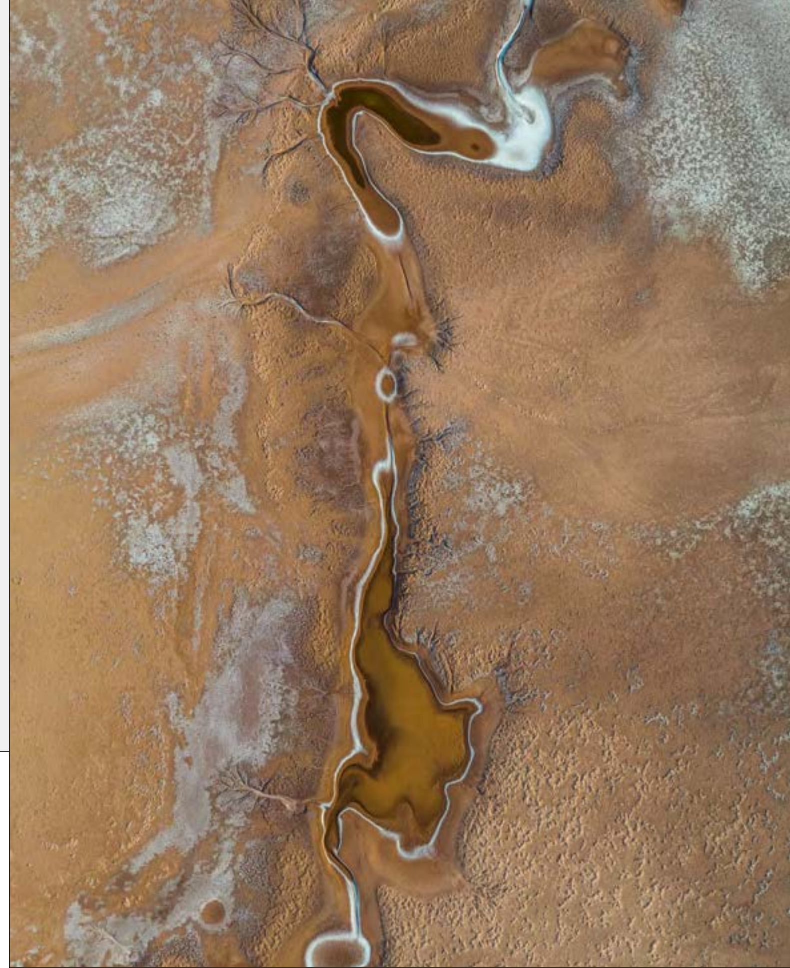
Helping IndianOil drive circular economy project

We helped IndianOil successfully commission a Wet Sulfuric Acid (WSA) Plant, which treats sulfurous off-gases at their Haldia Refinery. IndianOil has taken a major step in contributing to a circular economy, as the project contributed the largest carbon emission savings of any project in the IOCL Group.

E-methanol at commercial scale in Spain

We are providing technology and engineering support for Foresta del Atlántico's Triskelion project, located in Galicia, Spain. The project is expected to reach final investment decision (FID) in June 2025 and will produce 40,000 tons of e-methanol annually, while capturing and using c. 56,000 tons of CO_2. The e-methanol is intended for applications in the shipping and chemicals industries.

→ Explore



CF Industries to produce low-carbon ammonia

We signed a license agreement with one of the world's largest producers of ammonia, CF Industries, supporting a front-end engineering and design (FEED) study of a new low-carbon SynCOR ammonia plant. It will have a capacity of 4,000 MTPD and be located in the U.S.

→ Explore

DELIVERING SOLUTIONS FOR THE ENERGY TRANSITION AT SCALE

2024 has been another solid year for Topsoe. Revenue amounted to DKK 8,373 million, which was in line with expectations. Lower revenue from our catalyst business was the primary reason for the decrease compared to the exceptionally strong 2023. EBIT before special items was DKK 847 million.

Thanks to strong cost control, our operational cash flow was solid at DKK 996 million in 2024. Our strong business model ensured that we maintained a healthy leverage ratio of 1.4, while having another year of high capital expenditure, mainly as a result of the construction of the Herning electrolyzer manufacturing facility.

We successfully raised EUR 200 million in a green hybrid bonds issuance in the second quarter of the year, which has contributed significantly to our strong balance sheet position and our ability to invest further in our SOEC manufacturing facilities and other energy transition technologies and solutions.

Strengthening our commercial position

The great success of our technologies and catalysts in our traditional business – which optimize fuel and chemical production while keeping the air cleaner – enables us to refine our existing offering, while also making major investments in new technology and solutions.

Catalysts play a crucial role in meeting the current and future need for energy. Our ambition is to continue developing and delivering best-in-class catalysts that raise the bar for the most efficient fuel and chemical production.

In 2024, we grew our market position for our catalyst and technology solutions for standalone facilities for renewables, co-processing of renewables and in the conventional fuel segments, while protecting our margins. A new state-of-the-art dewaxing catalyst has been a gamechanger for our customers and enabled us to grow our market position significantly. We continue to build a leading market position in solutions that reduce and eliminate industrial sulfur emissions and air pollution, while strengthening our position in low-sulfur fuels, hydrogen, ammonia and methanol.

As we are building up our capabilities to serve the nascent Power-to-X markets, we have continued to invest in developing our SOEC technology and stack performance. We have created modular solutions for our clients and the commercial and service structure needed to cater to our customers' needs. We expect to see the effect of these investments in 2025.

"2024 has been a solid year for Topsoe. Our catalyst and technology businesses continue to support customer projects worldwide, and we have signed contracts for exciting projects for conventional fuels, low-carbon and renewable fuels and e-fuels during in a year marked by both opportunities and challenges."

ROELAND BAAN
CEO

"Topsoe is uniquely positioned to be able to support all types of fuel solutions to meet the growing energy demand and contribute to enhancing energy resilience. This also means investing in technologies that advance sustainability, create jobs, drive competitiveness, fuel economic growth and strengthen energy security."

JEPPE CHRISTIANSEN
Chairman

Growing energy demand calls for diversification
The global energy transition is facing a critical challenge as we need to balance energy security, affordability and sustainability. Combined with a continued growth in energy demand driven by demographics, economic development and technological developments, we need to accelerate the deployment of all types of technologies, including those that enable energy-intensive industries to reduce their carbon emission footprint.

We are uniquely positioned to support all types of fuel solutions, as we both continue to service our traditional customer base and provide the technologies for innovative, sustainable energy solutions to create a diverse and robust energy landscape. Scaling up these solutions and supply chains will be essential to meeting growing demand and requires significant investments. Investing now in clean energy technologies will boost sustainability, create jobs, drive competitiveness, fuel economic growth and enhance security of energy supply.

Creating an even better workplace
Our people are our greatest asset and priority, and we continue to focus our efforts on creating a workplace where people feel a sense of belonging.

We are proud of the fact that we have been able to continuously improve the level of engagement of our employees. The latest engagement survey in October 2024 now places us in the top ten percent of companies with the highest engagement in the energy & resources industry.

On the flipside, a deterioration in our health and safety (TRIF) results reminded us that staying healthy, mentally and physically, is never a given. That is why we launched several initiatives to strengthen our Zero Harm culture, aiming to ensure everyone at Topsoe can live fulfilling lives at and outside of work.

Setting our strategic direction for the next five years
The closing of the year concluded our 2024 vision-period. Five years ago, we laid out the path for our ambitious transformation and we are proud to say we have delivered on what we set out to do.

We have strengthened our organization; grown our brand; made our business more sustainable; and made our largest ever investment in innovative technologies for our customers. We have also optimized our traditional business and grown our market leading status; built leading market positions in low-carbon and renewable fuels; and taken a leading role in scaling Power-to-X technology and solutions. All of this while delivering record financial results and growth.

With this strong foundation, we are ready to enter our next five-year vision period – Vision 2029: “To deliver decarbonization solutions at scale to lead the fuel transition”.

Our ambition is to be the solutions partner that enables our customers to scale their decarbonization activities. We will drive the energy transition by leveraging innovation, continued delivery of high-quality solutions and a commitment to sustainability in our own operations.

Thank you
We want to thank the Topsøe family and Temasek, our customers, business partners and all our incredible colleagues, all of whom are dedicated to making a positive difference in the world. There is much work ahead of us and we are ready to take it on and move the energy transition forward, faster.

JEPPE CHRISTIANSEN
Chairman

ROELAND BAAN
CEO

OUR BUSINESS

OUR VALUE CREATION

We are founded on a passion for science and a determination to change the world for the better. As we continue to grow, our purpose remains: Perfecting chemistry for a better world.

We measure the value we create by our ability to deliver a positive impact on our planet, our company and for our people.

Our technologies and solutions transform energy feedstocks into fuels, chemicals and clean air in optimized processes with lower carbon impact.

We enable the decarbonization of energy-intensive industries and long-distance transportation, and provide an alternative to conventional energy. This contributes positively to the United Nations' Sustainable Development Goals, notably SDG 3 (Good Health and Wellbeing), SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action).

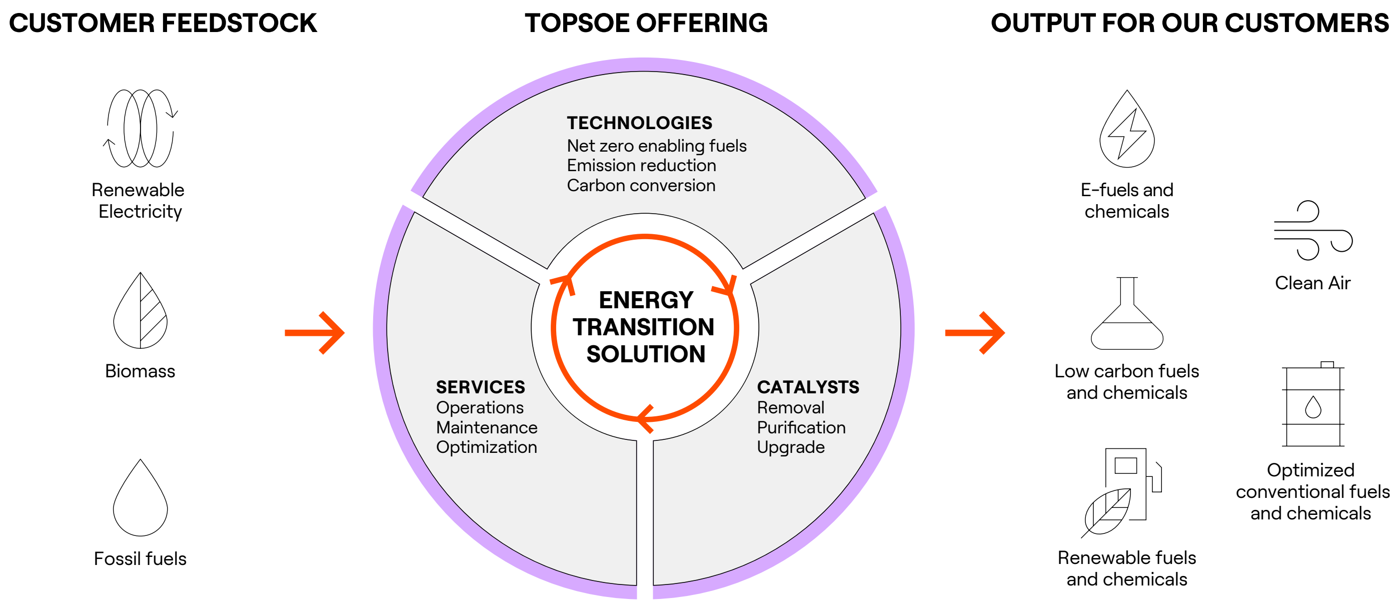
Our value proposition rests on decades of relentless pursuit for perfect technology and chemical processes, based on science and research.

We are committed to reaching net zero in 2040, and to help enable the global ambition for net zero by 2050. We realize that no company can achieve this alone. Success depends on resources, strategic partnerships and stakeholder dialogues to move decarbonization forward.

VALUE CREATION MODEL

VALUE CREATED FOR

Our Planet   Our Company   Our People



WE DEPEND ON

Resources   Relationships

Resources

- Intellectual capital: Our operations and innovation are made possible by 2,800+ diverse and engaged employees and more than 600 patent families
- Financial capital: Our growth and investments rely on access to financial capital from our owners and external partners
- Natural resources: Our business depends on access to raw materials and energy

Relationships

- Partnerships: We are engaged in scientific and commercial partnerships to help us innovate new solutions
- Communities: We are a part of, and depend on the local communities we operate in

Our planet

We enable a sustainable future fueled by science by helping our customers realize their emission reduction targets.

- Our technologies have enabled our customers to expectedly avoid 18 million tonnes CO_2e emissions for projects in operation in 2024

Our company

We drive a healthy operation committed to ethical conduct which enables us to invest in solutions that enable net zero and cleaner air.

- DKK 420 million in profit
- A 20% increase in investment in technologies and solutions enabling the energy transition

Our people

We strive for Topsoe to be a great place to work – where our people are highly engaged and feel safe.

- Score 82 in our people engagement survey
- 0.6 Total Recordable Injury Frequency (TRIF)

STRATEGY

A leader in carbon emission reduction technologies

The world needs innovative companies, solutions and partnerships that work across the value chain to meet growing energy demand, while ensuring energy security, affordability and sustainability. At Topsoe, we aim to be one of these companies.

In 2024, we concluded our five-year vision: To be recognized as the global leader in carbon emission reduction technologies by 2024. This section shows how we performed against this vision and our commercial priorities, and it outlines our vision for the next five years, Vision 2029.

Delivering on our 2024 vision
Starting in 2020, we took decisive steps in transforming Topsoe, then Haldor Topsøe, into a leader in the global energy transition. Building on more than 80 years of experience with leading solutions for efficient fuel and chemicals production, we were – and still are – uniquely positioned to help our customers with the transition to a net zero future.

Our transformation has meant developing the company, our organization and people, as well as growing revenue and earnings. We have focused our R&D efforts and built offerings around solutions for decarbonizing fuels, while ensuring that our conventional offerings supported our customers in the most energy-efficient fuel production. Through our solutions, customers have reduced their climate impact and successfully overcome some of their most pressing challenges.

We have also made it our business to place solutions on the agenda across global forums, and partner with other industry leaders, organizations and influencers to advocate for political support for the energy transition.

Focusing on what matters
To deliver on our 2024 vision, we focused on:

- → Pioneering solutions that enable the energy transition
- → Growing our business
- → Attracting and retaining people with strong capabilities

KEY VISION 2024 ACHIEVEMENTS

- → 36% revenue growth across all offerings
- → 23% of total revenue from solutions that enable net zero
- → Inaugurating a state-of-the art catalyst production facility in Bayport, Texas
- → Launching Power-to-X offering and constructing the world's first industrial-scale SOEC factory
- → Nearly 30% growth in headcount and increasing employee engagement to top decile relative to our peers
- → Launching Zaffra together with Sasol to produce Sustainable Aviation Fuel (SAF)
- → Renaming and rebranding Haldor Topsøe to Topsoe and repositioning the company as a global leader in carbon emission reduction technologies

Pioneering solutions that enable the energy transition

Since 2020, we have focused our R&D efforts on developing new solutions for the production of renewable fuels, low-carbon fuels and e-fuels, while also continuing to refine our advanced catalysts.

We continue to have a leading market position in producing efficient conventional fuels and making air cleaner. This strong performance has allowed us to invest in solutions for the energy transition, including large-scale investments in the development of state-of-the-art SOEC technology and in eREACT.

Power-to-X is a critical enabler for producing the e-fuels and chemicals needed to decarbonize energy-intensive industries. We have built a broad Power-to-X portfolio - from our highly efficient SOEC electrolyzer to renewable ammonia and e-methanol technologies, among others. We also support projects using alternative electrolyzers, such as proton exchange membrane and alkaline, seamlessly integrating our downstream solutions to meet diverse decarbonization needs.

Our first industrial-scale SOEC manufacturing facility, located in Denmark, will be ready to deliver stacks to customers in the first half of 2025.

We have also built leading market positions in low-carbon fuels, and we are currently involved in eight projects in the U.S., where we lead the market based on awarded projects. Our renewable fuels business, which includes SAF and renewable diesel, also continues to grow. Today, we have 20 projects, compared to two in 2020. Over one third of all SAF and renewable diesel operating capacity - the equivalent of around 200,000 barrels per day - is running on Topsoe technology.

In 2024, we launched our new company Zaffra, an ambitious joint venture with Sasol to increase the supply of SAF. Zaffra combines the two parent companies' unique innovative technologies, capabilities and industry experience to support the aviation industry in meeting its decarbonization ambitions.

Growing our business

Financial growth has been vital to realizing our strategy. The stronger we are financially, the more we can invest in transformational technologies. This has enabled us to build a strong offering in decarbonization solutions and grow revenue and earnings across all of our offerings.

From 2020 to 2024, our revenue increased by 36%. We have achieved this while also investing massively in technology and solutions for the energy transition, particularly in our Power-to-X business.

We set a 2024 target to increase our revenue from technologies and solutions enabling the energy transition from 0 to 30%. The target included solutions that enable the energy transition and those that mitigate carbon emissions. Despite market challenges from geopolitical uncertainty and lack of regulatory guidance for some decarbonization projects, we reached 23% in 2024.

Our backlog of carbon emission reduction projects is strong and growing continuously.

Attracting and retaining people with strong capabilities
Our ability to deliver on our strategic ambitions depends strongly on creating a working environment that helps us attract, retain and develop the people we need to succeed.

In recent years, we have grown our organization by nearly 30%. We have launched several initiatives to strengthen our systems and processes for managing and developing our people. This includes internal leadership programs, external learning platforms and using AI to free up time for our people to focus on value-creating tasks.

We have also worked on our onboarding to make sure we set new colleagues up for success from day one by giving them the best possible introduction to our workplace and their teams and responsibilities. Through our Diversity, Equity and Inclusion Committee, established in 2022, we have worked on building understanding of employees' needs and positively affecting behavior.

Our annual engagement survey reflects how we are doing in creating and sustaining a workplace where everyone can thrive. Building on our baseline score of 68 in 2020, we set out to grow our global engagement to be in the top quartile by 2024. In 2024, we reached an engagement score of 82, which places us in the top decile relative to our peers.

Creating a healthy and safe working environment where our people thrive and grow is fundamental to us. We call this fostering a Zero Harm culture. A Zero Harm culture is where people pay attention to their surroundings, care for one another, and report safety hazards and injuries so we can prevent them.

Our ambition was to continuously improve our Total Recordable Injury Frequency (TRIF) and reach 0.32 for employees and 0.45 for employees and contractors combined by 2024. Over the past years, we have worked with various strategic initiatives, including training and internal campaigns. In 2024, we reached 0.63 for employees and 0.75 for employees and contractors combined, and we recognize that this underlines the continued need to focus on Zero Harm.

Performing against our commercial priorities to meet our markets' needs

To meet current and future market needs, we based our strategy toward 2024 on these commercial priorities:

→ Building a leadership position in Power-to-X

→ Driving our customers' transition to carbon emission reduction technologies

→ Optimizing our traditional business

Building a leadership position in Power-to-X

Energy-intensive industries and long-distance transportation, such as shipping, aviation and steel production, cannot be electrified directly which poses a challenge in the transition to net zero. Green hydrogen and its derivates provide the solution to decarbonize these industries.

The International Energy Agency (IEA) estimates that the world needs 3,000 GW of electrolyzer capacity by 2050 to realize net zero. Global electrolyzer capacity was 1.4 GW in 2023, meaning massive scale is needed to close the gap between supply and future demand.

To help meet that demand, we have taken a leap forward in only a few years. Through significant investments in R&D and manufacturing facilities, we have built a leading position in Power-to-X technology and solutions. This includes building our first industrial-scale SOEC factory in Herning, Denmark, which will be ready to deliver stacks to customers in the first half of 2025.

→ Explore

We received a federal 48C tax credit allocation from the Inflation Reduction Act to support a potential expansion of Topsoe's SOEC production to the United States. Final decision on the expansion will be dependent on market conditions and developments.

→ Explore

We partner with several pioneering companies to decarbonize hard-to-electrify sectors with our Power-to-X solutions and SOEC technology. For instance, our SOEC technology will be at the core of ammonia plants being developed by U.S.-based First Ammonia, which are set to start production in 2027 and produce up to five million tons of ammonia per year, pending financial closing.

→ Explore

CASE

Shaping the future of Power-to-X

Our new factory in Herning, Denmark, marks the passage from idea to practical reality for Power-to-X – one of the essential tools for reducing emissions and building energy resilience. It also represents the biggest investment in our history, and a turning point in the energy transition.

A revolution in green energy will begin when we start delivering energy efficient stacks to customers from our new Solid Oxide Electrolyzer Cell (SOEC) manufacturing facility in Herning, Denmark. This technology can turn renewable electricity into green hydrogen through electrolysis, also enabling derivatives such as e-ammonia, e-methanol and a variety of other end-products. These green chemicals will be essential in decarbonizing sectors like steel production, aviation and shipping, which are currently responsible for roughly 30% of global greenhouse gas emissions.

"Herning is the culmination of work that began in the late 1980s. It is our latest and perhaps most important contribution to solving global problems," says Topsoe CEO, Roeland Baan. "It's part of a tradition going back to pioneering ammonia production for fertilizer to secure food for a growing global population, and curbing acid rain by reducing emissions of sulfur and other pollutants from fossil fuels. We're proud to be at the forefront of this part of the energy transition with a facility that will demonstrate on an industrial scale what our technology can do."

Realizing a breakthrough technology

The green hydrogen produced with SOEC can be a low-carbon alternative to fossil fuels. Power-to-X can also produce other e-fuels, like e-ammonia and e-methanol.

SOEC uses power more efficiently than other methods of producing hydrogen. As Kim Hedegaard, our CEO of Power-to-X, explains: "Green power is essential for the energy transition, but it's still scaling up. So green electrons must be treated as precious commodities. SOEC helps here because it is 20-30% more efficient than industry alternatives, such as PEM and alkaline, when paired with technologies that produce waste heat."

Herning will have a capacity of 500 MW per year, and compared to hydrogen produced from fossil fuels it will avoid emitting 7.6 million tonnes of CO_2 in its first ten years, equivalent to more than 4,000 return flights from Paris to New York. The plant will be ready to ship its first electrolyzer stacks in the first half of 2025, reaching full capacity by 2026.

Contributing to Europe's energy goals

Our technology has had a vote of confidence from the EU, through a EUR 94 million EU Innovation Fund grant to Topsoe. The European Commisson's ambition is to deploy 40 GW of European-produced electrolyzers by 2030. As Roeland Baan confirmed on receiving the grant: "This recognizes our leadership in this field and our part in decarbonizing energy-intensive industries through the EU's first industrial-scale SOEC factory."

For us, Herning is just the start of producing SOEC electrolyzers at scale.

Funded by the European Union
Emissions Trading System
Innovation Fund

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Enabling our customers' transition to carbon emission reduction technologies

Low-carbon fuels are vital for lowering emissions in energy-intensive industries and long-distance transportation here and now. These fuels are also known as blue hydrogen, ammonia and methanol, and produced using fossil energy and carbon capture and storage to reduce emissions.

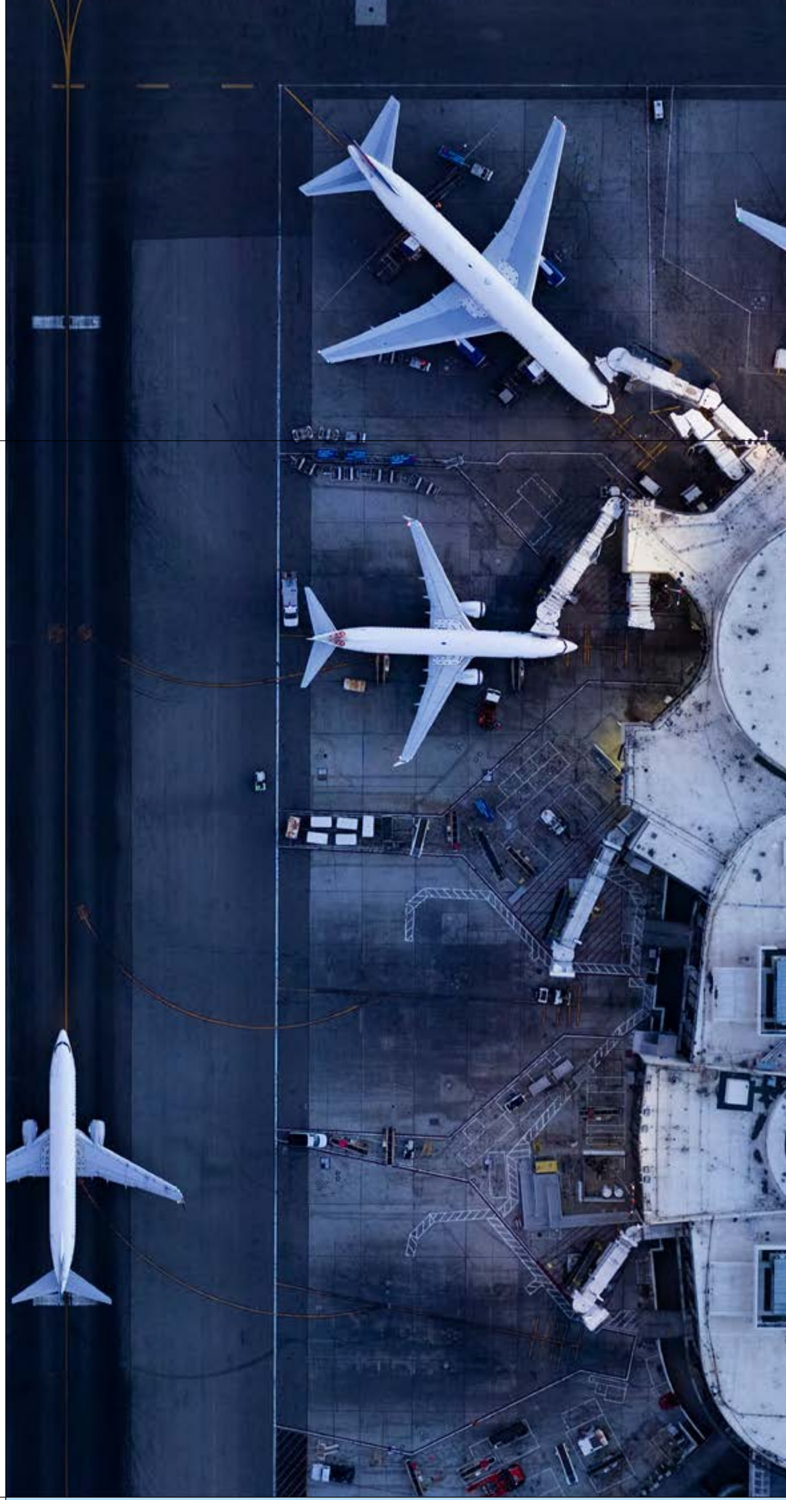
Our technologies that help produce these fuels and lower emissions are already available today, and demand for them continues to rise. For projects that have taken FID, we have global market share of more than 50% for synthesis technology enabling carbon capture and sequestration, measured on capacity. An example is our hardware contract for a low-carbon hydrogen project with Dow in Alberta, Canada.

We also see significant interest in our technologies and solutions to produce renewable fuels, such as sustainable aviation fuels (SAF), based on bio feedstock and municipality waste.

SAF demand is expected to grow. The world will need to produce 449 billion liters of SAF a year, according to the International Air Transport Association (IATA).

In 2024, we launched the company Zaffra, with global chemical and energy company Sasol, our long-term partner. Zaffra will pioneer SAF production to be at the forefront of lowering emissions in global aviation.

→ Explore



CASE

Helping Montana Renewables become the biggest SAF producer in the US

Montana Renewables, based in Great Falls, Montana, is on the cutting edge of sustainable aviation fuel (SAF) and renewable fuel production, and has quickly positioned itself as a leader in the North American SAF industry – using Topsoe technology.

Montana Renewables produces 30 million gallons per year – but has its sights on increasing this significantly to around 300 million gallons per year. This impressive target will represent 10% of the U.S. government's SAF Grand Challenge. But how did a refinery in Montana achieve such groundbreaking results in such a short timeframe?

The Montana Renewables' story started with an idle 24,000-barrel-per-day catalytic feed hydrotreater and after a detailed study, the solution became clear: they would switch the idle capacity to renewable feedstock and rearrange the refinery to accommodate the production of renewable fuels, specifically SAF.

The process took just 18 months from the initial concept to full implementation. "Most people take 18 months to do the initial study before they actually do any of the work," says CEO of Montana Renewables, Bruce Fleming. The rapid turnaround was a testament to the team's systematic approach and the careful elimination of risks, with Topsoe's technology at the heart of the project's success.

The key solution: Topsoe's HydroFlex™

Montana Renewables needed a technology partner with a proven track record, one that could mitigate risk and provide the tools needed for a smooth process. Topsoe's HydroFlex™ technology was selected as the ideal solution.

"Chief among possible risks we assessed was: does the technology work? The best way to solve that is to select a technology provider with a proven track record and a history of operating units. Topsoe is head and shoulders above its competitors in that regard," Fleming says.

The installation of Topsoe's HydroFlex™ catalyst was a straightforward conversion, and the results exceeded expectations.

The outcome

Thanks to our innovative technology, Montana Renewables has been able to quickly produce significant amounts of SAF. This strategic partnership not only secured their current output of 30 million gallons annually but will also enable them to aim confidently for their goal of producing 300 million gallons per year within the next two years.

As Bruce Fleming notes, this achievement highlights the potential of renewable fuels: "This is a mic drop moment — It signals what's possible." The next phase of the project is already in motion. Montana Renewables has received $1.3 billion from the United States Department of Energy for a revamp that will allow production to increase to 300 million gallons of SAF per year.

Optimizing our traditional business

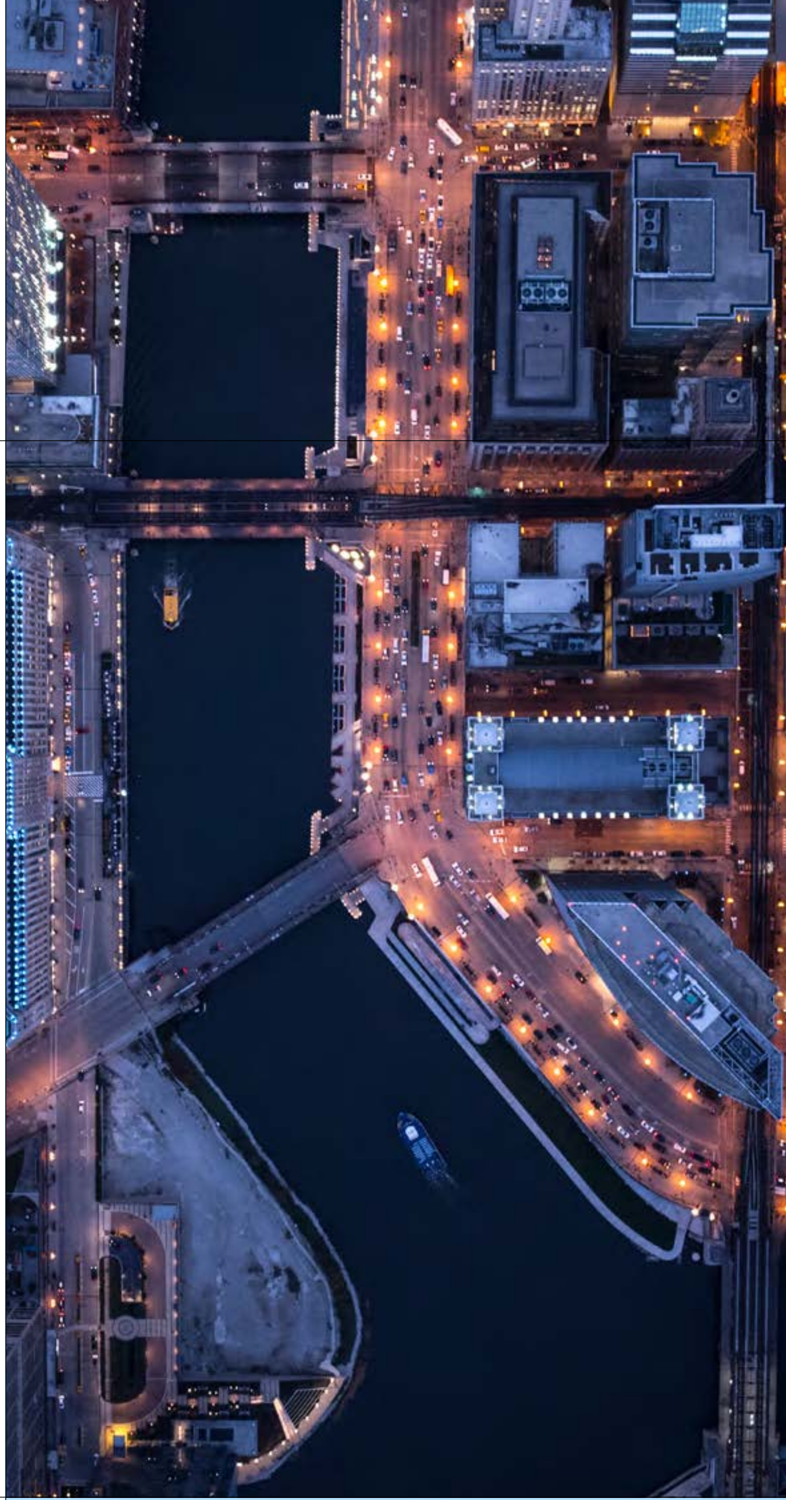
The world will rely on traditional fuels and chemicals for some years to come, but emissions from them can be reduced. We play a key role in making traditional fuels and chemicals as energy efficient as possible.

Our technology and catalysts help keep air cleaner while the global energy system transforms. Making clean and affordable energy available to all is essential to enable a just transition that leaves no one behind.

We continue to strengthen our position in low-sulfur fuels, hydrogen, ammonia and methanol using our technologies and catalysts. We also work to maintain our leading position in technology and catalysts that reduce and eliminate sulfur emissions and air pollution from industry.

We have commercialized several new catalysts in 2024 for use in conventional hydroprocessing, enabling our customers to operate their units more efficiently. To meet the increasing demand for both conventional and renewable catalysts, we have successfully commissioned a new catalyst production plant at our site in Bayport, Texas.

In 2024, we helped IndianOil successfully carry out a project in one of their refineries. By commissioning a Wet Sulfuric Acid (WSA) Plant, which treats sulfurous off-gases at the Haldia Refinery, IndianOil has taken a major step toward contributing to a circular economy. The project contributed the largest carbon emission savings of any project in the IOCL Group.



CASE

Topsoe's WSA technology lowers cost and cuts emissions at PetroPeru Talara Refinery

PetroPeru recently integrated our wet sulfuric acid (WSA) technology to convert waste gases from their Amine and sour water stripper (SWS) units into valuable sulfuric acid at their Talara operations, Peru's largest refinery. Since the implementation, the WSA technology has helped PetroPeru reduce carbon emissions in a cost-effective manner, allowing them to align with Peru's environmental goals and the global drive toward lower-emissions industrial practices.

Hydrogen sulfide (H_2S) in the waste gas produced during refinery processes can have a negative impact on the environment if released into the atmosphere. With WSA technology, this hydrogen sulfide is combusted into sulfur dioxide (SO_2) and then catalytically oxidized into sulfur trioxide (SO_3) and, by reaction with water, converted to sulfuric acid (H_2SO_4).

Better for the environment, better for business
The commercial grade concentrated sulfuric acid can then be used in a variety of industrial applications, including locally in the Peruvian copper extraction sector and to make fertilizer. In this way, the WSA process not only reduces emissions of sulfur (a contributor to acid rain and air pollution) into the atmosphere to near zero, but it also produces a valuable byproduct for local industry. This creates a new revenue stream for PetroPeru and reduces the amount of sulfuric acid Peru needs to import.

At PetroPeru, WSA has proven to be a highly efficient and cost-effective technology for sulfur abatement as it utilizes only air, cooling water and boiler-feed water with no emissions or effluents. The process can remove 99.99% of sulfur content, ensuring compliance with low-emission standards and legislation.

A further emissions-reduction benefit
Additionally, the heat generated from converting sulfur components into sulfuric acid also produces steam that can be directly used within refinery operations. This steam serves as an alternative to steam produced in traditional boilers that would typically require natural gas for fuel. Thus, by utilizing steam from the WSA process, the refinery effectively reduces its reliance on natural gas, thereby cutting down on carbon dioxide (CO_2) emissions associated with fossil fuel combustion.

The benefits of the technology, including managing emissions, removing sulfur from fuels and generating energy for internal use through steam production have allowed PetroPeru to become a regional benchmark, hosting visits from various companies from Chile and Brazil.

"We are delighted with the results of the WSA solution at PetroPeru," comments Anders Norup Olsen, SVP for Clean Air at Topsoe. "Not only does it stop harmful emissions being released into the atmosphere, but it also creates a useful byproduct for local industry and helps cut natural gas use and associated GHG emissions. It's a true win-win-win situation."

LEADING THE WAY FOR VISION 2029

Our vision for 2029 is to deliver decarbonization solutions at scale to lead the fuel transition

The market for energy transition solutions needs to pick up pace. At Topsoe, we want to help lead the way. Our 2029 vision emphasizes getting our solutions out in the industry, and delivering what businesses need to efficiently produce fuels with reduced carbon emissions.

We aim to take the role of solutions provider, derisking projects for our customers by integrating more parts of the value chain. We want to do this at scale to make a tangible impact.

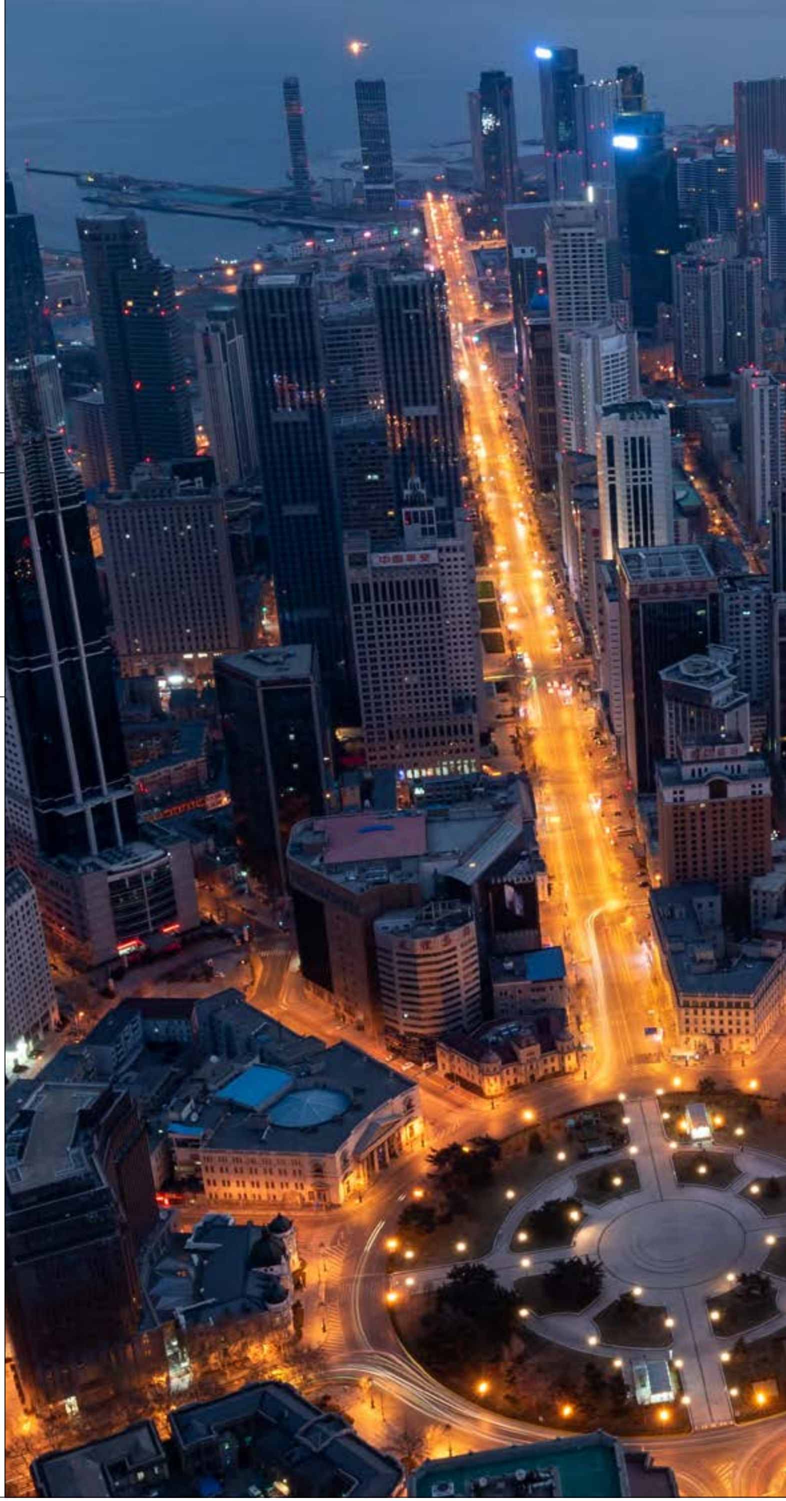
Low-emission fuels production is a nascent industry, often seen as relying on immature technologies. However, our technological platform is proven and tested, and by helping our customers reach their decarbonization targets, we can decarbonize energy-intensive industries and long-distance transportation at scale.

Leading the transition means showing the way forward, taking a position as experts on decarbonization and bringing forth solutions. It also means being a leader through our own behavior, fostering a safe, sustainable and inclusive workplace that is highly attractive to existing and future employees. And it means pushing forward with decarbonizing our own operations and supply chain.

Setting our strategic focus areas

To help shape a strong fuels market, offer leading solutions and excellent customer experiences, and move forward with our internal transformation, our strategic focus areas are:

→ Driving the fuel transition
→ Excelling in our business
→ Acting as a leader



Creating a new market
The energy transition is at an early stage. While recent momentum helped create progress across industry, innovation, technology and policy, the market is building too slowly to be on track to deliver on global climate targets. However, with market signals from the private sector and the need to diversify energy sources to strengthen energy security and meet future energy needs, the foundation for scaling clean energy solutions is strong.

Getting more projects to FID
Despite a deceleration in the markets, many renewable, low-carbon and Power-to-X projects are expected to reach FID within the next five years. These initial projects will demonstrate technological and economic viability, reducing risk and increasing bankability.

The global hydrogen market alone is set to grow from around 100 million tons a year (Mta) today to somewhere between 350-430 Mta in 2050 (McKinsey, BNEF, IEA). Challenging market conditions in the form of lack of regulatory certainty, supply chain constraints and higher-than-expected capital cost have seen several developers scale back ambitions and multiple Power-to-X projects being delayed or cancelled. But since early 2024, more than 1.6 Mta of clean hydrogen capacity has passed FID, bringing the total project pipeline past FID to 4.6 Mta (McKinsey). More than half is set to be produced from electrolysis. This corresponds to more than 20 GW of electrolysis capacity having passed the FID mark globally.

Hydrogen Council (Hydrogen Insights 2024) anticipates significant growth in clean hydrogen, with 12-18 Mta of production capacity likely to come online by 2030 with a 60-40 split between low-carbon and green hydrogen.

Renewable fuels projects have also experienced a slow-down with 20% of announced production capacity facing delays, but expectations of a consolidated regulatory environment, with many global economies introducing firm mandates, will drive demand for biofuels and renewable fuel solutions. Renewable fuel production capacity is expected to grow fourfold until 2030 (BNEF Renewable tracker). Hydroprocessing, being the cheapest production method, accounts for 85% of the planned capacity.

Global oil markets continue to grow, with demand hitting new record levels in 2023 (IEA World Energy Outlook 2024). However, the trend is expected to slow down near term, with demand for oil peaking before 2030. We anticipate low growth in the conventional fuels market over the next five years.

DRIVING THE FUEL TRANSITION

The need for carbon emission reduction solutions continues to be urgent. But the market for low-carbon fuels is nascent and easily impacted by delays in regulatory guidance, geopolitical developments and high interest rates, which we have experienced over the past years.

Decarbonization will come at a cost, not least in industries such as shipping, long-distance transportation, cement, petrochemicals and steel, responsible for approximately 30% of global carbon emissions (World Economic Forum). Replacing just part of the 100 million barrels of crude oil being produced every day with low-emission fuels such as low-carbon ammonia, renewable fuels or e-fuels is a challenge that can only be met by bringing together a broad array of components, including innovation, investments, regulation, and strong political incentives and mandates.

At Topsoe, we will do our part by developing and delivering solutions and technologies for producing e-fuels, low-carbon and renewable fuels at scale. These are ready for industrial-scale production already today, and as the market for e-fuels matures, we continue to push the boundaries for future decarbonization of energy-intensive industries through innovation.

We will focus on guiding our customers to solutions that can help bring emissions down today – and in the future. We will derisk projects for our customers by integrating more parts of the value chain, engaging with government stakeholders and being part of strategic partnerships to help move projects to larger-scale production.

EXCELLING IN OUR BUSINESS

We will accelerate the transformation of Topsoe itself to realize our 2029 vision. Where Vision 2024 positioned us well to capture the future growth of the energy transition, the logical next step is to look inwards and make sure our organization is running smoothly and is truly set up to deliver at scale.

While maintaining our position as world-class innovators, we will strengthen our focus on customers and markets, underlining the strong connection between our R&D and the value we create for our customers and society. As technology development is moving at an unprecedented speed, we will make sure our world-leading solutions are launched to the market quickly. Using elements from LEAN, we will strengthen processes in and across business functions, build scalability into our core and ultimately ensure steady cash flows. As a leader in decarbonization technologies, we will continue to make bold investments in transition technologies, as we have done with our SOEC manufacturing facility in Herning, Denmark.

Our collaboration with customers is crucial for us. We will continue working together with customers to test next-generation solutions to push scientific boundaries. We will continue to evolve our offerings and the way we transfer our expert know-how that customers highly appreciate today, in order to create superior customer experiences for both new and existing customers.

ACTING AS A LEADER

A cornerstone of our 2029 vision is to act as a leader when it comes to our own behavior. That includes fostering a safe, sustainable and inclusive workplace that is highly attractive to existing and future employees.

We prioritize our work on sustainability through double materiality. Our material topics enable us to define, act and report on our significant impacts on the environment and people – and where these pose risks to our business or create new opportunities. Our double materiality assessment process matures along with our sustainability due diligence set-up, and we work to integrate it in our business strategy to strengthen our risk management.

We work relentlessly to maximize our unique handprint, helping our customers lower emissions, while minimizing environmental impacts of our own business, for our customers and throughout our value chain. We are determined to meet net zero targets in 2040.

As we grow, we need to continue to attract, develop and retain world-class people. Delivering on our diversity, equity and inclusion (DE&I) targets plays a key role in our ambition to nurture an engaged, motivated and high-performing workforce. So does our ambition to foster a Zero Harm culture that ensures an inclusive, healthy and safe working environment where our people thrive and grow. Zero Harm means fostering a culture where everyone at Topsoe returns home each day physically and mentally well, able to lead fulfilling lives outside of work. Our ambition is to continuously improve our total recordable injury frequency (TRIF) for the safety of our people.

Becoming a sustainable business is a continuous development, and we know there is a lot to do. We will continue to strengthen environmental, social and governance performance across our whole business, monitoring, quantifying and controlling our impacts and how we conduct our business.

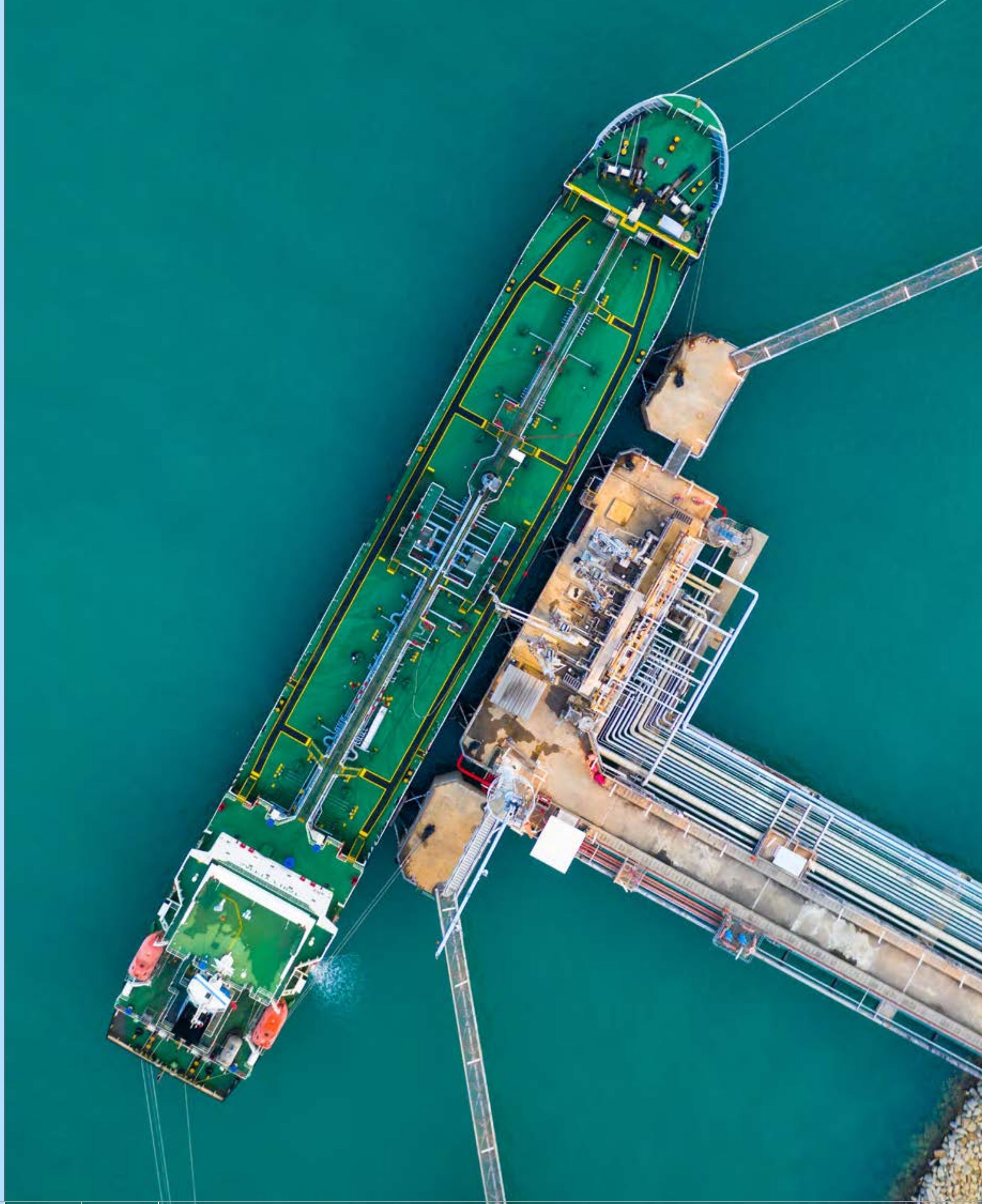
Our entire business is behind the effort and committed to making a difference. Through dialogue and collaboration with our suppliers and customers as well as our wider stakeholder network, we work to maximize our strength and capacity to reach our goals.

→ **Explore our sustainability statements**

RISK

RISK MANAGEMENT

As a global company, we must remain responsive to evolving expectations and seize strategic opportunities as they arise. Effective risk management is crucial when it comes to generating and protecting value, ensuring continuity of our operations and achieving our strategic goals.



How we manage risk

Risk management policy
We assign each of the risks we identify as most critical to a member of the Senior Leadership Team, who becomes the 'owner' of that risk and is responsible for implementing the mitigation. The Senior Leadership Team, the Audit, ESG & Risk Committee, and the Board of Directors are responsible for overseeing progress in mitigating the risks we have identified.

Our Group Risk Management function is responsible for making sure Senior Management promotes risk awareness, engagement, and ownership across the organization.

Enterprise risks
Our enterprise risk picture covers all our business areas and a variety of activities. The risks reflect internal business uncertainties at Topsoe, as well as external uncertainties, which have the potential to affect our financials, operations, and ability to achieve our objectives.

Assessing how likely the risks are to materialize, and their potential financial impact, we see two main differences between this year and last year:

1. Potential financial impact has increased, reflecting that 2024 has been a challenging year for many sectors in the decarbonization industry. We see increased uncertainty around political support for the energy transition, while geopolitical tensions have increased, with the potential to disrupt business activities.

2. While 2024 has brought more uncertainty in some areas, we also see some of the risks identified in previous years becoming less likely to materialize, in part due to our work to mitigate them.

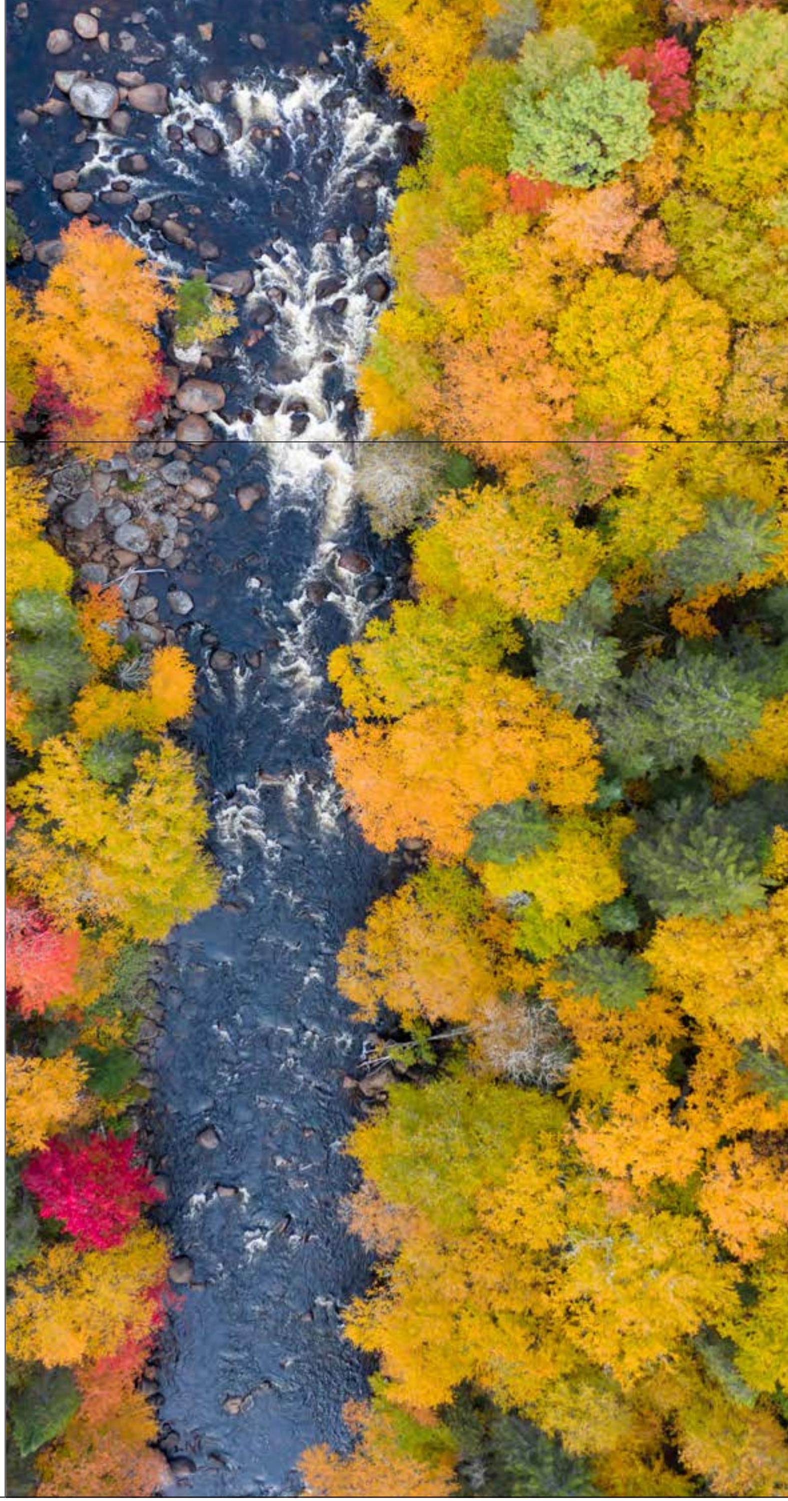
Here, we describe the enterprise risks we see as most critical to our business, as well as the actions we take to mitigate them.

RISK	DESCRIPTION	MITIGATING ACTIONS
Slowdown of the energy transition	2024 has been a challenging year for decarbonization projects and, looking ahead, we are facing higher uncertainty regarding political support for the energy transition. This could reduce the number of new Power-to-X, low-carbon and renewable fuels projects and thereby reduce demand for our solutions and technologies enabling net zero. Climate change drives the need for our carbon emission reduction solutions which we identify as an opportunity in our double materiality assessment.	To mitigate these risks and their impact on our business: → We consistently advocate for the energy transition. → We have implemented processes to follow up on customers' journey toward Final Investment Decision and we provide the necessary support. → We have a high focus on co-processing opportunities.
Proving SOEC at industrial scale	In 2024, we have seen a strong positive development in our Power-to-X business. Our SOEC manufacturing facility will be ready to deliver stacks to customers in first half of 2025; we have signed the first contract with First Ammonia; and performance tests are producing positive results. However, we still need to prove industrial-scale production and face uncertainties related to product performance, product lifetime and cost effectiveness. Should the risks materialize, we could face higher costs than expected in servicing and replacing SOEC stacks, which in turn could affect our reputation and reduce market opportunities.	To mitigate these risks and their impact on our business: → We run comprehensive lab tests of SOEC stack production and performance. → We implement risk mitigating clauses in commercial contracts. → We are continuously working to optimize products.
Geopolitical risks	As a global company, we are exposed to increasing geopolitical risks. The ongoing tensions in the Middle East have developed dramatically, the Russian-Ukrainian conflict continues, and there are new uncertainties around the US position on key trade, tax and energy issues. Geopolitical risks have the potential to affect sales opportunities, disrupt supply chains, increase transportation costs and, not least, force policy makers to prioritize defense budgets, potentially at the expense of energy transformation.	To mitigate these risks and their impact on our business: → We monitor key activities and relations with stakeholders and customers who might be affected by further escalations of the conflict in the Middle East → We monitor geopolitical tensions with external assistance to build the capacity to take strategic business decisions in due time.

RISK	DESCRIPTION	MITIGATING ACTIONS
New Power-to-X business model	Our new business model in Power-to-X involves more intricate and longer-term contracts with our customers than in our traditional business. Additionally, it entails a new and more complex supply chain with a higher dependency on deliveries from our vendors.	To mitigate these risks and their impact on our business: → We have set up an Asset Management function in the Power-to-X organization, detailing processes, and specifying roles and responsibilities. → We are closely monitoring critical suppliers and identifying alternative vendors.
Technological competitive advantage	In an increasingly competitive market where the pace of innovation is accelerating, we depend on our ability to bring new and innovative solutions to market. Failing to maintain our competitive technological advantages could lead to lower prices and/or lost business and market share.	To mitigate these risks and their impact on our business: → We ensure competitive prices to maintain our share in certain segments of the catalyst markets. → We have a strong focus on IP and R&D. → We continuously improve the quality of our product portfolio for hydrogen and ammonia technologies.
Cyber attack	In recent years, major cyber attacks have been launched against companies all over the world and across all industries. As a knowledge-based and increasingly digitized company, we are exposed to cyber security risks, which we monitor continuously. If we were subject to a major cyber attack, it could lead to severe business disruption and/or loss of confidential information.	To mitigate these risks and their impact on our business. → We have in 2024 implemented our Security Improvement Program and will continue throughout 2025. This has already significantly improved our resilience to cyber attacks. → We engage in cyber communities through the Danish Cyber Defense Alliance. → We address information security as an integral part of all future IT projects.

RISK	DESCRIPTION	MITIGATING ACTIONS
Infringement of intellectual property	Intellectual Property rights are critical to our business, so we are exposed to risks in this area. With increased third-party collaboration in new markets, the magnitude of this risk increases. If our own IP is lost or infringed, we could lose business and revenue opportunities. If we are accused of infringing third-party IP, we could be blocked from commercializing certain technologies in specific areas.	To mitigate these risks and their impact on our business → We maintain a highly qualified IP department. → We review our IP strategy regularly and make any necessary updates. → We make sure Freedom to Operate analysis is part of our product development process and evaluated before we launch new products and technologies. → We ensure proper contractual regulation of IP in relevant agreements. → We have implemented processes to scrutinize IP sharing and development structures for each broader-scope opportunity.
Trade controls and business ethics	As our supply chain and customer base are global, we are exposed to the risk of doing business with sanctioned or otherwise restricted counterparties, or in countries subject to trade prohibitions. The global nature of our business also involves the risk of us – directly or through intermediaries – winning or retaining business and/or other commercial advantages through corrupt practices. Business ethics, including anti-corruption and access to well-functioning grievance mechanisms, are fundamental to sustainable corporate governance, which is also recognized as a potential risk in the ESG reporting. Actual or suspected non-compliance with sanctions, export controls and anti-corruption laws and regulations could lead to significant reputational damage for us. Actual breaches could also result in financial penalties, contract termination and liability for breach of contract, as well as loss of trade privileges and access to major markets, and imprisonment of individual company directors.	To mitigate these risks and their impact on our business: → We continue our compliance due diligence of agents and other intermediaries, business partners located in high-risk jurisdictions, and other high-risk counterparts, in line with our global Third-Party Assurance Policy. → We continue to run regular training among internal stakeholders to make sure they are aware of their roles and responsibilities when it comes to ensuring compliance. → We maintain updated trade controls and anti-corruption risk assessments, based on our operational activities, and changes in laws and enforcement activity. → We continue promoting our Compliance Hotline to proactively address any practices that could lead to breach of laws and regulations.
Access to equipment and raw materials	Our production processes rely heavily on complex equipment and raw materials where we have strict quality requirements. Disruptions to our supply chain could halt or delay production as well as increase costs for equipment and materials from alternative sources.	To mitigate these risks and their impact on our business: → We are establishing strategic partnerships with selected suppliers. → We have implemented robust risk management frameworks and conduct analysis of all suppliers. → We continuously work on qualifying alternative suppliers.

Sustainability impacts, risks and opportunities



Working strategically with environmental, social and governance issues
We prioritize our work on sustainability through a double materiality assessment (DMA). Our material topics enable us to define, act, and report on our significant sustainability matters – and where these pose risks to our business or create new opportunities. We evaluate our double materiality assessment regularly as part of our due diligence processes and will report on this in line with upcoming EU requirements.

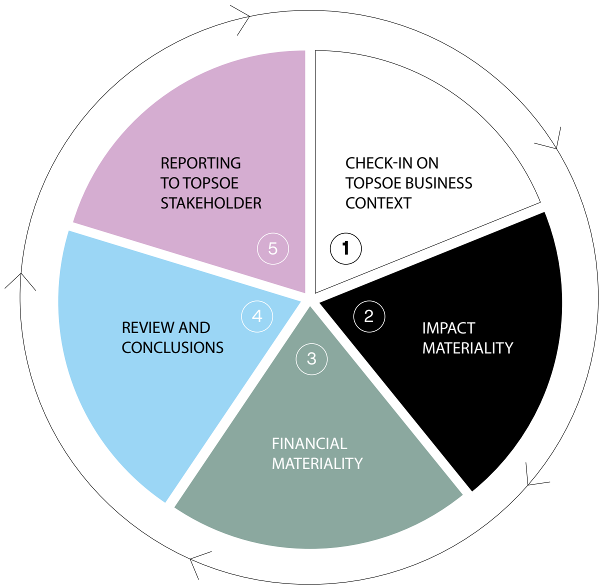
In 2024, we have taken another step forward toward complying with upcoming reporting requirements from the Corporate Sustainability Reporting Directive (CSRD). We have revisited the 2023 double materiality assessment and refined our scope of reporting. We have also obtained limited assurance on the majority of our ESG data. We will progress further, aiming to be fully compliant in the financial year 2025.

Our double materiality assessment
To identify our material sustainability matters, we are inspired by the methodology prescribed in the European Sustainability Reporting Standards (ESRS) for double materiality assessment, where severity and likelihood are key parameters. The scope of the assessment is the same as for financial data for our own operations. For assessing the upstream and downstream value chain, the scope is our suppliers, customers and other business relationships.

Our assessment process includes a review of our business context, including business model, key business relationships in the value chain and peer review. This is followed by workshops with internal subject matter experts from a wide range of functions to identify material impacts, risks and opportunities. The conclusions of the assessment, including the material sustainability matter, go through a review and approval process involving the whole sustainability governance setup as described in the Corporate Governance chapter.

We run this process once a year and will rely on input from our sustainability due diligence set-up as it matures. Group Risk Management, the Double

DOUBLE MATERIALITY ASSESSMENT PROCESS



Materiality Assessment team and the Sustainability team co-ordinate to identify, assess and manage risks.

Our internal control procedures are currently based on written approvals of the overall outcome of assessment activities from the participants in the preparatory work.

Impact materiality
The majority of our impacts on people and the environment relates to manufacturing catalysts. As our manufacturing sites are located in Denmark and the U.S., we have focused our assessment of the environmental impact of our own operations mainly on these countries. The impact of our engineering and service-related activities is not significant. Our social and governance impact assessment encompasses the whole company. The double materiality assessment covers impacts both in our own operations, and upstream and downstream value chain.

As part of our work to identify impacts, we draw on internal experts from various functions for their perspective on business relationships across our value chain. In future, we will include dialogue with affected external stakeholders in our sustainability due diligence and to support the double materiality assessment.

Financial materiality
Our financial materiality assessment builds on the impact assessment. Not all material impacts have a material financial risk or opportunity. For example, a large-scale environmental impact might not translate directly to a significant financial risk. This might change in the future, for example because of Danish carbon taxes and the EU Carbon Border Adjustment mechanism, which sets a price for emitting CO_2e.

Assessing the likelihood, magnitude and nature of our financial sustainability risks and opportunities includes evaluating our financial position, financial performance, cash flows, access to finance and resources, cost of capital and ability to maintain good business relationships over the short, medium or long term. The assessment is confirmed by a broader group of stakeholders in our Group Finance function. When assessing financial risks, the thresholds for the double materiality assessment and the enterprise risk management assessment are aligned.

Materiality threshold

To identify our most material sustainability matters, we use a threshold combining a scoring- and resource-based approach. This means we score all sustainability matters we identify as potentially material in the initial impact identification phase. We then choose the top three environmental and social sustainability matters, and the top two for governance, and align with our capabilities and resources. We prioritize the sustainability matters where we are causing an impact.

Identifying climate-related impacts, risks and opportunities

We have analyzed our material scope 1, 2, and 3 CO_2e emissions, following the guidelines outlined in the Greenhouse Gas Protocol. Among these emissions, the most significant contributors are our factories and the emissions associated with the goods and services we purchase (scope 3 category 1).

To further understand and address our exposure to both physical and transitional climate-related risks, we have collaborated with an external party. Using scenario analysis based on representative contraction pathways (RCP) 4.5 (moderate emissions) and RCP 8.5 (high emissions), we have assessed the potential risks associated with our own assets, as well as the top five supplier sectors based on expenditure and the top three customer sectors. We have incorporated the results of this assessment into our double materiality process, so that climate-related risks become part of our decision-making.

Identifying pollution-related impacts, risks and opportunities

We have assessed all our sites and activities to identify and address potential pollution impacts, risks and opportunities. At our manufacturing sites and R&D facilities, we handle substances classified as high concern and very high concern, which have the potential to cause pollution. Managing these substances properly is crucial for maintaining our operating license, and we stay comfortably below the limits set by our environmental permits for emissions to air, water and soil. For compliance, we have processes and specialist staff who closely monitor our handling of these substances to make sure our emissions to air, water and soil are within the thresholds.

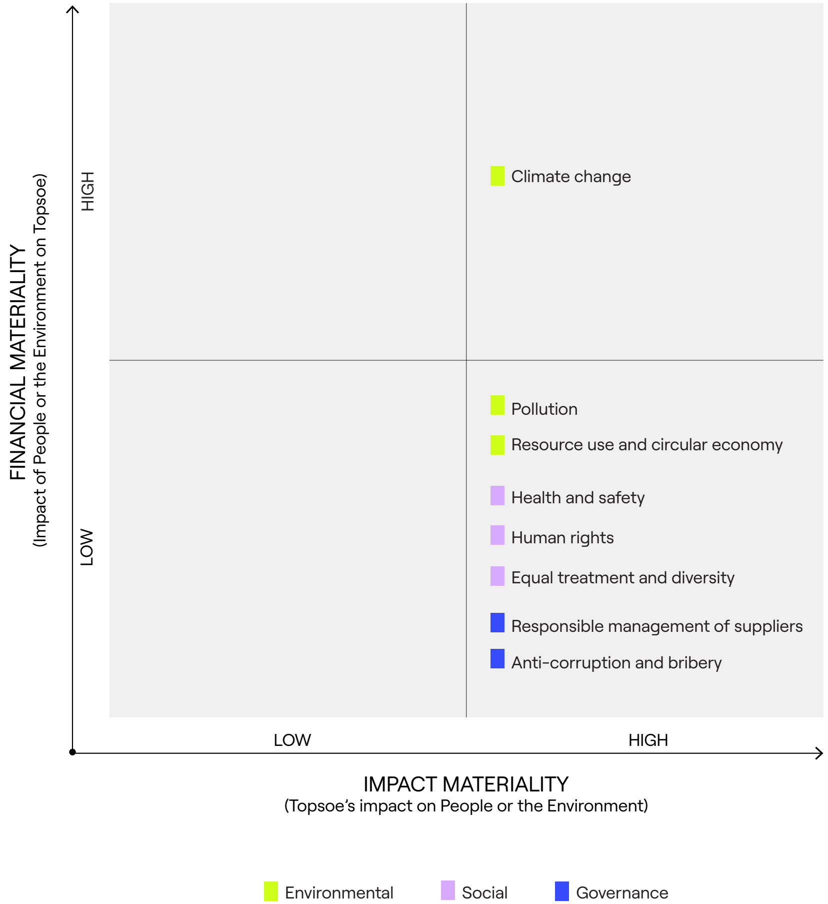
Recognizing the importance of the surrounding community as a key stakeholder, we maintain an open dialogue with the people living near our operations. We consider the municipalities and states where we operate as our partners, and we engage in discussions with them to ensure a safe and sustainable approach to our operations. The local community can voice any concerns they may have. This aims to foster transparency and collaboration with the local community.

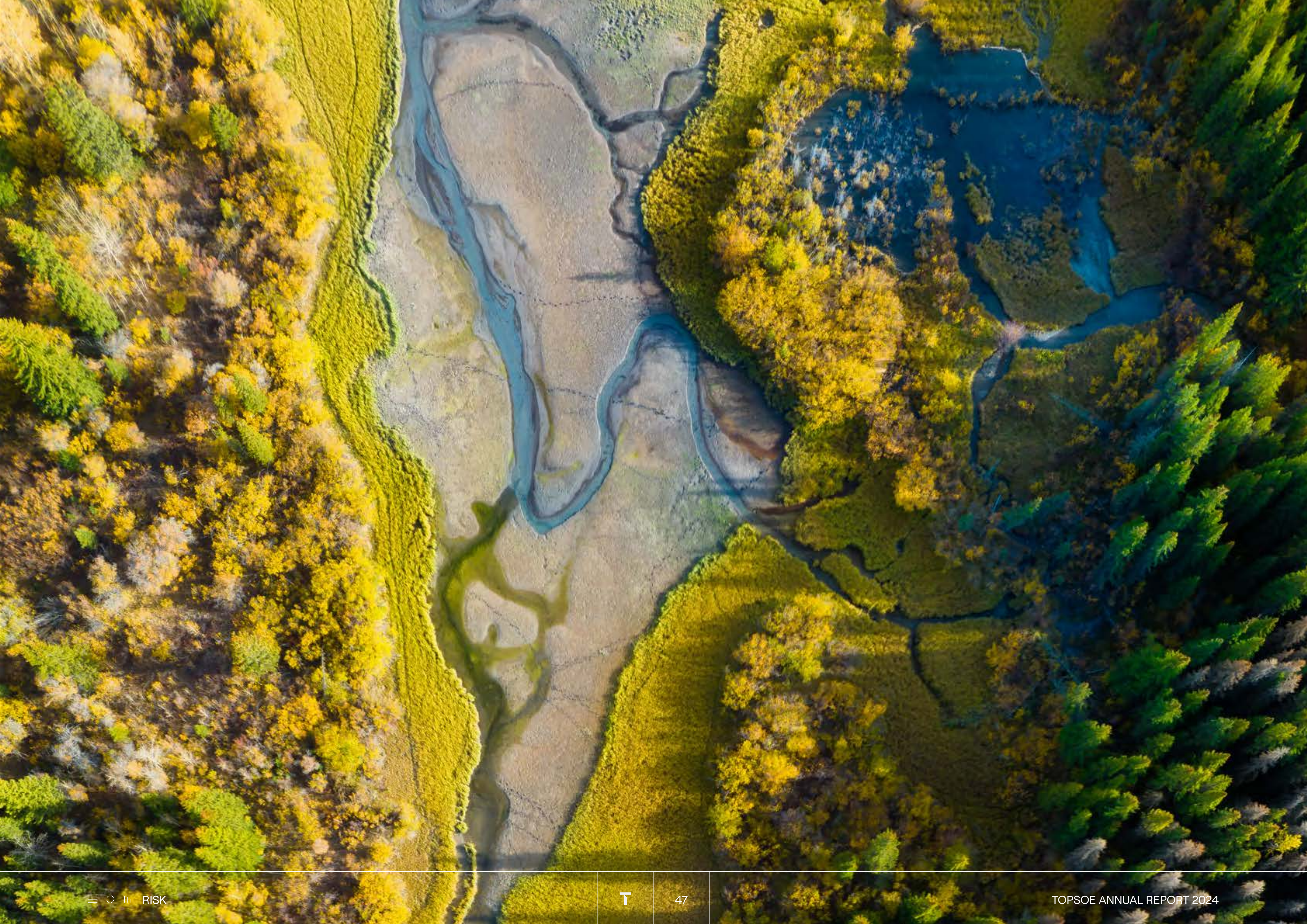
Identifying resource use and circular economy-related impacts, risks and opportunities
We have assessed our sites and business activities to evaluate their impacts, risks and opportunities in relation to resource use and circular processes. Across all production and R&D facilities, we manage waste in line with local regulations. Waste sorting regulations in Denmark require more granular information on waste fragments than in the U.S., which is affecting the overall granularity of the data that the identification of impacts, risks and opportunities is based on.

We recognize the significance of engaging with the local community as a key stakeholder. Therefore, we maintain an open and ongoing dialogue with the people living near our operations. We consider the municipalities and states in which we operate as our partners, and we actively collaborate with them to ensure safe and sustainable operations. The local community can voice any concerns they may have. This aims to foster transparency and collaboration with the local community.

The results of the double materiality
The matrix to the right shows the result of our double materiality assessment.

MATERIALITY MATRIX





CORPORATE GOVERNANCE

Managing our business responsibly

Our corporate governance structures are based on the overall framework set out in legislation and the Danish Recommendations on Corporate Governance, which apply to listed companies. We are committed to continuing to strengthen our practices within this framework.

The internal framework that regulates corporate governance in Topsoe includes the Articles of Association of Topsoe A/S, the Rules of Procedure for the Board of Directors, and charters for board committees, as well as Topsoe's Code of Conduct and a broad range of policies, procedures, and instructions. See → **topsoe.com** for more details.

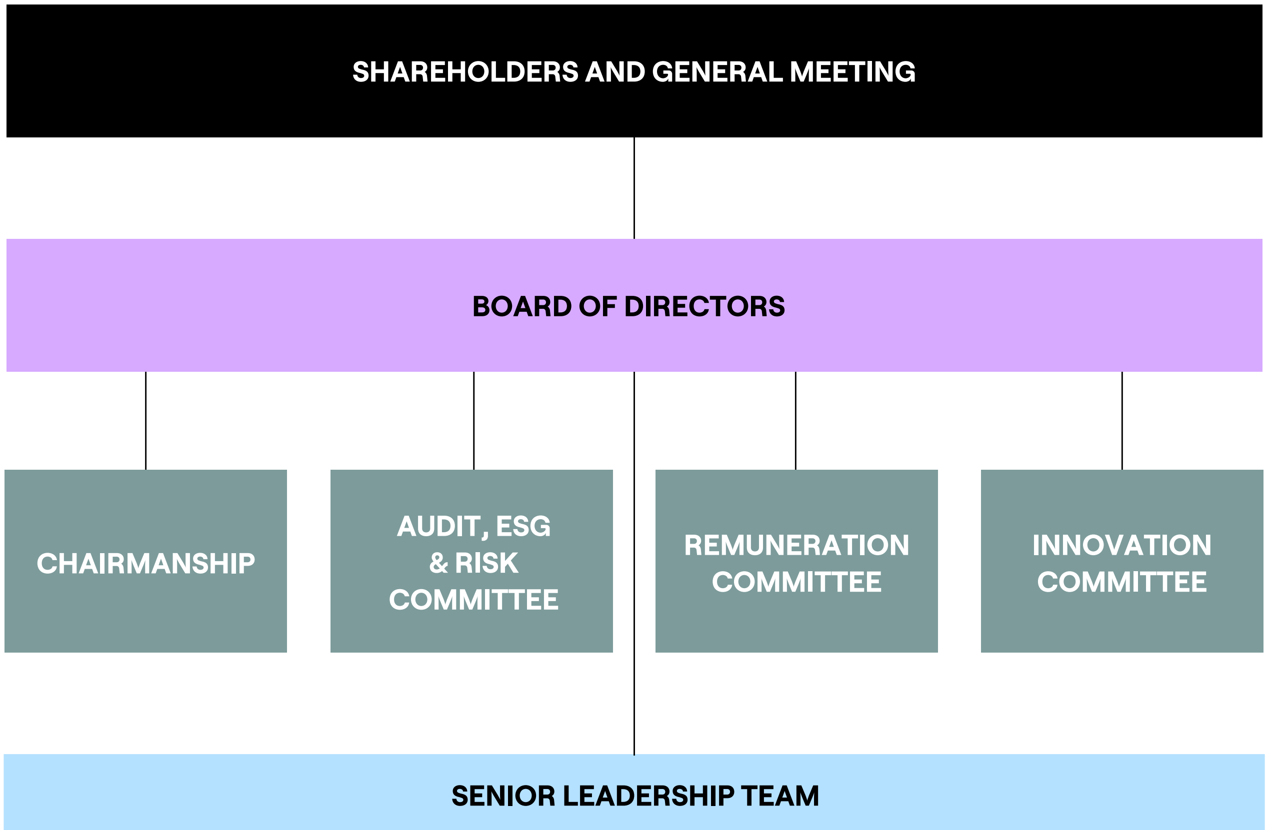
Shareholders and ownership
Topsoe A/S is an unlisted, privately-owned company and the parent company of the Topsoe Group. Topsoe A/S is owned by Topsøe Holding A/S (~68%), Dahlia Investment Pte. Ltd. (~29%), and company employees through the Employee Share Program (~2%). The remaining ~1% is made up of treasury shares. Topsøe Holding A/S is wholly owned by the Topsøe family.

The family's strong commitment to our long-term growth strategy and continued development is fundamental to maintaining an innovative and sustainable company culture in line with the spirit of our founder. Dahlia Investment Pte. Ltd., of Singapore, is wholly owned by Temasek, an active investor committed to long-term investments and sustainable growth.

General meeting
The general meeting is the supreme governing body of Topsoe A/S. At general meetings, shareholders exercise their rights, for example by electing board members and the external auditor, approving annual reports and dividends, and deciding on amendments to the Articles of Association and on any proposals from shareholders or the Board. Generally, resolutions can be passed by a simple majority, unless legislation or the company's Articles of Association say otherwise. But resolutions to amend the Articles of Association need two-thirds of the votes cast and capital represented.

Board of Directors
Topsoe A/S has a two-tier management structure consisting of the Board of Directors and the Senior Leadership Team. The Board of Directors is responsible for the overall and strategic management of Topsoe A/S. It also supervises the execution of the strategy, as well as the performance of the company and the Senior Leadership Team and must ensure proper organization of the company's business. The Senior Leadership Team, in turn, is responsible for the day-to-day management of the company. The Board of Directors and the Senior Leadership Team are independent bodies, and no one is a member of both. The Board of Directors' duties and responsibilities are set out in more detail in its Rules of Procedure.

GOVERNANCE STRUCTURE

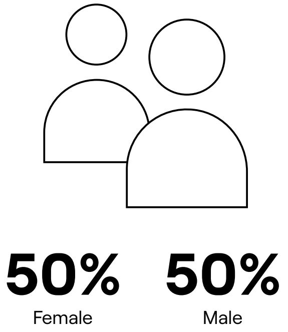


Board composition and independence
As of December 31, 2024, the Board of Directors of Topsoe A/S consisted of 12 members – eight elected by shareholders and four elected by employees. Eight were elected by the shareholders at the Annual General Meeting. They serve for a one-year term and may be re-elected. Four have been elected by the employees of Topsoe A/S, most recently in 2022, for a statutory four-year term. The employee-elected board members have the same rights, duties, and responsibilities as shareholder-elected board members and can be re-elected.

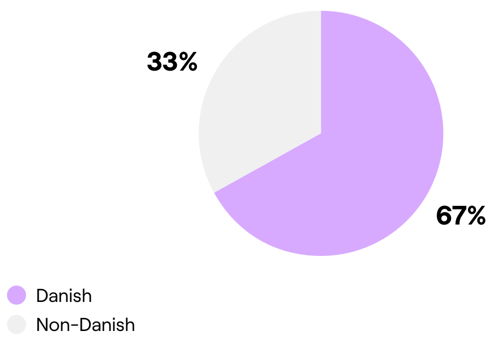
Two of the eight shareholder-elected board members (i.e. 25%) are considered independent according to the Danish Recommendations on Corporate Governance. Four members are considered non-independent, as they represent the two main shareholders Topsøe Holding A/S and Dahlia Investments Pte. Ltd., respectively, while the last two members are considered non-independent, as they have served more than 12 years on the Board. Employee-elected board members are not considered independent.

BOARD DIVERSITY

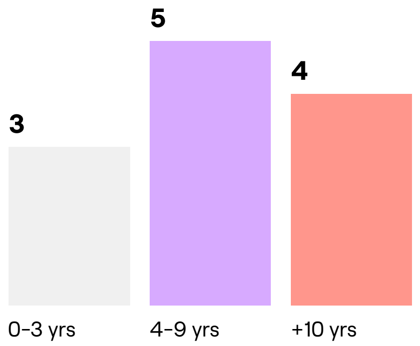
Gender



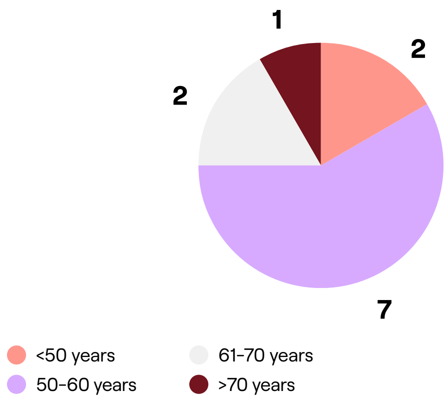
Nationality



Tenure



Age



Board competencies and diversity
The Board of Directors strives to be diverse in gender, nationality, age, international experience, qualifications, and competencies. The Board comprises five different nationalities, and members bring a variety of backgrounds in business, engineering, physics, economy and law, coupled with extensive experience and expertise across a wide range of relevant sectors, businesses, and institutions.

As of December 31, 2024, the Board had three female board members out of the eight elected by shareholders. In line with section 139c of the Danish Companies Act this is considered equal gender representation, so the Company is not required to set a gender target for the Board. When including the employee-elected members, the overall composition of the Board is six female and six male board members. Diversity in the broadest sense remains a focus area for the Board of Directors, including in board member recruitment.

For more details about individual board members, including their other board and management positions, see → pages 57-59 and → topsoe.com.

Board evaluation
The Board regularly conducts self-evaluations of its performance. The most recent was in August 2024, facilitated by an external consultant working exclusively on board effectiveness reviews. All members of the Board and the Senior Leadership Team were asked to complete an online questionnaire. This covered topics such as the Board's main focus areas and board members' collective competencies in those areas, the quality and effectiveness of board meetings,

the performance of board committees and the collaboration within and between the Board, its committees and the Senior Leadership Team. Other topics included financial responsibility and risk management, strategy, and organizational themes including succession planning.

The findings were presented to, and discussed by, the Board at a board meeting together with the external consultant. Also, the Chairman met with each board member to discuss feedback on their individual performance. Overall, the evaluation revealed a very solid performance by the Board and good collaboration within and between the Board, its committees, and the Senior Leadership Team.

As a new element in the 2024 evaluation, the Board was also asked to assess its collective competencies in each of Topsoe's material sustainability topics. The conclusion among board members was that the Board's sustainability competencies were collectively adequate, but that the Board could benefit from more insights into ESG topics in general. These could come from the company's Sustainability team or external experts, depending on need.

Board meetings and attendance

In 2024, the Board of Directors held five ordinary board meetings and a two-day strategy session. Board members' meeting attendance in 2024 is shown in the table. The Senior Leadership Team normally attends all board meetings, unless the Board is reviewing matters that relate to the leadership team itself. The Board can also invite employees from various parts of the organization, as well as external experts, to attend parts of a meeting if they find they need their perspective to inform the Board's discussion on a relevant topic.

MEETING ATTENDANCE IN 2024

	BOARD OF DIRECTORS	AUDIT, ESG & RISK COMMITTEE	REMUNERATION COMMITTEE	INNOVATION COMMITTEE
Elected by shareholders:				
Jeppe Christiansen	6 / 6	4 / 5	4 / 4	–
Jakob Haldor Topsøe	6 / 6	5 / 5	4 / 4	–
Benoit Valentin	6 / 6	–	4 / 4	–
Christina Teng Topsøe	6 / 6	–	–	4 / 4
Rohit Sobti	6 / 6	4 / 5	–	4 / 4
Jens Kehlet Nørskov	6 / 6	–	–	4 / 4
Susana Quintana Plaza	6 / 6	–	–	4 / 4
Ines Kolmsee	6 / 6	5 / 5	–	–
Elected by employees:				
Anders Broe Bendtsen	6 / 6	–	–	4 / 4
Christina Borch	6 / 6	–	–	–
Lis Ibsen	6 / 6	–	–	–
Line Holten Kollin	6 / 6	5 / 5	–	–

[1] Number of meetings attended by each board member out of the total number of meetings.

To organize and conduct board meetings in the most relevant and efficient way, the Board of Directors has established an annual wheel outlining the main themes and areas for reporting to the Board at each ordinary board meeting. This helps make sure that the Board covers all relevant topics during the year – from strategy, people and succession planning, to compliance, risk management and sustainability impacts, risks and opportunities.

In 2024, the Board inter alia dealt with the following main topics:

→ Decision on green hybrid bond issuance to invest in Topsoe's SOEC manufacturing facilities and other energy transition technologies and solutions

→ In-depth discussions about Topsoe's long-term financial outlook and strategic scenarios, incl. capital structure and funding needs

→ Regular review and discussion of Topsoe's SOEC technology developments, and tight monitoring of the construction of Topsoe's SOEC factory in Herning.

→ Discussion and approval of Topsoe's Vision 2029 and the related measures of success

→ Regular review and discussion of Topsoe's Zero Harm performance and actions taken to improve safety awareness across the organization

→ Review and discussion of results from employee engagement surveys, incl. the focus areas identified by the Senior Leadership Team

→ Review of succession plans and organizational developments, incl. Topsoe's diversity, equity and inclusion efforts

→ In-depth review of Topsoe's R&D and innovation activities

→ Updates on preparations for the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS)

→ Discussion of the outcome of the 2024 board evaluation and 2025 key focus areas for the Board

→ Regular updates from the board committees

Board chairmanship and committees

In line with the Articles of Association for Topsoe A/S and the Rules of Procedure for the Board of Directors, the Board has established a chairmanship, consisting of the Chairman and two Vice-Chairmen, elected by the Board from among its members. The chairmanship performs preparatory and advisory tasks relevant to the Board's business and meets monthly or as needed.

The Board of Directors has also established an Audit, ESG & Risk Committee, a Remuneration Committee, and an Innovation Committee. Their purpose is to report and make recommendations to the Board. Each committee is governed by its own charter, which sets out the role, composition and responsibilities of the committee. The charter / mandate of the Audit, ESG and Risk Committee includes the responsibility of sustainability reporting, including sustainability impacts, risks and opportunities. The Remuneration Committee is responsible for executive remuneration and management incentive programs.

The Board elects all committee members from among its members, making sure they have the necessary qualifications for the relevant committee. If appropriate, the Board can also appoint external specialists to committees.

BOARD COMMITTEES

	AUDIT, ESG & RISK COMMITTEE	REMUNERATION COMMITTEE	INNOVATION COMMITTEE
MEMBERS	→ Jakob Haldor Topsøe (Chairman) → Jeppe Christiansen → Rohit Sobti → Ines Kolmsee → Line Holten Kollin	→ Jeppe Christiansen (Chairman) → Jakob Haldor Topsøe → Benoit Valentin	→ Jens Kehlet Nørskov (Chairman) → Christina Teng Topsøe → Rohit Sobti → Susana Quintana Plaza → Anders Broe Bendtsen
KEY RESPONSIBILITIES Assists the Board of Directors with:	→ Financial and ESG reporting, including internal controls → Assessment of sustainability impacts, risks, and opportunities → External auditors → Financial risk management and financial counterpart exposure → IT/cyber security → Tax and insurance coverage → Funding plan	→ Salary reviews → Remuneration of the Board, board committees and the Senior Leadership Team (SLT) → Employee bonus scheme and short- & long-term incentive programs → Employee Share Program	→ Innovation strategy → Innovation portfolio → Innovation performance & culture
KEY MATTERS HANDLED IN 2024	→ Review of long-term financial planning → Green hybrid bond issuance to invest in Topsoe's SOEC manufacturing facilities and other energy transition technologies and solutions → Preparations for the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) → Review and approval of double materiality assessment for 2024 → Cyber security improvement plan → Review of financial and sustainability reporting, risk management, tax matters and insurance coverage	→ Review of SLT, Board and board committee remuneration → Definition and approval of principles as well as terms & conditions for Employee Share Program 2025 → Discussion of valuation principles and methodology for Employee Share Program 2025 → Review of headcount development and control measures → Review of employee turnover	→ Regular review and discussion of SOEC technology developments and progress on key milestones → Review of new business opportunities and key innovation developments → Review of innovation strategy → Review of innovation portfolio and portfolio management system

BOARD OF DIRECTORS

C = Chairman, VC = Vice Chairman, M = Member of the Board

				
	JEPPE CHRISTIANSEN CHAIRMAN	**JAKOB HALDOR TOPSØE** VICE CHAIRMAN	**BENOIT VALENTIN** VICE CHAIRMAN	**CHRISTINA TENG TOPSØE**
NATIONALITY	Danish	Danish	French	Danish
BORN	1959	1968	1968	1981
GENDER	Male	Male	Male	Female
INDEPENDENCE	No	No	No	No
FIRST ELECTED	2010	2010	2019	2013
POSITIONS AND MANAGEMENT DUTIES	• CEO and founder of Maj Invest Holding A/S and two wholly owned subsidiaries, all in Denmark • Emlika Holding ApS and two wholly owned subsidiaries (C) • JEKC Holding ApS (C) • Kraka Economics ApS (C) • Novo Holdings A/S (M), KIRKBI A/S (M), USTC (M), Pluto Naturfonden (M), Lone Dybkjær Fonden (M), and Pluto Erhverv ApS (M), all Denmark. • Adjunct Professor, Department of Finance, Copenhagen Business School, Denmark.	• Topsøe Holding A/S (C) • IGM Biosciences, Inc. (M) • AMBROX Capital A/S (M)	• Deputy Head EMEA, Head of Private Equity Fund Investments, Head of Impact Investing, and Head of Partnership Solutions at Temasek • Tikehau Capital Associés (M), Tana Africa Capital (M), Axereal Malt Holding (M) and Leapfrog Investments (M)	• Topsøe Holding A/S (VC) • IGM Biosciences, Inc. (M)
EDUCATION	MSc in Economics from University of Copenhagen, Denmark (1985)	Graduate Diploma in Business Administration from Copenhagen Business School, Denmark (1994)	MA in Business from HEC Paris (École des Hautes Études Commerciales de Paris), France (1990)	Bachelor of Laws (LL.B.) at SOAS, University of London, UK (2006) and LPC at the University of Law, London, UK (2007). MBA from Columbia Business School, USA and London Business School, UK (2018).

BOARD OF DIRECTORS

C = Chairman, VC = Vice Chairman, M = Member of the Board

				
	ROHIT SOBTI	**JENS KEHLET NØRSKOV**	**SUSANA QUINTANA PLAZA**	**INES KOLMSEE**
NATIONALITY	Singaporean	Danish	Spanish	German
BORN	1967	1952	1974	1970
GENDER	Male	Male	Female	Female
INDEPENDENCE	No	No	Yes	Yes
FIRST ELECTED	2019	2010	2023	2023
POSITIONS AND MANAGEMENT DUTIES	• Managing Director, Investment (New Energy & Industries) • Schneider Electric India Pvt. Ltd. (M) • Juniper Aviation Investments Pte. Ltd. (M)	• Villum Kann Rasmussen Professor, Catalysis Theory Center, Technical University of Denmark	• CEO of start-up BM2Solar Lda. • Limetree (Compas-Quadrante Group) (C) • Hexagon Purus (M) • Independent energy advisor to Infrastructure, Private Equity and VC funds	• General Partner at Matterwave Ventures • Independent member of the Board of Directors of Etex SA and Prysmian SPA
EDUCATION	MBA from the Institute of Management Technology, India (1992) and B.Eng. Electronics from the B.M.S. College of Engineering, India (1989).	PhD from Aarhus University, Denmark (1979), and honorary doctorates from Technical University of Eindhoven (2006), Norwegian University of Science and Technology (2012), and Technical University of Munich (2018).	MBA from Harvard Business School (2006), and a BSc (1996) and MSc (1997) in Aeronautical and Astronautical Engineering from the University of Washington.	MBA from INSEAD (2001), MSc. in Process and Energy Engineering from the Technical University Berlin (1996), and a Master's Degree from Ecole des Mines de St. Etienne (1996).

BOARD OF DIRECTORS

				
	ANDERS BROE BENDTSEN EMPLOYEE REPRESENTATIVE	**CHRISTINA BORCH** EMPLOYEE REPRESENTATIVE	**LIS IBSEN** EMPLOYEE REPRESENTATIVE	**LINE HOLTEN KOLLIN** EMPLOYEE REPRESENTATIVE
NATIONALITY	Danish	Danish	Danish	Danish
BORN	1966	1968	1961	1984
GENDER	Male	Female	Female	Female
INDEPENDENCE	No	No	No	No
FIRST ELECTED	2018	2018	2019	2022
POSITIONS AND MANAGEMENT DUTIES	Senior Patent Counsel in the Intellectual Property Department in Global Legal Affairs. Topsoe A/S	Process Technical Leader in the TK production in Global Supply, Topsoe A/S	Research Specialist in the Clean Air Applications Department in R&D, Topsoe A/S	Manager Production Support, Technology Development, Power-to-X, Topsoe A/S
EDUCATION	PhD in Chemical Engineering from the Technical University of Denmark (1999), registered European Patent Attorney (2012)	Academy Profession Degree in technology (1991)	Professional Bachelor's Degree as a Laboratory Technician specializing in chemistry (1996)	PhD in Hydrogen Storage Materials within the field of nanotechnology and inorganic chemistry (2012)

SENIOR LEADERSHIP TEAM

Our Senior Leadership Team is responsible for the day-to-day management of the company. It observes the recommendations, guidelines, and decisions issued by the Board of Directors, and makes sure there is timely reporting and information for our shareholders, the Board and other stakeholders. The Senior Leadership Team also submits and recommends proposals for our overall strategy, objectives, and policies to the Board, as well as being responsible for implementing them.

As of December 31, 2024, the Senior Leadership Team consisted of 11 members: the CEO, CFO and CCO, as well as the global heads of Power-to-X, Sustainability & External Affairs, Operations, R&D, Strategy & Innovation, Legal Affairs, Transformation and Human Resources. The CEO, CFO, and CCO (the Executive Management) are the company's registered directors and signatories with the Danish Business Authority.

The Senior Leadership Team represents broad and international management experience, comprehensive expertise in Topsoe's technologies and solutions, and in-depth knowledge of the company's business, as well as the sectors and geographic locations the company operates in. The team includes both leaders with a long tenure at Topsoe and leaders with extensive experience from outside the company, thus bringing increased diversity of thought, age, gender and nationality.

For more details on the current members of the Senior Leadership Team, see → topsoe.com

ROELAND BAAN
PRESIDENT & CEO

ALLAN BØDSKOV ANDERSEN
CHIEF FINANCIAL OFFICER

ELENA SCALTRITTI
CHIEF COMMERCIAL OFFICER

KIM S. HEDEGAARD
CEO OF POWER-TO-X

AMY CHIANG
CHIEF SUSTAINABILITY & EXTERNAL AFFAIRS OFFICER

ANDREAS BRUUN JØRGENSEN
CHIEF OPERATING OFFICER

JESPER NERLOV
CHIEF TECHNOLOGY OFFICER

KIM GRØN KNUDSEN
CHIEF STRATEGY & INNOVATION OFFICER

LENE RAMM
GROUP GENERAL COUNSEL

MORTEN HOLM CHRISTIANSEN
CHIEF TRANSFORMATION OFFICER

PETER KIRKEGAARD
CHIEF HUMAN RESOURCES OFFICER

Gender diversity in management

Table 1	Target	2024	2023	2022	2021
Gender diversity – Board of Directors male/female (number)	Obtained equality	5/3	5/3	7/1	7/1
Gender diversity – Board of Directors male/female (%)	Obtained equality	62/38	62/38	87/13	87/13
Gender diversity – Other management male/female (number)	–	43/23	42/25	–	–
Gender diversity – Other management male/female (%)	40% in 2030	65/35	63/37	–	–
Gender diversity – Topsoe managers male/female (number)	–	225/85	220/77	–	–
Gender diversity – Topsoe managers male/female (%)	30% in 2024	73/27	74/26	75/25	75/25

Accounting policy

The data for gender diversity in top management are presented as number and percentage of the genders 'female' and 'male. Top management is defined as the following two layers: 1) The highest level of management is defined as our Board of Directors (not including employee representatives). 2) Other management is defined as the Senior Leadership Team and any direct reports to the CEO, and the people reporting directly to them who also holds personnel responsibility. Other management is defined in accordance with section 139c of the Danish Companies Act and only covers Topsoe A/S. We also have our own Topsoe specific metric on gender diversity amongst all managers. This includes Topsoe specific management levels from 'managers' to 'CEO'.

Notes for the development in data

Board of Directors is unchanged at 38% women and 62% men. The percentage of women in other management declined with 2 percentage points to 35 in 2024. The percentage of female managers progressed from 26% to 27% but remains below the target of 30%. In Topsoe, we continuously have focus on gender balance and strive to create an inclusive and diverse workplace on many diversity parameters.

Sustainability governance

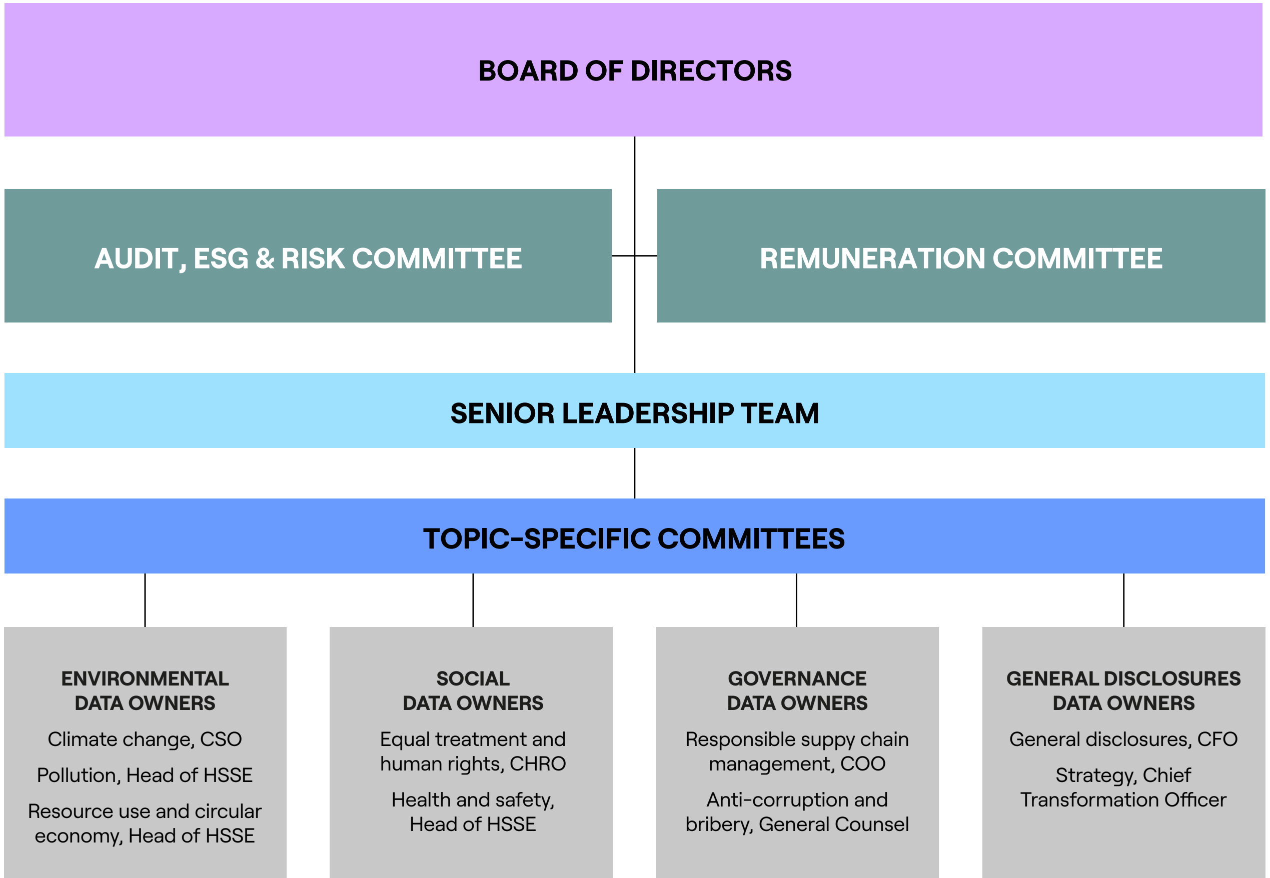
In Topsoe, we work towards putting sustainability at the core of our business. To promote a structured and efficient approach, we have a governance structure for sustainability topics.

Board of Directors
The Board of Directors is responsible for the overall strategic sustainability direction and for overseeing the company's performance, how it implements strategy, and the Senior Leadership Team's work on material sustainability matters.

The Board of Directors monitors and oversees progress related to our sustainability strategy and targets linked to our material sustainability matters. When we set medium to long-term targets in relation to our material sustainability matters, the Board of Directors are involved.

On business conduct matters, the role of the Board of Directors is to give oversight and advice. Its role also includes approving key initiatives such as significant updates to the Code of Conduct. The Board has delegated this responsibility to the Audit, ESG & Risk Committee.

SUSTAINABILITY GOVERNANCE STRUCTURE



Audit, ESG & Risk Committee

The Board's Audit, ESG & Risk Committee (AERC) is responsible for reviewing information and endorsing recommendations made by the organization to the Board on material sustainability matters within its areas of oversight, e.g. the conclusions of the double materiality assessment.

Remuneration Committee

The Board's Remuneration Committee is responsible for reviewing information and endorsing recommendations made by the organization to the Board on material sustainability within its areas of oversight, e.g. use of sustainability related KPIs in incentive plans.

Senior Leadership team

The Senior Leadership Team is responsible for the day-to-day management of the company, and approving sustainability strategies, targets and policies, as well as the company's operations and organization and timely reporting to the Board of Directors and its committees on material sustainability matters when relevant. Our Chief Sustainability & External Affairs Officer is a member of the Senior Leadership Team and draws on her knowledge to drive the company's sustainability strategy and discussions.

Topic-specific committees

To help take decisions on technical matters, we organize committees under the Senior Leadership Team. Their main function is to review information and endorse recommendations which the data owners make for Senior Leadership Team decisions on material sustainability matters. Currently, we have a Compliance Committee for anti-corruption and bribery, a DE&I Committee to handle equal treatment and diversity, a Net Zero Committee for our climate change plans and actions and a CSRD Implementation Committee to make sure CSRD reporting is timely and compliant.

Data owners

The data owners are responsible for initiating and driving the development and implementation of strategies, targets and policies on sustainability, and tracking performance metrics, based on identifying and assessing material sustainability impacts, risks and opportunities.

Matters which our sustainability governance bodies address, and information they received
The Board of Directors and Senior Leadership Team approve the double materiality assessment once a year. The material topics are important areas of work which are discussed by the Senior Leadership Team on an ongoing basis and brought to the Board of Directors' attention when deemed relevant by the Senior Leadership team or if Topsoe's procedures stipulate that the topic in question requires Board approval or action.

In the next two years, we will work to improve the structure of the information to the Board and Senior Leadership Team. We will also look to include information on sustainability due diligence aligned with the Corporate Sustainability Due Diligence Directive (CSDDD), and information on the effectiveness of policies, actions, metrics, and targets we have adopted to address our material impacts, risks, and opportunities. This effort will be led by the Chief Sustainability & External Affairs Officer.

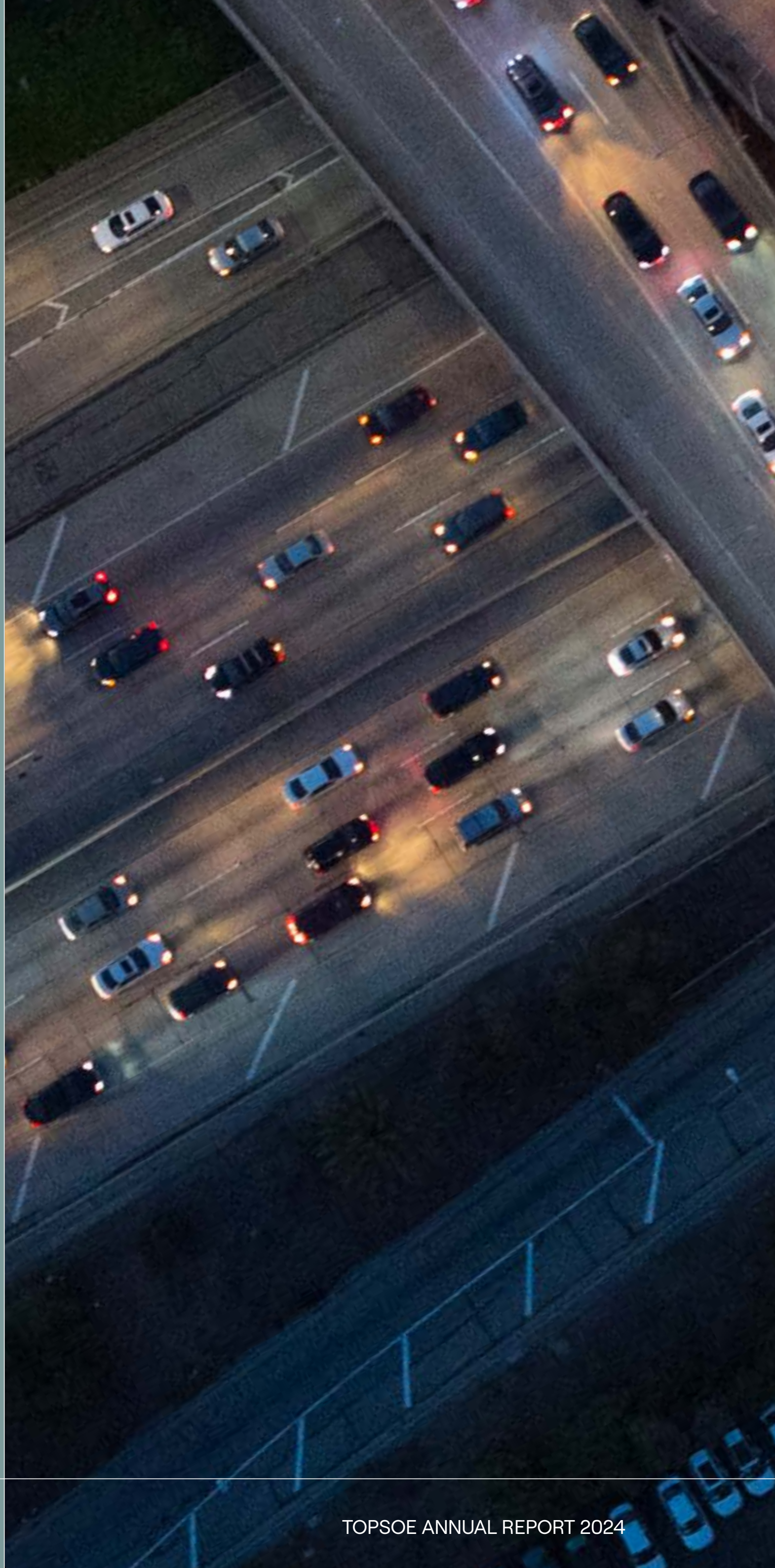
When we set out a new strategy or take major business decisions, we take many factors into account. First, it has to support our company purpose and direction. Secondly, it has to make financial sense, as we have an obligation to our stakeholders to 'stay in business'. These two considerations are linked closely to our material sustainability impacts, risks and opportunities.

Sustainability-related performance in incentive schemes
We have incorporated sustainability-related key performance indicators (KPIs) into both short and long-term incentive plans for management.

The specific KPIs relevant to sustainability are the total recordable incident rate (TRIF) and net zero commitments, which focus on CO_2e reductions in scope 1 and 2 emissions. The TRIF is a short-term target and carries a weight of 5% in the overall assessment, while the incentives related to our net zero commitments are long-term targets and carry a weight of 25%

The Remuneration Committee, which operates under the Board of Directors, is responsible for approving the schemes, including the targets and performance evaluation.

ESG STATEMENT



GENERAL DISCLOSURES

Basis for preparation

Our consolidated ESG statement covers material environmental, social and governance matters for the calendar year 2024 for the Topsoe Group. It constitutes our statement on corporate social responsibility, sections 99a and 99d of the Danish Financial Statements Act (DFSA). Unless we say otherwise, this information includes consolidated data from Topsoe A/S and subsidiaries controlled by Topsoe, and the scope is therefore the same as for financial data.

We continuously look to improve the quality of data so we can rely on it to make decisions. Where our double materiality assessment identified material impacts, risks and opportunities in our upstream and downstream value chain, we will work to include data from the value chain over the next couple of years. Our accounting policies show where we have done this. Some information is generalized to protect intellectual property, know-how or the results of research, and the text shows where this is the case.

Disclosures related to specific circumstances

In preparation for when we are in scope of the Corporate Sustainabilty Reporting Directive (CSRD), we have referred to the European Sustainability Reporting Standards (ESRS) when reviewing our data collection processes and reporting methodologies, to ensure we will meet the requirements when presenting sustainability information for 2025.

We prioritize comparative data from year to year, but we also acknowledge that methods and data sources for sustainability reporting improve quickly. This means we update methods when we see a significant improvement in data quality. Where practical, we disclose revised comparative figures.

For estimates, all data – including scope 3 data on CO_2e emissions – are directly linked to data available in Topsoe databases. Additional information on estimates and judgements are included in the relevant accounting policies.

When collecting and calculating quantitative metrics and monetary amounts for sustainability reporting, we use estimates and make assumptions, e.g. scope 3 data, which we state clearly in the accounting policies. We do not assess that any reported data is subject to a high level of measurement uncertainty.

We make sure data is accurate, as we continuously work to improve our data sources.

We follow the Danish Financial Statement Act, which has extra requirements for disclosures on data ethics, section 99d to make sure we comply with relevant national legislation.

Risk management and internal controls

By continuously improving the reliability of our sustainability data, we build an internal control framework. This will help us identify and mitigate risks to our sustainability reporting, and, where possible, link to existing controls in our financial data. We will expand the internal controls to cover all metrics within the next 6-12 months.

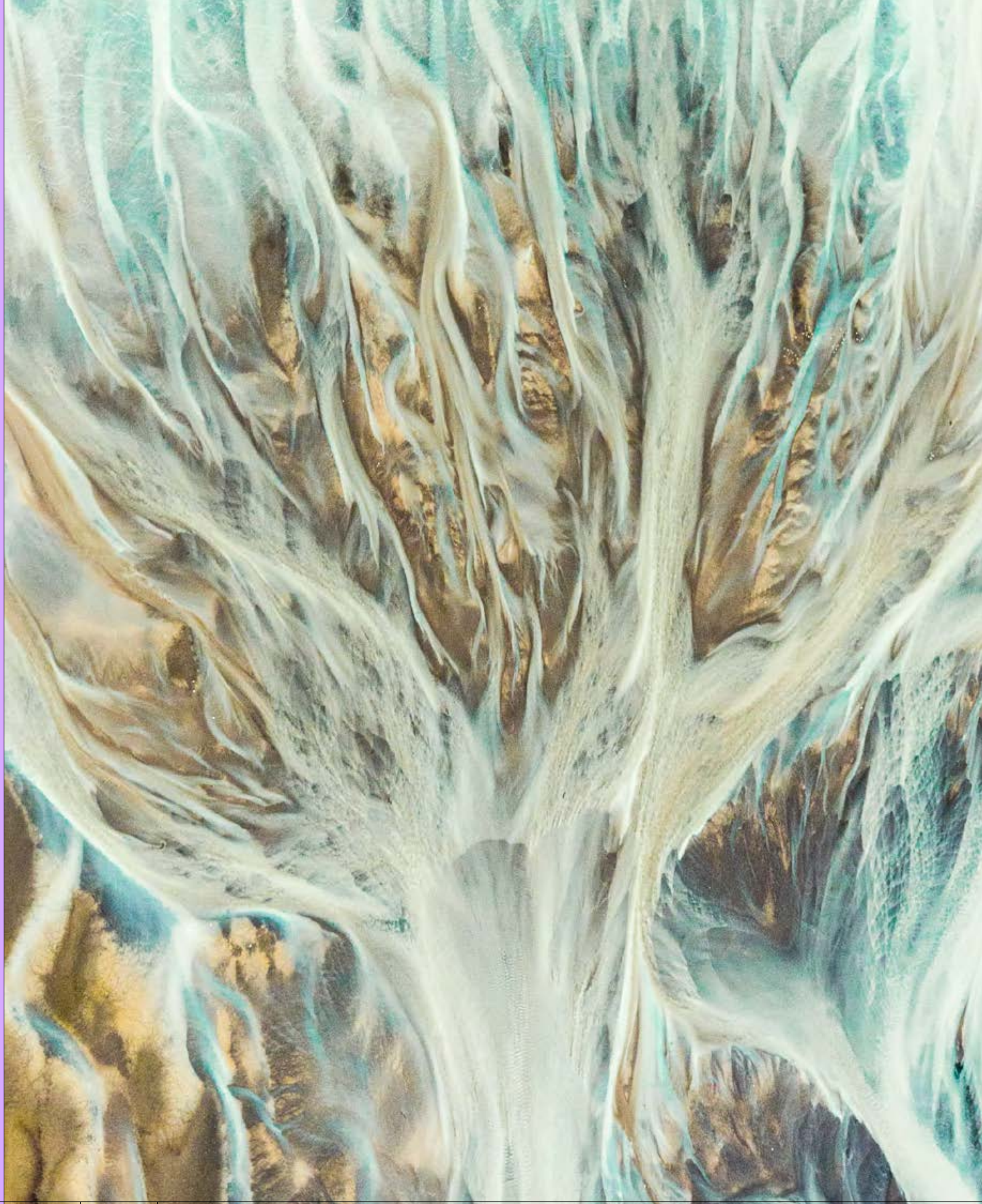
Once a year, we assess the risks of material misstatements in sustainability reporting based on materiality; the complexity of processes; and the probability of errors and omissions. Through this assessment, we evaluate our controls and adjust them if we need to. We monitor and test the controls to make sure they are operationally effective. We also document internal controls in a dedicated system, along with internal financial controls.

The Audit, ESG & Risk Committee monitors our sustainability reporting process. Our sustainability metrics are subject to limited assurance by the same independent auditor who is also responsible for our financial reporting.

ENVIRONMENT

To minimize our impact on the environment, we must work to lower greenhouse gas emissions and other types of pollution, choose and handle materials responsibly and safely, and contribute to a circular economy. The following section reflects our commitment and progress within all these areas.

CLIMATE CHANGE 71
POLLUTION 79
RESOURCE USE AND CIRCULAR ECONOMY 82



CLIMATE CHANGE

Our commitments to lowering emissions are among the most ambitious in our industry. They demand our best efforts and most innovative ideas throughout our own operations and our value chain.

Transition plan

In 2023, our target for net zero by 2040 was validated by the Science Based Targets initiative (SBTi), confirming our long-term ambition to reduce GHG emissions in line with the 1.5°C pathway. Our main decarbonization levers for achieving our goals are:

- Reducing nitrous oxide (N2O) emissions
- Increasing energy efficiency
- Transitioning to renewable energy
- Engaging with suppliers to decarbonize our supply chain (scope 3)

We intend to publish our climate transition plan in 2025. It will describe activities for each of our decarbonization levers. The plan will also include a roadmap of activities that contribute to reducing GHG emissions related to scope 1, 2 and 3 towards 2030 and 2040.

Addressing climate change

We recognize the critical importance of addressing climate change. Our approach is guided by our Environmental Policy. It outlines our overall commitment to addressing climate change, setting targets for reducing emissions, assessing climate risks and opportunities, improving energy efficiency, and transitioning to renewable energy.

The scope of the policy is the same as for financial data. We review the policy every other year and update it if necessary. Our Senior Leadership Team (SLT) is responsible for the policy and for setting strategic direction for the areas it covers. We publish the policy on our intranet and website. You can find it here →

Taking action on climate change

In 2024, we established a governance structure with a Net Zero Steering Committee and an associated Net Zero Working Group, with relevant functions. The Working Group is led by the Sustainability Team and maintains progress, prevents gaps and promotes collaboration across the business. The Steering Committee has a strategic role, guiding the implementation of activities and progress towards net zero milestones, and making key decisions. It also allocates resources and escalates any issues it needs to. In terms of actions and planned activities, we have:

- implemented TertiNOx™ technology in our new catalyst prodction line in Bayport (US) allowing for removal of up to 95% of our N2O emissions

- installed Catox technology to replace flaring at our R&D facility in Ravnholm (DK), which has saved 140,000 m^3 of natural gas in 2024

- committed to the Better Buildings energy efficiency project in Bayport sponsored by the US Department of Energy

In 2025, we will work on implementing an energy management system aligned with ISO 50001, ahead of this becoming mandatory in 2026.

We received an EcoVadis Silver medal and an overall score of 74, which places us in the top 6% among companies assessed by EcoVadis, acknowledging our ESG performance through their thorough evaluation. We have also maintained our score of B from the Carbon Disclosure Project (CDP). We will continue to focus on CO_2e reductions in 2025, as well as on our collaboration across the value chain and enhanced disclosures.

Targets that drive performance

We have set ambitious targets to reduce greenhouse gas (GHG) emissions. By 2030, the aim is to cut absolute scope 1 and 2 GHG emissions by 95% from a 2020 baseline. By 2040, our goal is to achieve net zero emissions across the whole value chain (including scope 3). These targets, validated by the Science Based Targets initiative (SBTi), are in line with the 1.5°C scenario.

We disclose measurable, outcome-oriented, and time-bound targets in our annual report, tracking progress from a 2020 baseline. The breakdown of emission reduction targets is: scope 1 - 21%, scope 2 - 6%, and scope 3 - 73%, expressed as CO_2e, as defined in the GHG Protocol.

We define areas of our organization for GHG measurement and reporting, excluding GHG removals, carbon credits, or avoided emissions. The baseline year for emissions is 2020, with adjustments every five years from 2030 to reflect the latest data. The boundaries of reporting for our own operations are the same as for financial reporting, except for scope 3 which includes upstream and downstream activities for material categories. We achieve our targets by addressing our main levers, described on the previous page.

Measuring performance

Energy consumption

Table 2	Target	2024	2023	2022	2021
Energy consumption (MWh)		338,335	359,172	326,900	290,234
Renewable electricity (%)	Transition to 80% market-based renewable electricity by 2025	22	-	-	-

Accounting policy

Direct energy consumption leads to scope 1 GHG emissions and includes natural gas and gas oil consumed by Topsoe. Indirect energy consumption leads to scope 2 GHG emissions and includes electricity and district heating purchased and consumed by Topsoe. Energy consumption is reported for production sites, warehouse, R&D, and headquarter. Data is obtained from invoices and through meter readings internally (Topsoe or supplier-owned meters) or downloaded from the supplier's website.

Notes for the development in data

In 2024, the total energy consumption amounted to 338,335 MWh, showing a 6% decrease compared to the previous year's consumption of 359,172 MWh. This decrease aligns with the 8% decrease in production volume from 2023 to 2024. It is worth noting that the energy consumption in 2024 remained unchanged when compared to the 2020 base year.

In 2024, the share of renewable electricity (market-based) was 22%. We have a target of transitioning to 80% market-based renewable electricity by 2025.

GHG emissions - Scope 1 and 2

Table 3 Tonnes CO_2e	Target	2024	2023	2022	Base year 2020
Scope 1		102,436	117,134	104,391	124,439
Scope 2 – market-based		46,149	42,216	9,094	33,822
Scope 2 – location-based		10,770	11,751	11,825	13,248
Scope 1 and 2 market-based		148,585	159,350	113,485	158,261
Scope 1 and 2 market-based redcution compared to 2020 base year (%)	Reduction of 95% by 2030	6	-	-	-

Accounting policy

The reporting of scope 1 and 2 GHG emissions is based on the Greenhouse Gas Protocol. Scope 1 GHG emissions include emissions from natural gas, gas oil, and process emissions. Scope 2 GHG emissions include emissions from electricity and district heating purchased and consumed by Topsoe. Carbon dioxide equivalent, i.e., CO_2 e, is used as the metric to compare the emissions from greenhouse gas emissions based on their global warming potential. Scope 1 GHG emissions are calculated as: the consumption volumes multiplied by CO_2 e emission factors from Department for Environment, Food and Rural Affairs' (DEFRA), and chemical-specific CO_2 e emission factors. Country- and supplier-specific location- and market-based emission factors are provided for calculating Scope 2 CO_2e GHG emissions.

Notes for the development in data

In 2024, our total GHG emissions (Scope 1 and 2, market-based) amounted to 148,585 tCO_2e, which is a decrease of 7% compared to 159,350 tCO_2e in 2023 and decreased by 6% compared to our 2020 base year. This decrease aligns with the 8% decrease in production volume from 2023 to 2024. In 2024, our Scope 1 emissions decreased by 13% compared to 2023 and by 18% compared to our 2020 base year. This decrease is due to a decrease in emissions from nitrous oxide (N_2O). Our scope 2 emissions (market-based) increased by 9% compared to 2023. This is primarily due to a higher emission factor for electricity in Denmark, which is caused by a lower proportion of renewable energy.

GHG emissions – Scope 3

Table 4

Tonnes CO_2e	2024	2023	2022	2021
Cat. 1 – Purchased goods and services	309,105	535,060**	472,046	386,552
Cat. 3 – Fuel and energy-related activities	8,921	9,515	8,799	7,840
Cat. 4 – Upstream transportation and distribution	3,864	4,689	14,379	3,264
Cat. 5 – Waste generated in operations	661	1,040	880	988
Cat. 6 – Business travel	12,189	14,565	8,947	2,456
Cat. 7 – Employee commuting	2,483	2,470***	1,868	1,882
Cat. 9 – Downstream transportation and distribution	8,363	12,826	14,331	11,224
Cat. 11 – Use of sold products	2,602	2,969	2,607	2,307
Cat. 12 – End-of-life treatment of sold products	4,649	3,621	2,125	3,213
Cat. 15 - Investments	44,978	32,220	26,725	11,494
Total scope 3	397,815	**618,975**	**552,707**	**431,220**

** The number for 2023 is restated from 395,911 to 535,060 as we identified a calculation error in the data that led to a misstatement above our materiality threshold.

*** The number for 2023 is restated from 2,149 to 2,470 as we identified an error in the application of emission factors between two locations which led to a misstatement above our materiality level.

Accounting policy

The reporting of indirect scope 3 emissions is based on the Greenhouse Gas Protocol, which divides the scope 3 inventory into 15 categories.

The categories 2, 8, 10, 13 and 14 have been left out, as we have assessed the emissions from these activities to be immaterial.

Category 1 – Purchased goods and services
This category includes raw material procurement, indirect procurement, and project procurement. Raw material procurement is categorized and CO_2e emissions are calculated based on quantity data multiplied by relevant material-specific emission factors from the EcoInvent database. The emissions are accounted for at the time of delivery of the raw materials. Indirect and project procurement are categorized and CO_2e emissions are calculated based on spend data multiplied by emission factors from Exiobase.

Category 3 – Fuel- and energy-related activities
This category is calculated based on actual fuel and energy data collected under energy consumption, multiplied by upstream emission factors from DEFRA WTT (Well-to-Tank).

Category 4 – Upstream transportation and distribution
This category 4 covers the transportation of purchased products from suppliers to a Topsoe facility and transportation between Topsoe facilities. The transportation of sold products is covered by category 9. CO_2e emissions are calculated based on spend data multiplied by an average transportation emission factor from Exiobase.

Category 5 – Waste generated in operations
This category is calculated based on actual waste data multiplied by relevant emission factors from DEFRA Waste disposal and water treatment. The treatment of water sent to the municipal sewage treatment plant is also included.

Category 6 – Business travels
Business travel data includes airfare, hotel stays, business trips in private cars, taxis, and rental cars. The CO_2e data for airfare is from our third party travel agency combined with spend data. All other business travel is based on spend data multiplied by relevant emission factors from Exiobase.

Category 7 – Employee commuting
Employee commuting covers the transportation of employees between home and work. The calculation of emissions is based on country-specific average data from an independent third-party provider. The employees in scope are based on headcount excluding student assistants and externals.

Category 9 –
Downstream transportation and distribution
This category 9 includes emissions from outbound transportation of products after the point of sale. CO_2e emissions are calculated based on spend data multiplied by an average transportation emission factor from Exiobase.

Category 11 – Use of sold products
This category is calculated based on actual sales of products from the chemical processing data. The use-phase emissions come from products that contain or form CO_2 that is emitted during use. Some of our finished products contain carbon in the form of carbonate, carbon, or graphite. The carbon is not emitted as CO_2 during the production phase but is emitted during the use-phase.

Category 12 –
End-of-life treatment of sold products
This category includes emissions from the waste disposal and treatment of sold catalysts and packaging products at the end of their life treatment. The calculation is based on total volume of produced catalysts and packaging products multiplied by relevant emission factors from DEFRA Waste disposal.

Category 15 – Investments
This category includes CO_2e emissions from all joint ventures, other securities, and investments. The emissions are calculated based on the investment-specific approach. If the emission data is not available from the investee, the average data method is used with country- or region-specific emission factors from Exiobase.

Notes for the development in data

Category 1 – Purchased goods and services:
In 2024, CO_2e emissions from purchased goods and services decreased by 42% compared to 2023. This decline can be attributed to two main factors. First, there was a 12% decrease in raw material procurement relative to 2023, primarily due to lower CO_2e emission factors from EcoInvent following their annual update. Second, we switched the source of CO_2e emission factors for indirect and project procurement from DEFRA Table 13 to Exiobase, which also contributed to reduced emissions in these categories. We categorize changes in emission factors as changes in estimates and are therefore not required to restate the numbers from previous years. Since Exiobase emission factors are generally lower than those from DEFRA, it is not possible to compare 2024 data with previous years' data.

Category 3 –
Fuel- and energy-related activities
In 2024, GHG emissions for this category decreased by 6%, which corresponds to the decrease in energy consumption.

Category 4 -
Upstream transportation and distribution
In 2024, our spending on inbound transportation decreased compared to 2023, resulting in lower CO_2e emissions. Additionally, we changed our source for the CO_2e emission factor for transportation from DEFRA Table 13 to Exiobase, which also contributed to a decrease in reported emissions. We categorize changes in emission factors as changes in estimates and are therefore not required to restate the numbers from previous years. It is not possible to compare the 2024 data with previous years' data

Category 5 – Waste generated in operations
In 2024, there was a 36% decrease in CO_2e emissions from waste treatment, compared to 2023. This reduction is attributed to two factors. Firstly, there was a 27% decrease in the total amount of waste generated. Secondly, there was a decrease in the DEFRA CO_2e emission factors from the previous year.

Category 6 – Business travels
In 2024, CO_2e emissions from business travel decreased by 16% compared to 2023, primarily due to reduced spending on air travel. This year, we upgraded our source of data to our external travel agency for airfare at locations using the platform, which represents 87% of our air travel expenditure. Additionally, we changed the CO_2e emission factors source for hotel, taxi, car rental, car mileage, and air travel not booked through the agency from DEFRA Table 13 to Exiobase. We categorize changes in emission factors as changes in estimates and are therefore not required to restate the numbers from previous years. In internal calculations we have identified that the difference on CO_2e emissions on airfare from our travel agency is currently at the same level with the spend based calculations that were used in 2023. Airfare accounts for more than 92% of the CO_2e emissions from travel. Therefore we conclude that 2024 data can be compared to previous years.

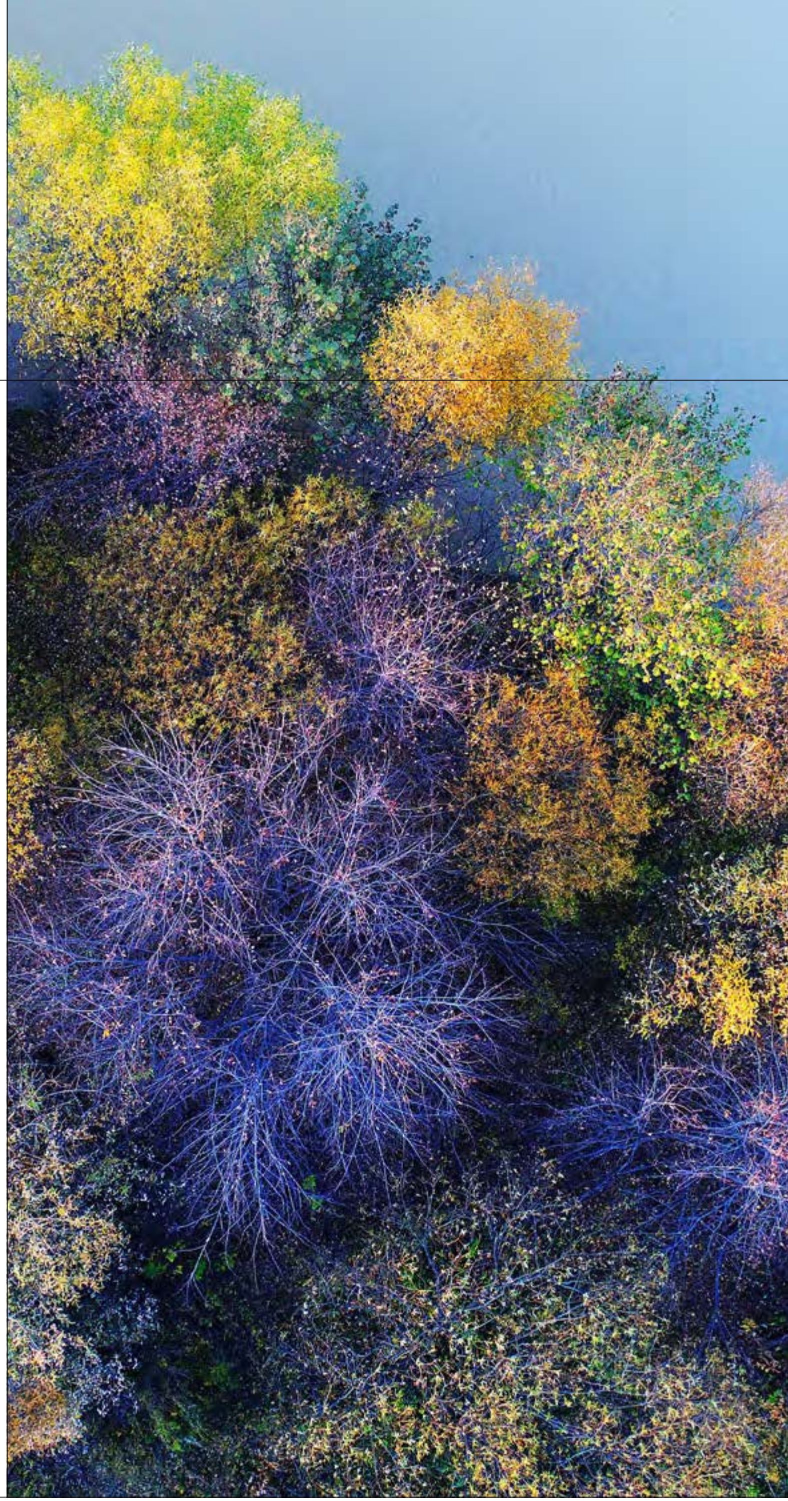
Category 7 – Employee commuting
A small increase in emissions from employee commuting is expected, as it is directly linked to the increase in the number of employees.

Category 9 –
Downstream transportation and distribution
In 2024, our spending on outbound transportation remained at the same level as in 2023. Therefore, the decrease in emissions is solely due to the update in emission factors from DEFRA Table 13 to Exiobase. We categorize changes in emission factors as changes in estimates and are therefore not required to restate the numbers from previous years. It is not possible to compare the 2024 data with previous years' data.

Category 11 – Use of sold products
In 2024, CO_2e emissions in this category decreased by 12% compared to 2023. This reduction follows the trend of the decrease in production volumes by 8% and the corresponding decrease in sold products.

Category 12 –
End-of-life treatment of sold products
In 2024, CO_2e emissions in this category increased by 28% compared to 2023, despite a 8% decrease in production volumes and the corresponding increase in sold products. The rise in CO_2e emissions is attributed to an increase in chemical waste sent to landfill, which has a significantly higher CO_2e emission factor compared to incineration.

Category 15 – Investments
The increase in CO_2e emissions from investments is solely due to a change in emission factors as the investments where we use the investment-specific approach are close to the level of 2023. For investments where we use average data method, the revenue has decreased, but due to the updated emission factors, this does not lead to a fall in the emissions. The emission factors now give a more accurate deflection of the emissions. e categorize changes in emission factors as changes in estimates and are therefore not required to restate the numbers from previous years.



Expected avoided emissions enabled by our technologies

We are determined to take a leading role in the energy transition and enable our customers to reduce their emissions through Topsoe designed technology. We see a strong and growing pipeline of projects that will bring the world closer to net zero in 2050, and we have been awarded landmark projects throughout 2024. However, external factors such as some lack of clarity in regulatory guidance and high interest rates have delayed Final Investment Decisions (FIDs) for several significant projects, which has affected our results for the year.

In 2024, we expect to have enabled our customers to avoid emissions by 13.1 million tonnes CO_2e for projects we have been awarded; 2.5 million tonnes CO_2e for projects that are under construction; and 18.0 million tonnes CO_2e for projects that are in operation.

With incentives from governments around the world and high levels of private sector ambition, the foundation for scaling solutions is strong and we expect more projects with the potential to avoid CO_2e emissions enabled by Topsoe designed technologies to be awarded, constructed and put into operation in 2025.

Expected avoided CO_2e emissions enabled by our technologies

Table 5

1,000 Tonnes CO_2e	2024	2023	2022	2021
Expected annual avoided CO_2e emissions by customers, enabled by Topsoe designed technologies for contracts “awarded” at year-end	13,134#	24,845#****	8,103	16,541
Expected annual avoided CO_2e emissions by customers, enabled by Topsoe designed technology for projects “under construction” at year-end	2,590	5,263****	7,198	9,972
Calculated annual avoided CO_2e emissions by customers, enabled by Topsoe designed technology for projects ”in operation” at year-end	17,956	10,673	8,937	3,265

**** Numbers for 2023 have been restated in the category 'awarded', from 22,504 to 24,845, and 'under construction' from 6,816 to 5,263, as we have identified material misstatements due to error in categorization in the reported numbers. We have, throughout 2024, performed monthly data collection and controlling of the data and the identified deviations from 2023-reporting is a sign that the internal control framework is improving.

This metric is not under PwC assurance scope

Accounting policy

The expected annual avoided CO_2e emissions by customers, enabled by Topsoe designed technology are calculated compared to the solution running on conventional fossil-based feedstock.

The expected annual avoided CO_2e emissions are split into three categories: ”awarded”, “under construction” or ”in operation”, and a project is only included in one of the three categories.

Expected annual avoided CO_2e emissions by customers, enabled by Topsoe designed technology for projects “awarded” at year-end

The technologies in scope are renewable fuels and low carbon (syngas-technologies) using CO_2 capture and sequestration. A project is reported as ”awarded” when Topsoe has received payment for engineering work.

Expected avoided CO_2e emissions for renewable fuels are measured by calculating the estimated energy amount from the specific feedstocks used in Topsoe’s technology and multiplying the amount by the EU Red 2 GHG emission (94 g CO_2e/MJ) and by the life-cycle-assessment calculation of the respective feedstock.

Expected avoided CO_2e emissions for low carbon, syngas technologies, i.e. the amount of CO_2 captured and sequestrated, are estimated based on the design agreed with the client. The expected annual avoided CO_2e emissions by customers are recognized for the full year regardless of when it is "awarded". The project status is at year-end.

Expected annual avoided CO_2e emissions by customers, enabled by Topsoe designed technology for projects "under construction" at year-end
The technologies in scope are renewable fuels and low carbon (syngas-technologies) using CO_2 capture and sequestration. A project is reported as "under construction" when the customer has made the Final Investment Decision (FID) and signed a contract with Topsoe, and both parties are therefore under obligation for the project to become "in operation".

Expected avoided CO_2e emissions for renewable fuels are measured by calculating the estimated energy amount from the specific feedstocks used in Topsoe's technology and multiplying the amount by the EU Red 2 GHG emission (94 g CO_2e/MJ) and by the life-cycle-assessment calculation of the respective feedstock. Expected avoided CO_2e emissions for low carbon, syngas technologies, i.e. the amount of CO_2 captured and sequestrated, are estimated based on the design agreed with the client.

The expected annual avoided CO_2e emissions are recognized for the full year regardless of when it is "under construction". The contract status is at year-end.

Calculated annual avoided CO_2e emissions by customers, enabled by Topsoe designed technology for projects "in operation" at year-end
The technologies in scope are renewable fuels, co-processing of renewable fuels mixed in fossil fuels and low carbon (syngas-technologies) using CO_2 capture and sequestration. A project is reported as "in operation" when there has been a successful performance guarantee test run.

Expected avoided CO_2e emissions for renewable fuels are measured by the estimated energy amount from the specific feedstocks used in Topsoe's technology and multiplying the amount by the EU Red 2 GHG emission (94 g CO_2e/MJ) and by the life-cycle-assessment calculation of the respective feedstock.

Expected avoided CO_2e emissions for co-processing of renewable fuels mixed in fossil fuels are measured by calculating the estimated energy amount from the specific feedstocks used in Topsoe's technology and multiplying the amount by the EU Red 2 GHG emission (94 g CO_2e/MJ) and by the minimum life-cycle-assessment calculation in US (50%) and EU (65%), respectively.

Expected avoided CO_2e emissions for low carbon, syngas technologies, i.e. the amount of CO_2 captured and sequestrated, are estimated based on the design agreed with the client.

The expected annual avoided CO_2e emissions are recognized for the full year regardless of when it is "in operation". The contract status is at year-end. Topsoe verifies annually that all projects "in operation" are still up and running.

Notes for the development in data
The number of expected avoided emissions for awarded projects is lower in 2024 than in 2023. This is mainly due to the unusual high number of projects awarded in 2023. The level of awarded projects in 2024 is closer to the expected level of sales of solutions and derived expected avoided emissions. The customers' focus for 2024 have been on qualifying the awarded projects for financial investment decision and going under construction, which we expect to see materializing in the 2025 and 2026 numbers for projects "under construction".

In 2024, as in 2023, the uncertainty around offtake of produced fuels and composition of tax incentives have affected the level of expected avoided emissions from projects that went under construction in 2024 and it is lower than 2023.

The expected avoided emissions from projects in operation have increased due to several projects going into operation in 2024, and the existing projects in operation are still running. One project stopped using renewable fuel in 2024 which is the only project since we started collecting data for this metric in 2011.

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POLLUTION

We see pollution control as our license to operate, and continuously look for ways to minimize and reduce our negative impact on the environment and health, whether it is handling chemicals safely or monitoring air quality at our sites.

Addressing pollution

Our Environmental Policy guides our approach to minimizing pollution of air, water, and soil, as well as the use of substances of concern and very high concern. We address emissions to reduce our environmental and health impacts, in line with our policies and linked to our ISO 14001 and RC 14001 management systems. This means we must continually reduce and minimize our emissions and make sure we always follow local legislation.

The scope of the policy is the same as for our financial data. We review it every other year and revise it when we need to. Our Senior Leadership Team (SLT) is responsible for the policy and for setting strategic direction for the areas it covers. We publish the policy on our intranet and website. **You can find it here →**

Taking action on pollution

Preventing pollution is a priority for us, though some substances essential to our products might have a negative impact on the environment and health. We use Best Available Techniques (BAT) to reduce emissions.

Our pollution control measures include preventing and minimizing hazardous substance releases into air, water, and soil, supported by spill response plans, containment systems, and emergency procedures. We use filters, DeNOx units, and scrubbers to clean polluted air before we discharge it. We also have measures for substances of concern, and very high concern, that pose high risks to human health or the environment.

Our environmental approvals set thresholds and testing requirements for emissions. If we exceed them, we must report it to the authorities with action plans to mitigate pollution. We report environmental incidents in line with our procedures and permits, taking action to restore affected areas.

Our production site in Frederikssund, Denmark, is close to residential areas, which is why we are subject to strict noise level requirements from the Danish Environmental Protection Agency. We stay in contact with stakeholders near our production sites to ensure a good dialogue.

Targets that drive performance

Our pollution-related thresholds are in line with mandatory limits set by national environmental protection agencies (EPAs) and based on local ecological conditions. These include limits for noise and emissions to air, water, and soil, along with testing requirements.

Complying with these thresholds is essential for our operations, and we see pollution control as our license to operate. Accordingly, we must continually reduce emissions and operate within local legislation and permits, with policies and processes certified against ISO 14001 and RC 14001 standards.

Measuring performance

Major spills and releases

Table 6 Number	2024	2023	2022	2021
Major spills	1	3	0	0
Releases	1	0	1	1

Accounting policy

Spills are reported in our internal system (SAP EHS) according to local environmental approvals. If the material does not have an impact on the environment (water, soil, or air), it remains categorized as a spill. A spill of more than 100 kg of a hazardous material is reported as a major spill. Air emissions from stacks are not included.

If a spill of a hazardous substance reaches the environment (water, soil, or air), it is categorized as a release and will be reported and handled according to local procedures and environmental approvals. Spills and releases are reported for production sites, warehouse, and R&D.

Notes for the development in data

In 2024, we had one major spill that took place within our warehouse in Frederikssund, Denmark, consisting of a spill of 200 kg of zinc oxide. Action was taken to clean up the spilled material, ensuring no harm was caused to the environment or people. Additionally, in 2024, there was a release in Frederikssund where the concentration of copper in surface water exceeded the limit value specified in the environmental approval. However, it is important to note that the annual average and total quantity per year for copper were not exceeded in 2024

Other air emissions

Table 7 Tonnes	2024	2023	2022	2021
Nitrogen oxides (NO_x/NO_2)	33.93	39.14	37.66	32.74
Sulfur oxides (SO_x/SO_2)	4.70	0.11	0.08	0.08
Volatile organic compounds (VOC)	7.80	2.63	2.45	2.46
Particular matter (PM10)	18.30	17.23	16.22	7.80
Ammonia (NH_3)	24.29	16.02	13.72	11.53

Accounting policy

Other air emissions than greenhouse gases are measured as the concentration in ppm (parts per million) and calculated into tonnes using the measured air flow. Other air emissions than greenhouse gases are reported for production sites. SO_x/SO_2 are in 2024 also included for Frederikssund. VOC is only reported for our production site in Bayport.

Notes for the development in data

In 2024, there was an increase in the amount of multiple air emissions compared to 2023. This increase can be attributed to the operation of the new TK3 plant in Bayport. Specifically, the emissions of volatile organic compounds (VOC) and ammonia (NH_3) have notably increased. In 2024, Frederikssund was included in the sulfur oxides (SO_x/SO_2) reporting for the first time, which has led the number to increase compared to 2023.

RESOURCE USE AND CIRCULAR ECONOMY

Reusing and recycling resources and materials is a growing part of our work on sustainability. For us, it ranges from partnerships with vendors, processing waste materials on site and increasing the amount of recycled materials in our raw materials, to finding opportunities to process spent catalysts

Addressing resource use and circular economy

We are committed to using more recycled resources and working with partners to recycle and reuse more of our waste. One way to do this is to make circularity part of our processes and resource flow, exploring new opportunities and partnerships to increase our use of recycled materials.

Our Environmental Policy guides our ambitions on how we will reduce waste and increase reuse and recycling.

The scope of the policy is the same as for our financial data. We review it every other year and revise it as we need to. Our Senior Leadership Team (SLT) is responsible for the policy and for setting strategic direction for the areas it covers. We publish the policy on our intranet and website.

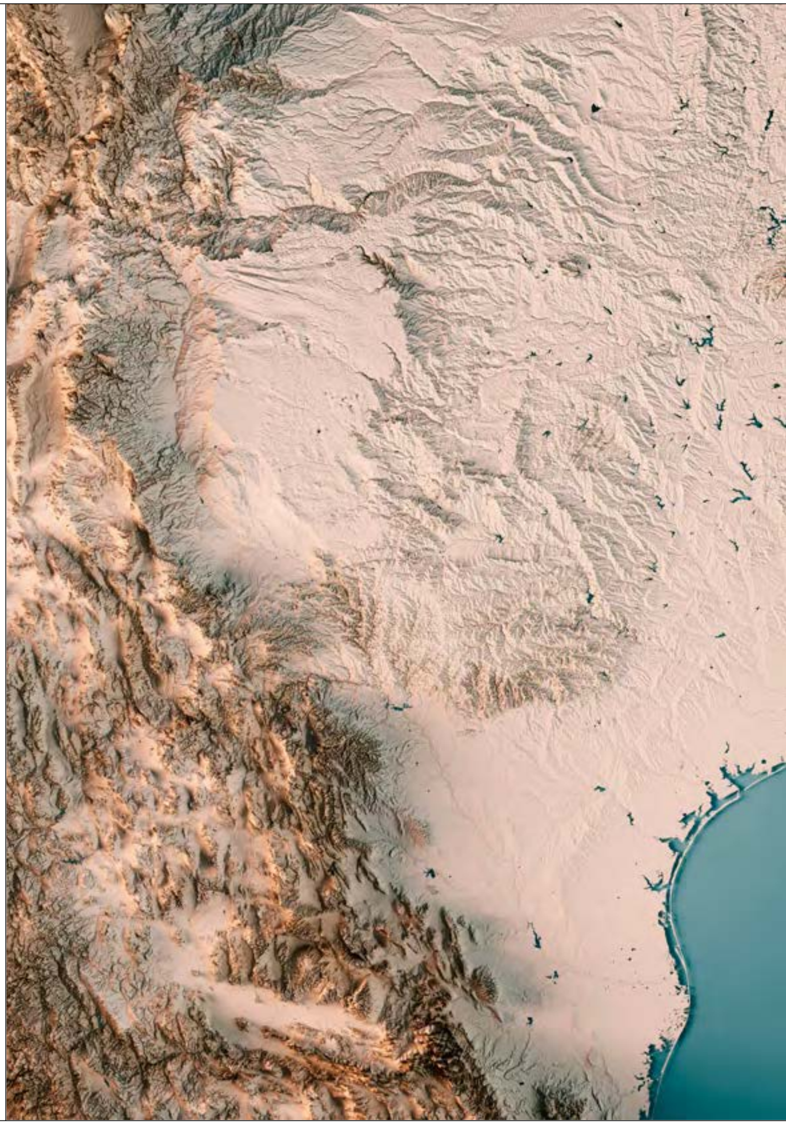
You can find it here →

Taking action on resource use and circular economy

In 2024, we implemented a project to reuse rinse and flushing water in Frederikssund, Denmark, expected to result in a reduction of 600 tons hazardous waste annually.

In the next six to 12 months, we will initiate the development of a plan for resources, waste and circular economy activities in line with our Environmental Policy.

Our current activities mainly address our own operations, but in the future, we will have a stronger focus on our upstream and downstream value chain. Downstream, we currently offer our ReFRESH™ technology that provides an opportunity to use the catalysts twice for maximum economic benefit by reactivating catalytically active sites. This produces performance equivalent to 95% of fresh catalyst.



Targets drive performance

In 2025, we will investigate the opportunities to develop targets for resource use and circular economy, addressing procurement, our own operations and use/end-of-life.

Measuring performance

Waste

Table 8

Tonnes	2024	2023	2022	2021
Waste total	9,348	12,764	9,887	7,365
Waste total hazardous	7,077	10,514	7,799	5,865
Waste total non-hazardous	2,271	2,250	2,088	1,500
Waste recycled (%)	25	13	14	20

Accounting policy

Waste is reported as either hazardous or non-hazardous waste according to local regulations. Additionally, waste is reported by waste type and by disposal method. The waste data for the US site is collected from the waste manifests. The waste data for Danish sites is collected from the environmental authority's portal for waste reporting or directly from suppliers. Hazardous wastewater sent to a third-party company is included as waste. The percentage of waste recycled is calculated by the amount of recycled waste in tonnes divided by the total amount of waste total in tonnes. Waste is reported for production sites, warehouse, R&D and headquarter.

Notes for the development in data

In 2024, the waste generated in our operations decreased by 27% compared to 2023. This reduction occurred at our factories in Frederikssund and Bayport, with both locations contributing almost equally. However, Frederikssund remains the primary generator of waste in volume. The significant reduction in Frederikssund is primarily due to a decrease in hazardous waste, particularly chemical waste. In 2023, we took action to tidy up our warehouses and disposed of a considerably larger amount of chemical waste compared to a typical year.

Our non-hazardous waste levels remained consistent with those of 2023. However, given that our production volumes decreased by 8%, we would have expected to see a corresponding reduction in non-hazardous waste generation. The lack of decrease can be attributed to new projects. These projects have resulted in a significant amount of waste, particularly in the form of wood, iron, metal, and residual materials.

In 2024, there was a notable increase in the percentage of waste that was recycled, rising from 13% to 25%. This significant increase can be primarily attributed to two factors. Firstly, we sent a considerably larger amount of molybdenum-containing waste from Frederikssund for recycling in 2024 compared to 2023. Additionally, our suppliers have also recycled a greater amount of waste compared to the previous year.

SOCIAL

This chapter offers an overview of our commitment to social responsibility and the initiatives we've taken to mitigate negative impacts and make a positive impact. At Topsoe, we believe success goes beyond financial performance and includes our contributions to employee wellbeing, communities, and stakeholders. We highlight efforts to promote a safe work environment, support employee development and engage with local communities. Through transparency and accountability, we demonstrate our dedication to social responsibility and ongoing commitment to making a difference.

OUR PEOPLE	85
HEALTH AND SAFETY	89
EQUAL TREATMENT AND DIVERSITY	92
HUMAN RIGHTS	94
COMMUNITY IMPACT	95

OUR PEOPLE

Our people are the driving force behind our achievements. That's why investing in their development and creating a positive work environment is essential for the future success of our business.

Addressing our own workforce
When it comes to our workforce and people, our material sustainability matters are equal treatment, health and safety, and human rights.

Our policies and practices reflect our commitment to addressing these matters and include the Employee Handbook, which outlines our main employment terms and conditions and refers to various guidelines and Topsoe policies. It is designed to be a clear, easy-to-access guide that helps foster a positive work environment and promote wellbeing.

For a comprehensive and inclusive approach, we engage employee representatives in the policy-setting process. For example, they participate in revising the Employee Handbook, providing input and feedback.

This collaborative approach makes sure our policies reflect employees' perspectives, concerns and interests.

Our Chief Human Resources Officer holds final approval authority over all HR policies.

Engaging with our people
We prioritize engaging directly with our workforce and their representatives, making sure we comply with the laws of each country we operate in. We use several platforms and initiatives to foster dialogue and collaboration between management and employees, to take their interests into account.

One of these platforms is the General Works Council, chaired by our CEO. This council is a forum for discussions and cooperation between management and employees. It meets twice a year, or more often to address specific matters.

We also have local councils that meet regularly. They give employees an opportunity to voice their opinions and concerns, further contributing to the dialogue between management and the workforce.

For a comprehensive feedback process, we run the Topsoe Voices survey twice a year. It is available in four languages and lets employees express their opinions about the work environment. Our Senior Leadership Team uses the results to make strategic decisions and shape initiatives. We also encourage our teams to use the survey findings to guide their own engagement efforts.

By combining these approaches, we create a robust framework for employee engagement and make sure their voices are heard and considered in shaping the company's direction and initiatives.

We encourage employees, customers, suppliers, other business partners, as well as the public to report anything that might be a material breach of our policies in areas including working conditions, equal treatment and opportunities, and other work-related rights. The Topsoe Compliance Hotline, available through our website, is a confidential way to raise concerns around issues such as discrimination or harassment, and for us to assess each case and act where we need to. We prohibit retaliation against anyone who reports a concern in good faith. Trained internal or external investigators handle hotline reports based on their complexity and severity, following our compliance investigation procedure.

We continuously raise awareness of the hotline through internal campaigns and to external stakeholders. As part of our general commitment to a speak-up culture, our local health and safety committees receive information on near misses, and incidents that threaten physical or mental wellbeing, and we encourage our people to reach out to colleagues or managers to resolve issues early.

Taking action on own workforce
We dedicate resources to managing material impacts on our workforce. This includes specialized teams focusing on rewards, employee relations, employee

engagement, and diversity, equity, and inclusion (DEI). This makes sure we devote the necessary attention and expertise to managing these impacts.

Investing in our people

We continuously highlight the importance of regular performance reviews. All employees have to have documented TopsoeTALKs with their managers three times a year. These discussions help keep a continuous focus on both business and people development. The primary objective of TopsoeTALKs is to drive performance and foster growth, enabling employees and teams across Topsoe to deliver great results and continue to contribute to the overall success of the company.

The TopsoeTALKs framework aims to make sure every employee understands what is expected of them. It also facilitates regular open and honest feedback, and helps employees develop the necessary skills and competencies for the short and long term.

Once a year, we ask employees to evaluate their own performance and behaviors, followed by a discussion with their manager about their achievements and areas for development.

We also support our people's development through individual development plans, which are updated annually. These plans are tailored to each employee's role and serve as a roadmap for their professional growth.

Measuring performance (company specific)

Employee engagement score

	2024		2023		2022	
Table 9	Annual	Half-year	Annual	Half-year	Annual	Half-year
Employee engagement score	82	81	80	78	76	71
Participation (%)	96	96	92	90	90	87

Accounting policy

Topsoe Voices is the engagement survey that is conducted twice a year to measure employee engagement. The following employee groups are excluded from participating: employees with less than two months' seniority from survey start date, student assistants, employees on garden leave, interns, known resignations, and external consultants who currently work for Topsoe. The survey is conducted in the Ennova system in four different languages. Shared PCs are made available for employees with no/limited access to a Topsoe system via a PC. The participation rate is calculated by taking the number of participants divided by the number of invited participants multiplied by 100.

Notes for the development in data

We have in 2024 seen a continued progression in employee engagement, as the score in the annual survey increased to 82 compared to 80 in 2023. The participation rate in 2024 has also been higher than in previous years. The progression is seen across tenure and functions.

Measuring performance

Headcount by year-end

Table 10

Number	2024	2023	2022	2021
Headcount	2,855	2,810	2,316	2,194

Accounting policy
Headcount measures all heads as part of the Topsoe group of companies excluding externals.

Notes for the development in data
Our increase in headcount is mostly driven by further investment into Power-to-X.

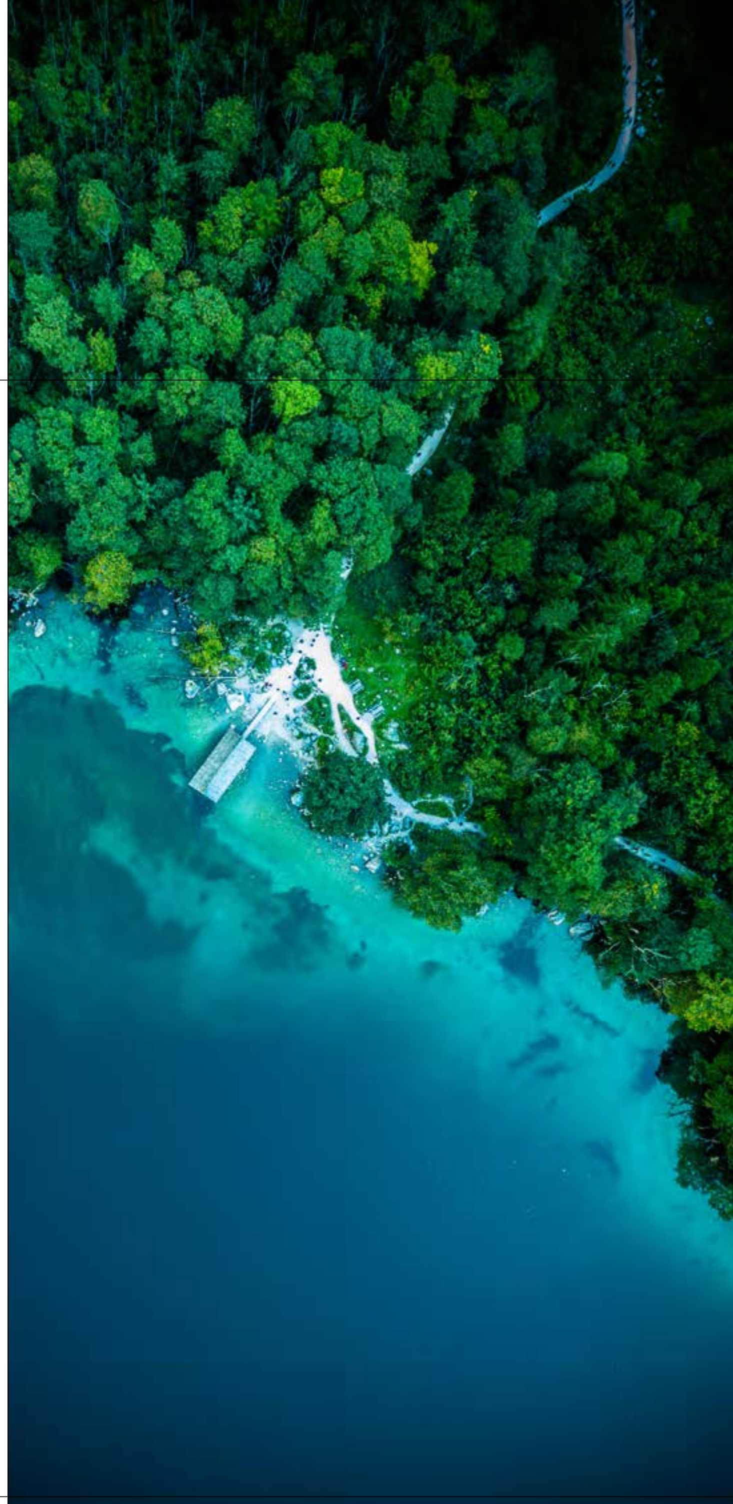
Gender diversity

Table 11

	2024	2023	2022	2021
Gender - all employees male/female (number)	2,126/729	2,090/720	1,761/555	1,638/556
Gender - all employees male/female (%)	74/26	74/26	76/24	75/25

Accounting policy
The data for gender diversity among all employees are presented as number and percentage of the genders 'female' and 'male. Gender diversity is calculated based on headcount numbers. Headcount includes active employees in the Topsoe group, excluding externals.

Notes for the development in data
The gender diversity level is within the expected level. In Topsoe, we continuously have focus on gender diversity and strive to create an inclusive and diverse workplace on many diversity parameters.



Voluntary employee turnover

Table 12

Number	2024	2023	2022	2021
Average headcount 12 months	2,672	2,519	2,190	-
Employees who have left	172	199	233	-
Employee turnover (%)	6.4	7.9	10.6	-

Accounting policy

Average headcount 12 months excludes students, trainees, employees with a fixed-term position and externals. Employee turnover is the total number of employees who have voluntarily left Topsoe during the reporting period. The employee turnover rate is calculated using this formula: Voluntary leavers/total headcount (ex. students, trainees, employees with a fixed-term position and externals)*100.

Notes for the development in data

Employee turnover has decreased from 7.9% to 6.4% rolling 12 months during 2024. Decreasing turnover has been a key objective for Global HR during the year, and we have initiated and worked with several activities targeted at specific functions and global locations. We are pleased with the positive development in voluntary turnover and will be continuing the work with initiatives targeted at specific functions and global locations to maintain the low number of voluntary turnovers.

HEALTH AND SAFETY

We prioritize creating and sustaining a healthy and safe working environment where our people can thrive and develop. We have core principles called Zero Harm, which encapsulate our goal that everyone at Topsoe returns home each day physically and mentally well, able to live fulfilling lives at and outside of work. We firmly believe that anything less is unacceptable.
Zero Harm is a shared responsibility that applies to everyone at Topsoe, regardless of what they do or where they work. We are committed to upholding these principles and making sure that the wellbeing and safety of our employees are paramount in everything we do.

Addressing health and safety
Our Global Health and Safety Policy, Drive to Zero Harm, commits us to the ISO 45001 standard for health and safety management systems for our production facilities. The policy, which encompasses workplace incidents and incorporates our Zero Harm principles, is ultimately approved by our CEO. All our internal stakeholders can access the policy through our online document management system, and receive a copy on request. We are also in the process of making the Zero Harm principles available to contractors who work on our premises, so they understand our approach to managing health and safety.

Taking action on health and safety
We manage health and safety through our specialist Health, Safety, Security, Environment team (HSSE). Our policies and procedures help monitor and manage our practices, and aim to prevent negative impacts. While our performance is transparent and accessible to everyone in the business, we make sure to keep employee data confidential. We investigate every incident or near miss, and our escalation process can take incidents to the Senior Leadership Team if necessary, so we can take the right action to avoid similar incidents. All employees have access to the SAP EHS reporting system where they can report unsafe conditions, accidents or near misses, as well as positive observations. We can track the entries through analytics to spot trends.

We prepare and carry out a chemical risk assessment, or Workplace Assessment, in line with legislation on all processes that use hazardous substances. We map and risk assess all current, new and updated workflows that include hazardous substances to avoid unnecessary exposure to hazardous substances and materials.

We track and assess the effectiveness of our health and safety work by reporting total recordable incident frequency (TRIF) to monitor workplace incidents involving our own employees or contractors, and identify where we can improve. In Denmark, we get feedback from PFA Pension (Denmark's largest pension company) on stress indicators, which helps us evaluate the impact of initiatives to reduce stress and promote wellbeing. Methods like these help us make informed decisions and continuously improve our programs to better support our people's health and wellbeing.

Our health and safety program includes regular global communication through our intranet, meetings, posters, and other channels to make sure everyone is aware of health and safety issues. Our HSSE teams also work directly with employees on health and safety issues. Our Global Leadership Team, our broader second-tier leadership group reporting to the Senior Leadership Team, are spearheading an initiative to gather ideas that help our teams mitigate our material health and safety impacts. Also, we are strengthening the Process Safety Area, which focuses on preventing accidents and near misses.

In 2024, we developed virtual reality training on the Five Life-Saving Rules. We will roll this out for our travelling employees who help customers start up and load catalysts and install equipment at their sites.

Our production sites have developed training matrices based on both internal and external requirements. The training matrices define which roles have to complete specific training. All roles have training in some health and safety topics, and everyone must complete all the training associated with their role.

All our on-site employees have to complete our Zero Harm training. Also, our onboarding program for all new employees includes health and safety topics such as training in, and knowledge of hazardous chemicals; training in Work Place Instructions; introduction to Permit to Work systems; and training in Personal Protective Equipment.

We also promote physical and mental wellbeing. This includes a mental wellbeing toolbox addressing topics such as setting boundaries, fostering positive relationships with colleagues, and addressing offensive behavior. Also, we provide on-site massage and physiotherapy, and we cover the cost of ergonomic office equipment for employees who work from home.

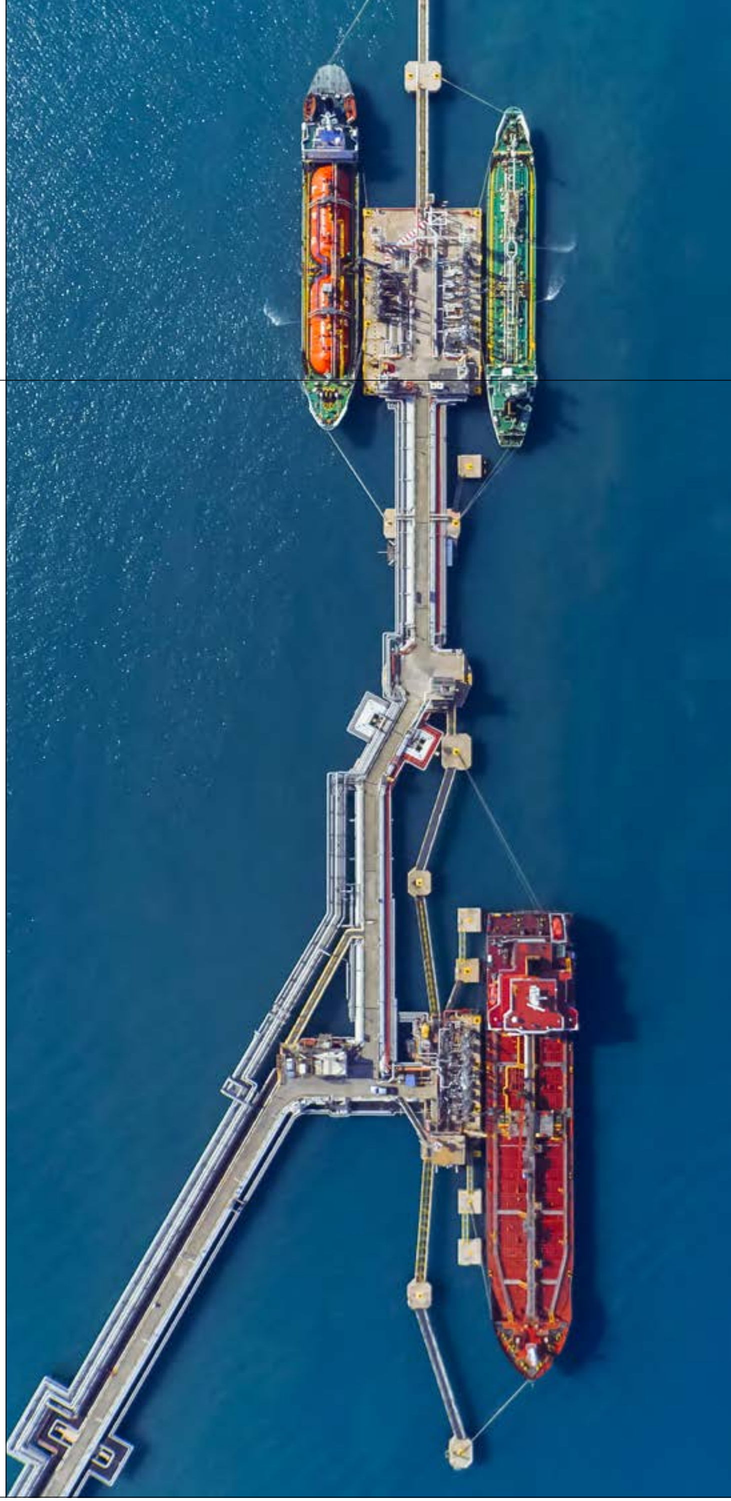
We experienced an increase in our TRIF during 2024 particularly in the first half of the year. This is partly due to, that we started ramping up our new site in Herning, Denmark, and increased the workforce significantly on the site. The increase was both in employees and contractor engagement.

We have analyzed accident trends and the work areas where the accidents took place in more detail. Some were traffic accidents, i.e. walking, biking, and descending stairs, and we have started campaigns aimed at reversing this trend. Other accidents involved injured hands and fingers, and we have, at our local sites, taken specific and relevant action to prevent and mitigate the occurrence of this type of injury

Through increased focus and attention on training and thorough planning of the work, we managed to change the TRIF-trend during the second half of 2024.

Targets drive performance

We strive to have as few incidents as possible and have set targets for total recordable incident frequency (TRIF) of 0.32 for employees and 0.45 for employees and contractors combined by 2024 in line with the OSHA standard.



Measuring performance

Health and safety
Table 13

	Target	2024	2023	2022
Number of all fatalities from work-related accidents and work-related ill health	0	0	0	0
Number of work-related accidents, Topsoe employees	-	18	9	12
Working hours, Topsoe employees	-	5,706,809	5,273,363	4,157,938
The rate of work-related accidents OSHA (200,000 working hours), Topsoe employees	0.32	0.63	0.34	0.58
The rate of work-related accidents (1 million working hours), Topsoe employees	1.60	3.15	1.71	2.9
Number of work-related accidents, contractors	-	11	5	6
The rate of work-related accidents OSHA (200,000 working hours), contractors	1	1.08	1.17	3.20
The rate of work-related accidents (1 million working hours), contractors	5	5.40	5.87	15.85
Numbers of work-related days lost, Topsoe employees	-	99	101	-
Numbers of work-related days lost, contractors	-	93	72	-
Percentage of Topsoe employees covered by ISO 45001 (Denmark) or RC 14001 (USA)	-	26	-	-

Accounting policy

The number of fatalities include all fatalities as a result of work-related accidents. The number includes Topsoe employees, contractors and workers working on Topsoe sites. The number of accidents (fatalities, lost time accidents, restricted work cases, medical cases, and occupational illness) is referring to all accidents for Topsoe employees. The rate of work-related accidents is calculated as the total number of accidents divided by total number of hours worked by all Topsoe employees and multiplied by 200,000 (OSHA) and 1 million). The same rate is calculated for Topsoe contract workers. Contract workers are defined as people hired on terms where Topsoe takes on responsibility for occupational health and safety meaning that Topsoe has instruction and supervision responsibility. The number of working hours for contractors is subject to a medium level of measurement uncertainty. For the percentage of Topsoe employees covered by ISO 45001 (Denmark) or RC 14001 (USA). The calculation is as follows: % of employees covered by a safety standard = ((Headcount FRS) + (Headcount BPT)) / (Headcount Topsoe).

Notes for the development in data

In 2024, our Total Recordable Incident Frequency (TRIF) rose, particularly in the first half of the year. This increase was observed across all areas of Topsoe, including our office locations. Both the number of employees and contractor engagement saw a notable increase. As we have included working hours for white collar contractors in 2024, the TRIF for contractors between 2023 and 2024 are not comparable. The 2023 number including white collar working hours is 1.03 (200,000 working hours) and 5.15 (1 million working hours). We introduced a new metric in 2024 so we now measure 'percentage of Topsoe employees covered by ISO 45001 (Denmark) or RC 14001 (USA)'

EQUAL TREATMENT AND DIVERSITY

Our aim is to empower every employee, fostering a culture of inclusivity and making sure everyone feels a strong sense of belonging and the freedom to express themselves. We see diversity, equity, and inclusion (DE&I) as essential to our success and central to a core part of our values. Our commitment to DE&I goes beyond regulatory compliance; it is about cultivating a culture where every person feels valued, respected, and empowered to be themselves.

Addressing equal treatment and diversity
We have policies in place to eliminate discrimination, including harassment, promote equal opportunities, and advance diversity and inclusion. They include our Code of Conduct, Anti-Harassment Policy, and Global Diversity and Inclusion Policy.

These policies cover various kinds of discrimination, such as race, ethnicity, sexual orientation, gender identity, disability, age, religion, political opinion, national extraction, or social origin. They also address other forms of discrimination covered by union regulation and national law. The policies embody our commitment to creating a fair and inclusive work environment where everyone is treated with respect and has equal opportunities to grow and succeed.

We strive every day for Topsoe to be a great place to work. Being a great place to work also means ensuring an increased gender balance at our different management levels. We are committed to working toward providing equal opportunities and representation for people of all genders in our leadership. Increasing gender balance in leadership is not just about targets. It is also about strengthening a culture of diversity – a culture where everyone feels they belong regardless of gender, educational background, cultural background, etc.

We raise awareness of diversity and inclusion through campaigns and events, creating a continuous dialogue and understanding among employees.

Taking action on equal treatment and diversity
Our Senior Leadership Team (SLT) is dedicated to fostering a safe and inclusive workplace built on trust and respect. We draw on insights from the Topsoe Voices survey, making sure we act on employees' feedback.

As part of our broader commitment to creating an inclusive and equitable work environment, we have established a Diversity, Equity, and Inclusion (DEI) Committee. Formed in 2022, it consists of 11 employees who represent various functions, levels, and locations in the company. By encompassing diverse perspectives, the committee makes sure the voices of all Topsoe colleagues are heard and considered. This committee plays a vital role in advising the SLT and shaping policies and practices that promote diversity, equity, and inclusion throughout the organization.

In 2024, our Network for Women and Allies was established. Our first Employee Resource Group is a platform for promoting gender equality and diversity in the organization. It gives women and their allies a chance to connect, share experiences, and collaborate on empowerment initiatives. The network has primarily focused on organizing social activities such as lunch and coffee, as well as walk and talk sessions, both of which have been very popular.

In 2025, we will continue strengthening the diversity, equity and inclusion focus in the HR team to help us further mature our DEI strategy, ensure alignment with Topsoe's overall strategy, and comply with current and upcoming EU directives. As part of this process, we are analyzing pay equity and consulting with stakeholders to not only ensure compliance with these directives but also further our DEI journey. We prioritize equal pay through policies, pay principles, and continuous training for managers during the annual salary review process. And we conduct regular reward reviews using simple pay equity analysis to address any inconsistencies.

We combat harassment by cultivating a speak-up culture where people feel empowered to report any incidents. To address this issue comprehensively, we have implemented several measures. Firstly, we include questions on harassment in our Topsoe Voices survey, giving people an opportunity to express any concerns. These survey results are a basis for team discussions, making sure we follow up and address any issues.

We have also worked with managers and employees on an ongoing basis to raise awareness about harassment. For instance, during our annual mental wellbeing week, we focused on promoting good collegial behavior as a key factor in fostering positive mental wellbeing. As part of this initiative, we developed a toolkit that includes dilemma cards to facilitate team discussions.

We also make sure our commitment to anti-discrimination, which includes preventing harassment, is part of our onboarding process. This means new employees immediately know what we expect and how important creating a safe and inclusive work environment is to us.

Targets that drive performance

In 2023 we included a target and performance for 'Other management' toward 2030 which we are working to reach. Increasing the gender balance in "Other management" is an important part of strengthening a culture of diversity in 2025 and forward.

Our target of 30 percent women in Topsoe management roles by 2024 was not fully reached as we closed the year with a split of 27% women/73% men. Going forward a continued focus on short-term targets and talent pipeline is needed, as well as monitoring ongoing initiatives and actions to reach our ambitions.

HUMAN RIGHTS

We are committed to upholding and promoting human rights. We believe that respecting human rights is not only a moral obligation but a cornerstone of sustainable business practices. Our dedication to human rights is reflected in our policies and actions, and in the way we engage with our employees, partners, and communities. We follow international human rights standards and principles, and work toward making sure our business activities respect and safeguard people's rights.

Addressing human rights

As a participant of the UN Global Compact, we are committed to acting as a responsible business and embedding respect for human and labor rights in our operations. We align our actions with and uphold human rights recognized in international standards, including the Universal Declaration of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. This makes sure we prioritize a focus on upholding the rights of people in our organization and in the communities where we operate.

Our policies and procedures are fundamental to how we prevent, identify and address any actual or potential negative impact on human rights. They include:

- the Topsoe Compliance Hotline, which enables employees to confidentially report actual and potential human rights issues
- a bi-annual engagement survey for employees to share their opinions on workplace topics, including diversity and inclusion, harassment, and the working environment
- internal committees like Topsoe's Works Council, Health & Safety Committees, and the DE&I Committee that help the business engage with its people on human rights issues

Taking action on human rights

In 2022, we conducted a company-wide human rights assessment, based on indicators developed by the Danish Institute of Human Rights, which also covered child and forced labor and was reviewed by an external human rights expert. This assessment gave us a deep understanding of the human rights impacts that are most significant to our company. It also enabled us to take appropriate action to address these impacts, particularly where the risk to people is highest.

In 2024, we focused on assessing all internal processes and procedures related to human rights across our value chain. This was a crucial step toward compliance with the forthcoming Corporate Sustainability Due Diligence Directive (CSDDD). Although we aimed to publish our Human Rights Policy in 2024, we decided to postpone it until 2025 so it reflects these assessments and is fully integrated into our operations.

COMMUNITY IMPACT

We believe business have a responsibility to help drive positive change. For almost 20 years, Topsoe has worked closely with schools, universities, and organizations to promote equitable and inclusive education.

In our collaboration with educational institutions, we believe that everyone can contribute to solving the world's complex challenges. We prioritize inclusivity by working together with schools to create diverse learning environments that foster innovation and critical thinking, which is central to our initiatives with the next generation.

Recognizing that the energy transition requires collective effort and collaboration, we strive to equip students with the knowledge and interdisciplinary skills necessary to tackle future challenges.

- **LIFE Foundation** – *non-profit organization with the aim of promoting STEM skills*
  We have been involved since the beginning of the LIFE Foundation, sharing our expertise in school-business collaboration. The initiative started in 2017. Our school case was approved by the Novo Nordisk Foundation and became the foundation for all other cases in the LIFE Foundation. Over the years, we have built a strong case and expanded to campuses in Lyngby, Jutland, and Funen. The LIFE Foundation now reaches schools nationwide through trucks and case material shipments and has partnerships with multiple municipalities.

- **Science City Lyngby, 'Science Girls'** – *club for girls aged 13-19 with an interest in science*
  This initiative, launched in 2023 with Science City Lyngby, has been a tremendous success. It aims to encourage girls to participate and engage in STEM subjects. The club now includes more than 100 girls, far exceeding the anticipated 20. This achievement is a testament to the effectiveness of the program and the growing interest among young girls in pursuing careers in science and technology. The club also has support from other companies, who have become valuable partners.

As part of our community impact program, we allocate 0.1% of our previous year's revenue each year for donations. Our program provides support to a wide range of global and local initiatives that match our core values and objectives. We strive to make a lasting impact by addressing critical social, environmental and humanitarian aid challenges.

Donations across our locations in 2024 (local and global):

- **Education in India**
  Since 2016, Topsoe India Private Limited has been collaborating with CASP Delhi Unit on a project aimed at supporting education for underprivileged children in Madanpur Khadar, New Delhi. Over the course of the past 7 years, this program has benefited more than 3,500 children, providing them with valuable educational opportunities and support.

- **WWF**
  In 2022, we started a three-year partnership with WWF focusing on innovation and gender-sensitive, nature-based solutions for resilience and green jobs in Uganda. Communities and ecosystems in our target areas are more resilient to climate change and, as part of building green jobs, 46 people have been enrolled at the WWF partner Rural Family Care Training Centre to study different green skills including beekeeping, hand craft and basket weaving.

- **UNICEF Brazil**
  In May 2023, Rio Grande do Sul, Brazil, experienced heavy rainfall, leading to extensive flooding of the Guaíba River. To address the urgent humanitarian need caused by the floods, we have donated to UNICEF's emergency response, enabling UNICEF to reach nearly 2,275 children who are cut off from basic needs such as shelter, nutrition, and healthcare.

Measuring performance – company specific

Table 14

DKK million	2024	2023	2022	2021
Donations spend	5.6	7.0	8.6	5.2

Accounting policy

Annual realized spend related to global and local philanthropic purposes. Donations and community engagement activities are defined as: Financial, or in-kind, support given to an entity with a philanthropic purpose and with no direct return benefit to Topsoe. Support related to any past, present, or potential purchase of Topsoe products, or made upon direct request from a customer, is defined internally as a "commercial sponsorship" and not a donation.

Notes for the development in data

In 2024, we donated to both global and local activities. Our donations went toward a diverse range of causes, which included our ongoing collaboration with WWF, an extraordinary donation to UNICEF to aid in the Brazil floods, and several STEM initiatives. One of the STEM projects we supported was the Smithsonian Science for Global Goals program, which aims to empower students in developing solutions to address local sustainability challenges.

At Topsoe, we commit to donate 0.1% of our previous year revenue. For 2024, our donations will total DKK 9.4 million. We dispersed DKK 5.6 million in 2024 and the remaining 0.04% will be dispersed in early 2025 to reach our full allocation.

CASE

Nurturing STEM talent for the future

The energy transition calls on all of us to work together to find effective solutions to the planet's energy challenges. That is why it is essential to nurture the talent that will find them – not just for our business, but for the future of all societies. Advancing STEM education has been an integral part of our community engagement activities for almost 20 years. And in 2025, we will be extending these initiatives even further.

Backing communities through education
Part of our founder's legacy is the commitment to make a tangible difference to the communities we are a part of. We do that through our Community Impact program, which supports a wide range of global and local initiatives that address critical social, environmental and humanitarian challenges.

Alongside these initiatives, our program includes a strong commitment to education. For the past 20 years, we have worked closely with schools, universities and organizations to promote equitable and inclusive education, particularly in science, technology, engineering and mathematics (STEM).

Firing up the next STEM generation
Since 2017, we have helped to define the school case activities of the LIFE Foundation, a Danish non-profit foundation with corporate interests. Its mission is to strengthen young people's interest in a STEM education and ultimately their aspirations in science and technology.

Sharing our expertise, we help to co-develop inquiry-based science courses focused on real-world societal challenges. "When we work with schools, our mindset is that everyone can contribute to solving some of the complex challenges the world is facing," explains Ole Stahl, Career Events and Partnerships specialist. "We always try to include those who might not normally have the opportunity to take part in such programs or who would not normally speak up in school."

Promoting inclusivity and diversity in education is at the core of one of our other key educational initiatives. Launched in 2023 in collaboration with Science City Lyngby, Denmark, the Science Girls program encourages girls to engage in STEM subjects. With more than 100 girls joining in its first two years, the program has been a huge success, attracting other companies to join the initiative as partners.

We have worked to promote STEM activities in the communities we do business in overseas as well. Most recently in the US. We are giving five high school seniors a step up into higher STEM education with five $10,000 one-year scholarships to enable them to pursue a major in a STEM-related field.

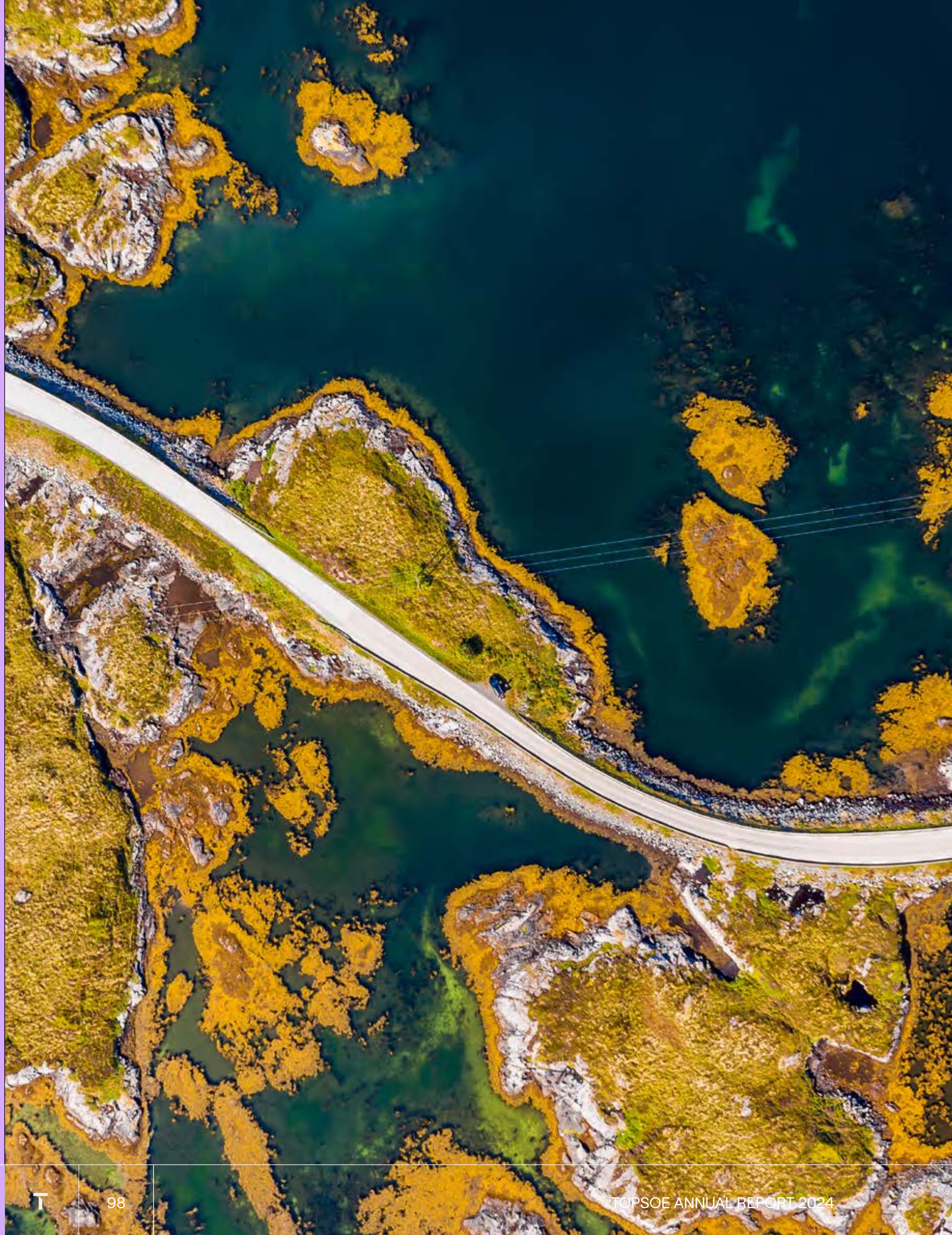
> "When we work with schools, our mindset is that everyone can contribute to solving some of the complex challenges the world is facing. We always try to include those who might not normally have the opportunity to take part in such programs or who would not normally speak up in school."

OLE STAHL, CAREER EVENTS AND PARTNERSHIPS SPECIALIST

GOVERNANCE

At Topsoe, we are committed to doing business with integrity. Having solid due diligence procedures in place is the key to ensuring that. Through policies, procedures and regular monitoring we reinforce consistent ethical behavior and compliant processes across the organization. This chapter describes the practices we have in place – from responsible supply chain management to good business conduct - and how we continuously work to improve the way we operate as we grow and transform our business.

RESPONSIBLE SUPPLY CHAIN MANAGEMENT 99
BUSINESS CONDUCT 100



RESPONSIBLE SUPPLY CHAIN MANAGEMENT

We take a responsible and balanced approach to our supplier base and and we consider both commercial risk, compliance, and quality, as well as social, environmental, and ethical responsibility when choosing our suppliers. We want to work with suppliers that respect human rights, protect data, while guarding business continuity.

Responsible supply chain management
Our supplier onboarding process includes a questionnaire that covers all aspects of sustainability. To become a supplier, businesses have to give sufficiently detailed answers, with some questions being compulsory. All suppliers also have to accept our Supplier Code of Conduct, which outlines our expectations.

We are in the process of segmenting our suppliers using a points system, which takes into account factors like quality, performance, sustainability, and financial stability. It is important to note that a low score on sustainability alone will not automatically disqualify a supplier, as our assessment takes into account the overall evaluation of multiple factors.

Our target is that by 2027, suppliers accounting for 74% of Scope 3 emissions will have implemented greenhouse gas (GHG) reduction targets. This will contribute to our overall aim of reducing environmental impact and promoting sustainability throughout our supply chain.

To support our sustainability assessment, we are working with the Ecovadis program, especially for strategic suppliers. We conduct visits to our strategic suppliers, with a focus on business-related subjects, including those that are used for segmentation purposes. Furthermore, we provide ongoing training to our supply chain teams within the procurement department, specifically in responsible procurement and sustainability practices. This training encompasses Ecovadis training as well, where 93% of our Global Procurement employees have completed the training.

In our global operations, we adhere to local legislation, such as the US minority reporting and the Indian SME payment terms, to ensure compliance.

To mitigate risks associated with vulnerable suppliers, we strive to avoid forming relationships where our contribution exceeds 30% of a supplier's total revenue. However, measuring this can be challenging due to limited availability of turnover data.

Due diligence systems for the sourcing and management of minerals
Minerals and metals are essential to many fast-growing energy technologies, including ours.

Demand for these materials will grow quickly as the energy transition gathers pace, and we will be part of that. We import and consume tungsten and cobalt, and follow global standards and comply with legislation, including EU and US Conflict Minerals Regulations.

Our due diligence system for these materials is based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas and guided by our Responsible Minerals Sourcing Policy. All our tungsten and cobalt suppliers conform with the Responsible Minerals Initiative Assurance Program.

We have broadened our scope for assessing resilience and risk in relation to codes for metals and

Measuring performance – company specific

Table 15

%	2024	2023	2022	2021
Supplier Code of Conduct acceptance	82	84	–	–

Accounting policy

Supplier Code of Conduct acceptance measures the percentage of spend covered by suppliers who have accepted the Topsoe Supplier Code of Conduct or equivalent standard based on a compliance review. A supplier is in scope if Topsoe has purchased a good or service within the last 12 months and where Procurement has been able to influence the choice of supplier.

Notes for the development in data

The acceptance of the Supplier Code of Conduct may vary slightly depending on the use of different suppliers and the distribution of spending during the year. In 2024, the acceptance rate remains high. We are actively requesting all new suppliers to accept the Supplier Code of Conduct, and we have achieved an acceptance rate of over 90% for all new suppliers. The difference in acceptance rates between 2023 and 2024 is primarily attributed to existing suppliers, and we are currently taking steps to increase their acceptance levels.

minerals and have also extended this beyond compliance. New raw materials need updated processes, so we have built on our existing processes. Since our 2022 assessment of our circular model, we are assessing whether recycled metals, scrap metal, copper, molybdenum, tungsten and cobalt can make up a bigger proportion of our raw materials.

For some of our critical raw materials, there are very few suppliers, and some are in high-risk countries.

BUSINESS CONDUCT

Everyone employed by Topsoe, from our employees to our Board of Directors, is expected to act with professional integrity and as a role model to our colleagues. Our business decisions must always be fair and transparent, and we must always take care to protect our company against any association with real or perceived corruption. To that end, each one of us has a responsibility to work actively to avoid any appearance of impropriety or conflicts of interest.

Anti-corruption and anti-bribery

We never tolerate any form of corruption, bribery, fraud, or anti-competitive behavior. Our comprehensive and effective Anti-Corruption Compliance Program is designed to mitigate the risk of Topsoe becoming involved or implicated in corrupt or anti-competitive practices, and to detect, investigate, and respond to any allegations or incidents of potential bribery and corruption.

The program consists of inherent and residual risk assessments, policies, procedures, and supporting work instructions. It also includes training and awareness initiatives on key topics such as third-party risk exposures, gifts, hospitality, and entertainment, and potential conflicts of interest, and monitoring activities to enable continuous improvement. We have continual management oversight of the program, as well as mechanisms for interested parties to raise concerns.

We improve the program continuously by annually reassessing the inherent and residual corruption risk of Topsoe activities, and by reviewing, updating and verifying our policies and procedures, our training program, our mechanism to address concerns, and the management oversight mechanism.

In 2024, we fully embedded the updated third-party compliance due diligence framework across our glob-

Code of Conduct training

Table 16

%	Target	2024	2023	2022	2021
Code of Conduct training – completion rate employees	98	95	95	98	88
Code of Conduct training – completion rate 'at-risk functions'	98	99	–	–	–

Accounting policy

1) Employee completion rate refers to the completion rate for Board of Directors and own employees in scope for the training by the end of the reporting year, as a percentage of all persons in scope. Employees in scope for the training includes active Topsoe employees. This excludes employees who have joined Topsoe after 30 November in the reporting year. The completion rate is based on registrations in Topsoe's Active Directory as of 31 December, and completion data up until this date for in-scope persons. Employees with limited access to Topsoe systems via a PC may be trained face-to-face and completion is retroactively documented. If a person has been trained in more than one way, this does not add to the completion rate.

2) At-risk function completion rate refers to the completion rate for employees identified as at-risk, defined as: Topsoe's Senior Leadership Team, Commercial functions, and Procurement functions, including technical service engineers, logistics professionals, and other key roles, by the end of the reporting year, as a percentage of all at-risk functions in scope. Employees in scope for the training includes active Topsoe employees. This excludes employees that have joined Topsoe after 30 November in the reporting year.

Notes for the development in data

The 2024 completion rate for all employees is within the expected level. Topsoe introduced an updated Code of Conduct e-learning course for all employees in September 2024 and the completion rate reflects the updated course only. Employees experiencing technical or practical issues contributes to the below target completion rate.

In 2024, Topsoe began tracking completion rates for those in functions subject to a greater corruption risk than others ('at-risk functions'). The completion rate for this new completion category is within the expected level.

al organization. This incorporates emerging corruption risk indicators in the growth areas for decarbonization technology. We also launched a fully revamped Code of Conduct e-learning course globally.

Our anti-corruption training program
Our anti-corruption training program includes annual mandatory Code of Conduct e-learning for all employees, and in-person sessions for specific functions. The Code of Conduct e-learning covers topics relevant to anti-corruption, including the exchange of gifts, hospitality, and entertainment; how to handle potential conflicts of interest; and the importance of speaking up about concerns. The specific functions trained in person include employees from our at-risk functions, including our Senior Leadership Team, commercial and procurement functions (including technical service engineers, logistics professionals) and other key roles. Our anti-corruption training program also encompasses regular awareness initiatives, and sessions with key third-party stakeholders.

Oversight by management
We regularly report on the outcomes of the Anti-Corruption Compliance Program to our Executive Management and Board of Directors, including:

- semi-annual status updates to the Compliance Committee, a non-Board committee consisting of the CEO, CFO, and C-level managers of the at-risk functions; and
- annual in-person assurance reporting sessions for the Board of Directors.

Topsoe Code of Conduct
Our Code of Conduct outlines the guidelines – self-imposed as well as external rules – that everyone working for Topsoe has to follow, reflecting our joint commitment to upholding certain principles and standards in how we work.

The Code of Conduct is aimed at our employees and our potential collaborators, job applicants, and anyone else who wants to know more about our approach and what we stand for as a company. In 2024, we updated and re-launched our Code of Conduct, making it even clearer how our guidelines align with our priorities and values, and emphasizing the importance of speaking up on matters of concern.

Speaking up and the Topsoe Compliance Hotline
Speaking up means giving feedback directly to an employee or business partner, or informing a Topsoe leader or the HR, Legal, or Compliance functions. We believe that speaking up is everyone's responsibility and an essential part of our culture.

We maintain the Topsoe Compliance Hotline, a secure online portal, administered by a third-party provider. It gives our people, partners and affected members of the public a channel for voicing their concern, anonymously if preferred, about any issue they believe could pose a serious threat to human life, health, or the environment, or a material threat to Topsoe as a company. What is considered a material threat to Topsoe could include, among other things: breaches of laws governing trade, fair competition, or the environment; criminal activities such as fraud, theft, bribery, and corruption; serious breaches of work safety rules, such as smoking at our production facilities; serious breaches of workplace environment rules, such as harassment or discrimination on the basis of gender, race, or religious background; and intentional or grossly negligent disclosure of confidential or sensitive information.

We have regular reporting on the number of reported concerns to the Audit, ESG & Risk Committee.

The Compliance Hotline is at → **www.topsoe.com/Compliance-Hotline** and is available in multiple languages.

We take all matters reported through the Topsoe Compliance Hotline seriously, and we are committed to adequately investigating all in-scope reported concerns and taking corrective actions. Our procedures make sure that a reported concern is never investigated by anyone directly or indirectly implicated in it. This includes any tier of management above an implicated person. We never accept any retaliation against a person for speaking up in good faith about a concern.

Data ethics and IT security

Digitization brings opportunities for new ways of working. But it also represents new responsibilities when it comes to handling and protecting data. We use a variety of technologies when processing data. We also rely on data to provide services and improve product offerings. For us, data is a very valuable asset, which we treat with sensitivity and respect.

Protecting our knowledge, and that of our customers, is critical and calls for constant vigilance when it comes to data security. That is why making sure we have appropriate measures to safeguard ethical data processing within the Topsoe Group is a natural part of doing business for us.

Data ethics goes beyond compliance with data privacy laws. We comply with all legal requirements but acknowledge and respect that our use of data (both personal and non-personal data) may create risks for the users that laws do not cover. We manage these risks by following the principles in our Data Ethics Policy. Our data ethics principles cover transparency, data quality, fairness and non-discrimination, autonomy, ethics by design, responsible data sharing, and accountability.

Cyber security is part of our Zero Harm activities and covers a number of aspects. Among them, preparing to live up to NIS2 regulations, under which we will be considered an 'Important' entity from 2025

Our activities and improvements are based on our own internal scenario-based risk assessment as well as external security assessments. This allows us to focus on the key improvements and constantly measure ourselves against our industry peers. Throughout the year, we run mandatory cyber security awareness training with special emphasis on phishing emails, which are still seen as the most common way to breach a company's security defenses.

We have strengthened our evaluation of our suppliers to include a thorough cyber security assessment. This way, we work together to improve the combined security posture of our companies.

See our Data Ethics Policy here →

Reported concerns

Table 17

Number	2024	2023	2022	2021
Reported concerns	15	14	-	-

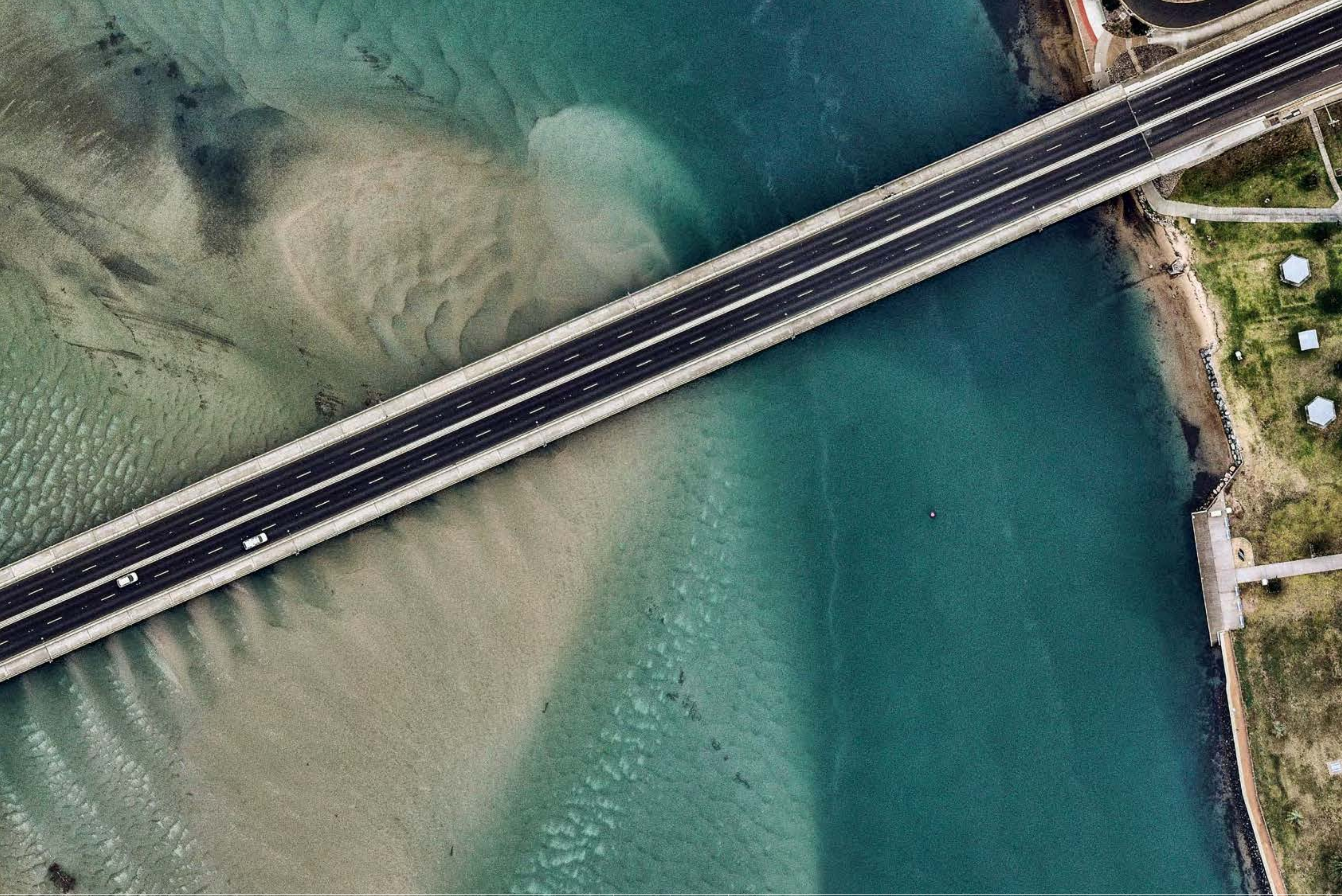
Accounting policy

The number of reported concerns through Topsoe Compliance Hotline and other intake channels excluding communications via Topsoe Compliance Hotline which were found to be frivolous. Frivolous should be understood as communications that are clearly misdirected or outlandish, such as inquiries about products unrelated to Topsoe or comments that have no relevance to Topsoe.

Notes for the development in data

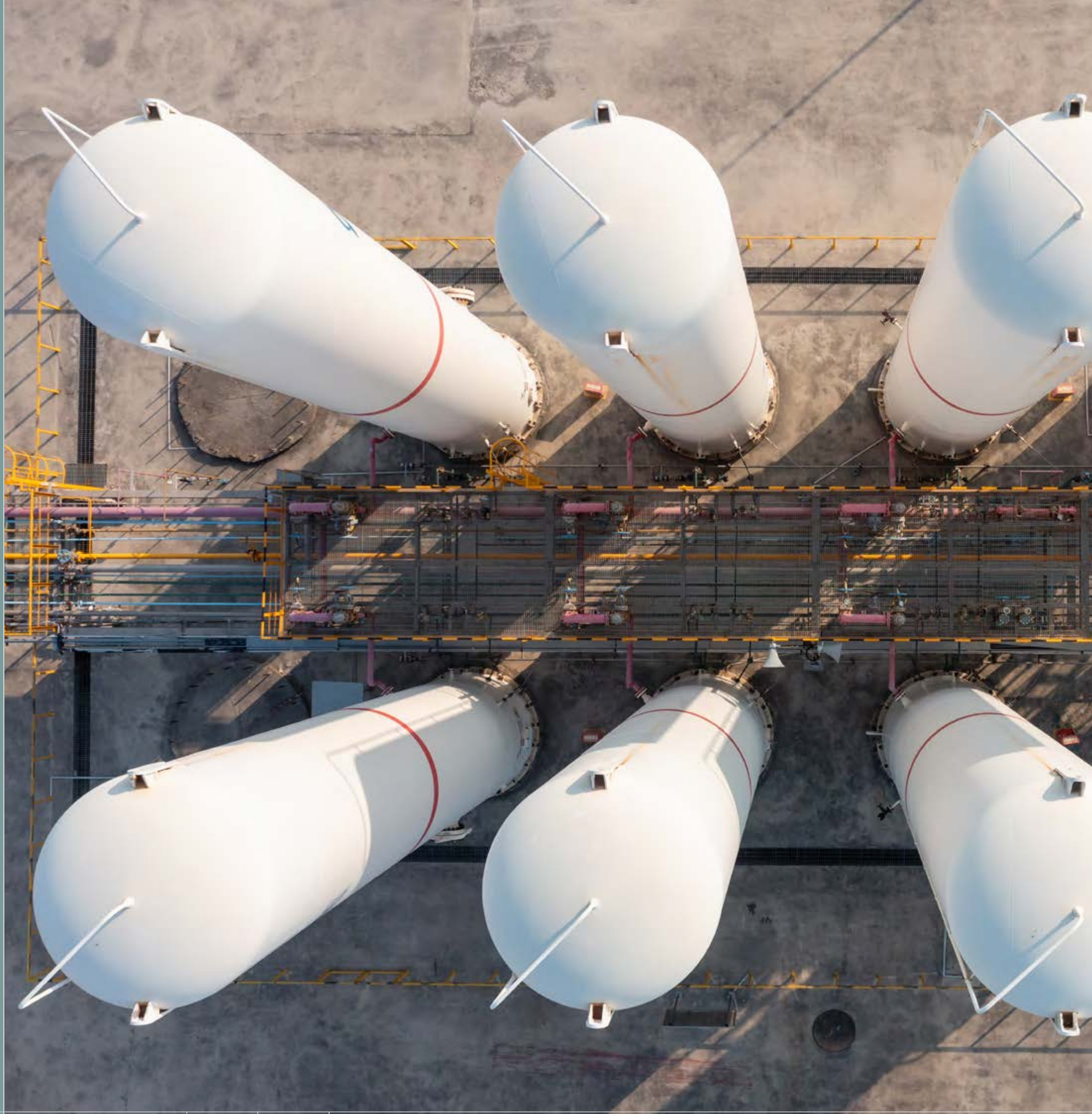
In 2023, we updated the accounting policy for reported concerns. Consequently, the reported figures in 2023 and 2024 are not directly comparable to those of previous years and comparative figures for preceding years are therefore not included. This accounting policy will remain unchanged in the coming years, therefore comparative figures will become increasingly available over time.

FINANCIAL RESULTS & OUTLOOK



GROUP FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS



Financial highlights 2024

Topsoe delivered another solid year with strong revenue and earnings, combined with all-time high investments in technologies and solutions that support the energy transition. We grew our business across segments, while delivering on our own transformation.

- Revenue amounted to DKK 8,373 million, which was in line with expectations. Lower revenue from the catalyst business was the primary reason for the 11% revenue decrease compared to the exceptionally strong 2023 (DKK 9,416 million). The revenue is in line with the full-year guidance range of DKK 8,200-8,600 million, which was communicated in the half-year report.
- 23% of revenue, around DKK 1,967 million, came from business related to technologies and solutions that enable the production of e-fuels, low-carbon fuels and renewable fuels.
- EBIT before special items amounted to DKK 847 million (2023: DKK 964 million), a decrease of 12%. The EBIT before special items margin are in the higher end of the communicated guidance at the half year-results whih guided towards a full-year margin range of 8-10%.
- Overall, investments in technologies and solutions that support the energy transition increased by 20% compared to 2023. R&D spending totaled DKK 745 million, representing 8.9% of revenue.

Revenue

Total revenue ended at DKK 8,373 million, and was as expected lower than the DKK 9,416 million in 2023 (-11%). The revenue decline was primarily driven by the catalyst segment (-13%), which, as expected, could not repeat the strong 2023 performance due to the cyclical nature of the business.
Also in our technology segment, we realized a decline compared to 2023 (-4%). From a regional perspective, the revenue decline mainly related to our EMEA and Americas region.

Sales of technologies and catalysts enabling the production of e-fuels, low-carbon fuels and renewable fuels, ended at 23% of our total revenue (2023: 20%, 2022: 16%).

EBIT before special items

EBIT before special items amounted to DKK 847 million (2023: DKK 964 million), a decrease of 12%, despite continued high investments in technologies and solutions that support the energy transition.

The revenue shortfall was partially offset by robust selling margins. However, production performance throughout the year had a negative impact on our earnings in 2024.

Net profit

In 2024, our net profit amounted to DKK 420 million (2023: DKK 775 million), representing a decrease of 46%. The decrease in EBIT is combined with DKK 248 million in special items (2023: DKK 0 million).

The special items were primarily related to clean-up provisions at our production sites in Frederikssund and Bayport following the decommissioning of certain production lines and a change of use of an asset in R&D lead to an extraordinary impairment of the asset.

Further, we received no dividends from our investments in 2024 compared to the DKK 92 million received the year before.

Cash flow

Our cash flow from operating activities amounted to DKK 996 million in 2024, a decline of 19% compared to 2023 (DKK 1,184 million) driven by the decline in our earnings and an increase in cash tied up in working capital. The increase in working capital was driven by higher inventory related to a raw material purchase and higher year-end receivables because of a strong year-end revenue month in December. Cash flow from investment activities ended at DKK -2,257 million (2023: DKK 1,797 million). Our investments during 2024 mainly related to property, plant and equipment.

Return on invested capital (ROIC)

ROIC amounted to 11.0% (2023: 16.0%) as our net operating profit after tax ended lower than last year driven by lower revenue and thereby lower earnings combined with increasing invested capital from our fixed asset investments in 2024.

Return on equity (ROE)

ROE amounted to 8,7% (2023: 23,0) as our net profit have decreased with 46% due to special items and further that Topsoe have raised EUR 200 million Hybrid capital which is treated as equity.

Financial covenants

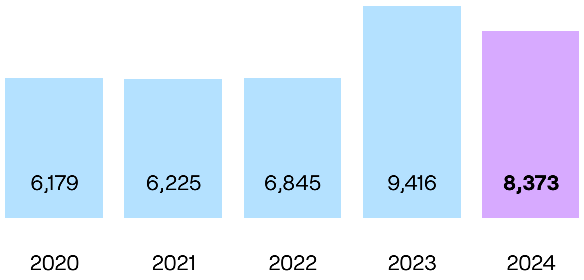
Financial covenants as of December 31, 2024, were all met.

Order backlog

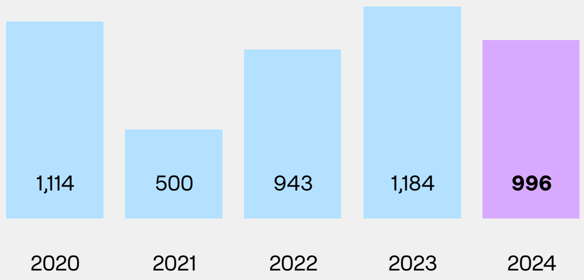
The order backlog amounted to DKK 4,911 million at the end of 2024, which was almost identical to the backlog at end of 2023 (DKK 5,058 million).

FINANCIAL PERFORMANCE

Revenue
DKK million



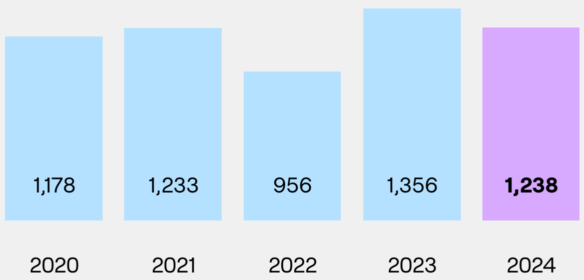
Cash flow from operating activities
DKK million



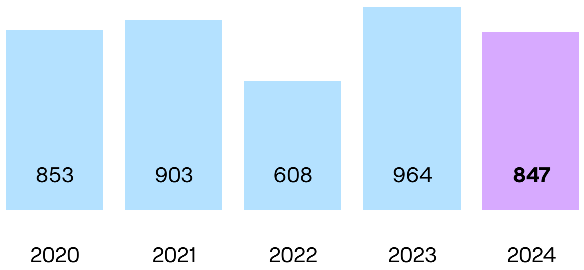
Revenue
DKK million

8,373

EBITDA
DKK million



EBIT before special items
DKK million



EBIT before special items
DKK million

847

KEY FINANCIAL FIGURES

	2024	2023	2022	2021	2020
Income statement					
DKK million					
Revenue	**8,373**	9,416	6,845	6,225	6,179
Gross profit	**3,589**	3,564	2,765	2,884	2,789
EBITDA	**1,238**	1,356	956	1,233	1,178
Depreciation and amortization	**-391**	-392	-348	-330	-325
EBIT before special items	**847**	964	608	903	853
Special items	**-248**	0	-43	-26	-275
EBIT after special items	**599**	964	565	877	578
Net financial expenses, etc.	**-10**	28	128	167	-29
Profit from continuing operations	**420**	775	567	880	435
Profit/loss from discontinuing operations	**0**	0	0	10	45
Net profit	**420**	775	567	890	480
Balance sheet					
DKK million					
Balance sheet total	**12,038**	9,758	8,386	7,162	6,688
Equity	**5,384**	3,704	3,204	2,929	2,139
Net working capital	**1,337**	1,189	1,159	1,132	427
Net interest-bearing debt	**1,792**	1,477	578	136	203

	2024	2023	2022	2021	2020
Cash flow					
DKK million					
Cash flows from operating activities	**996**	1,184	943	500	1,114
– of which continuing operations	**996**	1,184	943	500	1,149
Cash flows from investing activities	**-2,257**	-1,797	-743	-391	-368
– of which investment in Property, plant and equipment	**-2,075**	-1,726	-777	-330	-325
Cash flows from financing activities	**1,218**	411	-619	-435	-339
Employees					
Numbers					
Average number of employees	**2,829**	2,668	2,242	2,133	2,268
Ratios					
%					
Gross margin	**42.9**	37.9	40.4	46.3	45.1
EBITDA margin	**14.8**	14.4	14.0	19.8	19.1
EBIT before special items margin	**10.1**	10.2	8.9	14.5	13.8
EBIT after special items margin	**7.2**	10.2	8.3	14.1	9.4
Return on invested capital (ROIC)	**11.0**	16.0	15.7	28.5	29.8
Equity ratio	**44.7**	38.0	38.2	40.9	32.0
Return on equity	**8.7**	23.0	18.5	35.1	24.8
Leverage ratio	**1.4**	1.1	0.6	0.2	0.2

The ratios have been prepared in accordance with the Recommendations & Financial Ratios produced by the Danish Finance Society and CFA Society Denmark.

OUTLOOK 2025

Topsoe expects the revenue for 2025 in the range of DKK 8,800-9,700 million, implying a growth of 5-16% on 2024 revenue, and an EBIT margin in the range of 7.5-9.5%.

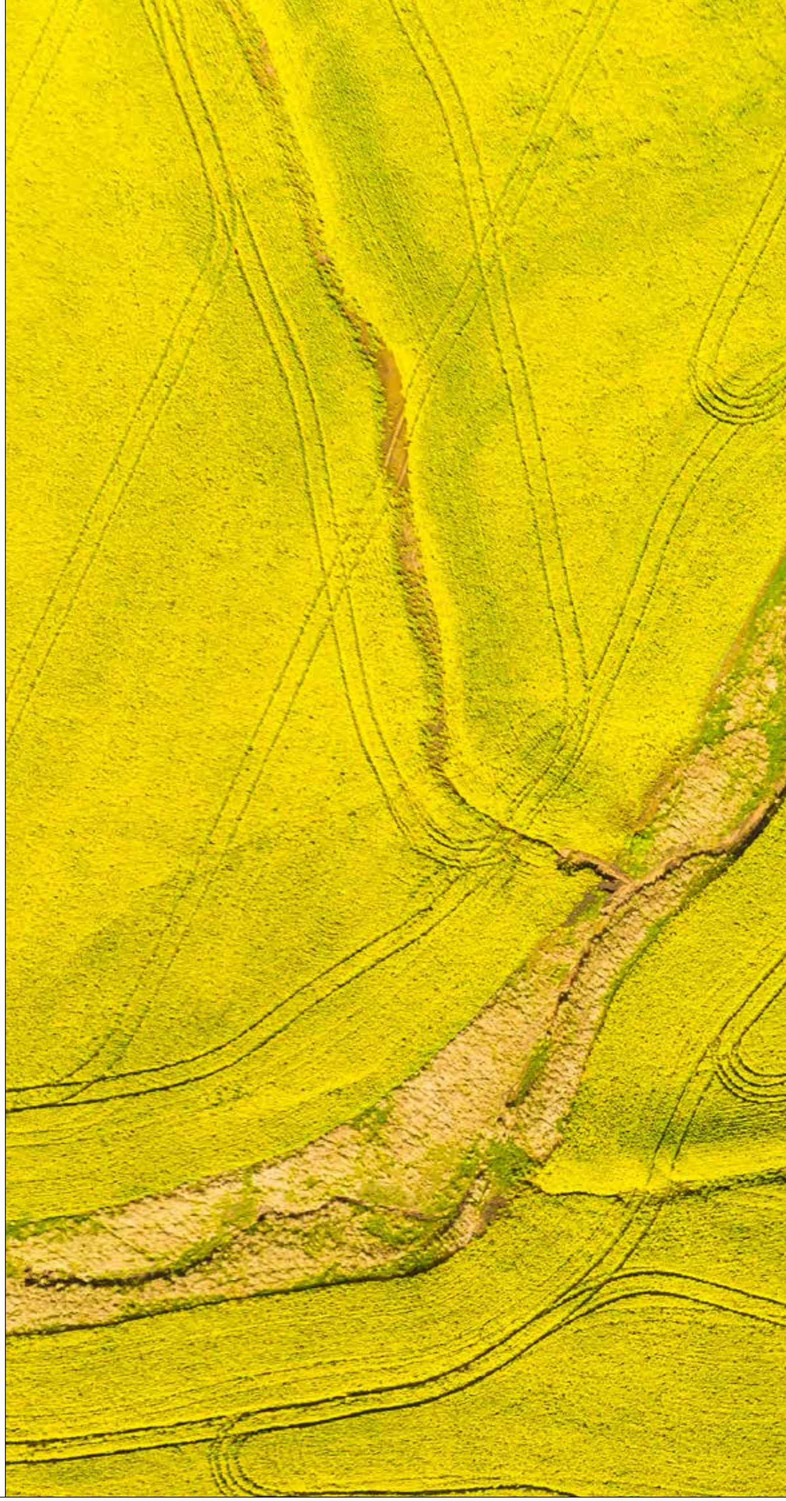
The guidance range for revenue and EBIT margin compared to earlier years reflects uncertainty of the timing of the revenue related to the first production from the SOEC factory in Herning.

Further, we expect increasing revenue in both our technology business and our catalyst business. Compared to 2024, we expect to see a lower level of investments in 2025 driven by the finalization of our SOEC production site in Herning.

Forward-looking statements
Topsoe A/S' financial reports, whether in the form of annual reports or interim reports, as well as any presentations based on such financial reports, and any other written information released, or oral statements made, to the public based on this annual report or in the future on behalf of Topsoe A/S, may contain forward-looking statements.

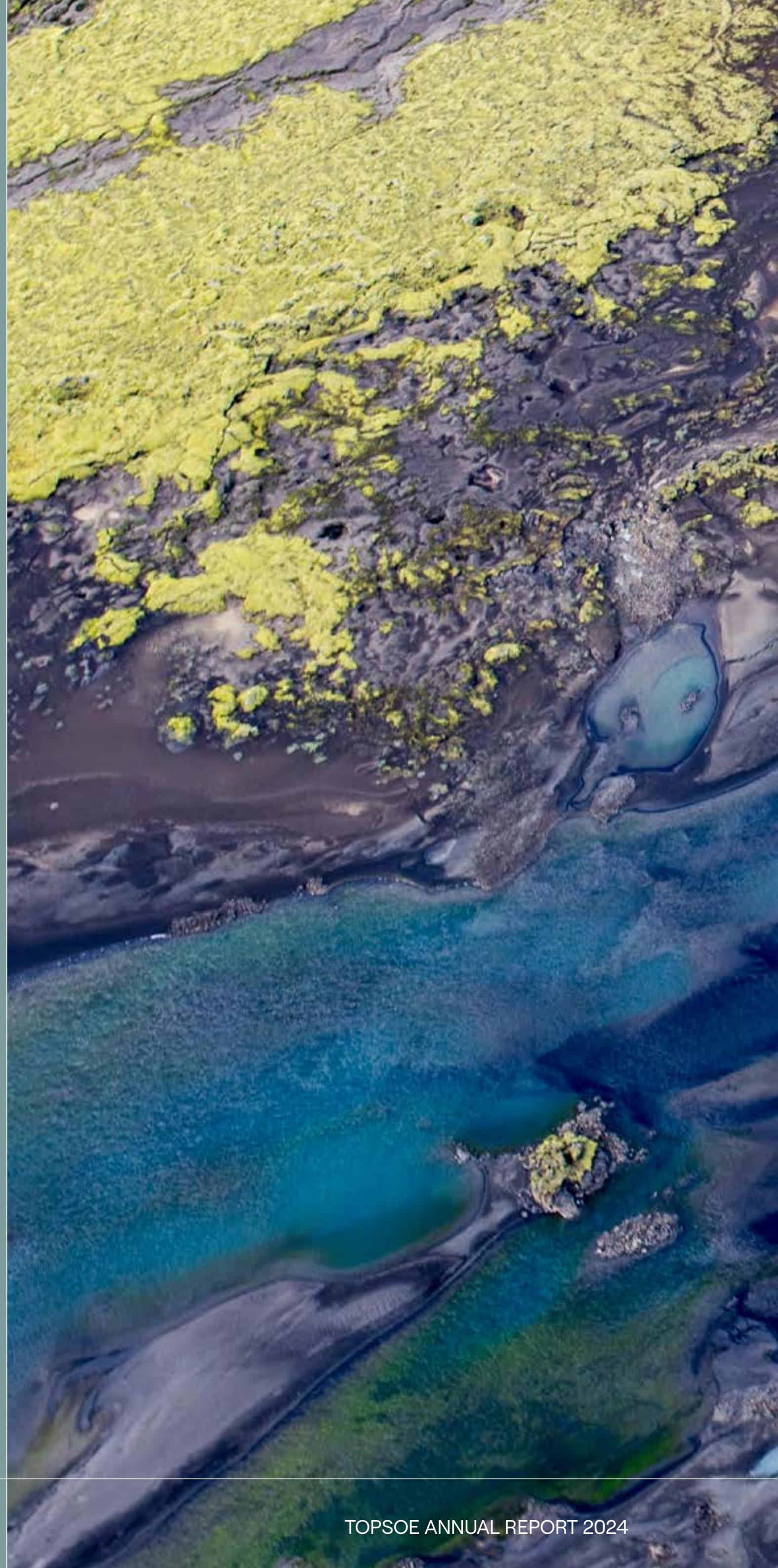
These forward-looking statements are based on current plans, estimates and projections. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, which may be outside Topsoe A/S' influence, and which could materially affect such forward-looking statements.

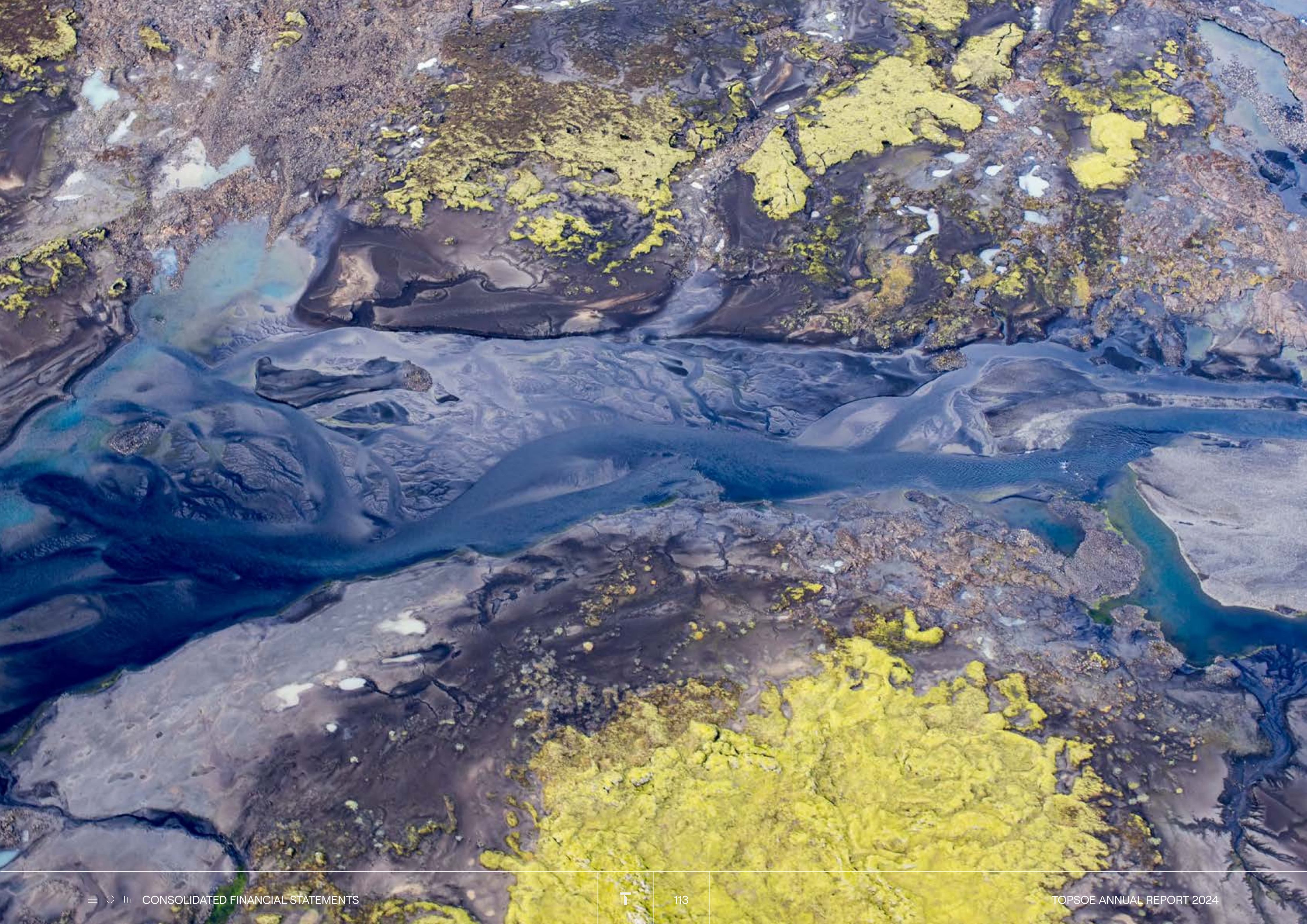
Topsoe A/S cautions that a number of factors, including those described in the risk management part of this report, could cause actual results to differ materially from those contemplated in any forward-looking statements.



FINANCIAL STATEMENTS

Consolidated financial statements	**114**
Financial statements of Topsoe A/S	**154**
Statements and auditor's report	**170**





CONSOLIDATED FINANCIAL STATEMENTS

Income statement 115
Statement of comprehensive income 115
Balance sheet 116
Cash flow statement 117
Statement of changes in equity 118

Notes

1 Basis of reporting 120
1.1 Basis of preparation 120
1.2 Changes in accounting policies and new standards 121
1.3 Key accounting estimates and judgements 122

2 Income statement 123
2.1 Revenue 123
2.2 Other operating income 124
2.3 Staff costs 124
2.4 Special items 125
2.5 Income tax and deferred tax 125

3 Operating assets and liabilities 127
3.1 Intangible assets 127
3.2 Property, plant and equipment 129
3.3 Right-of-use assets 131
3.4 Other non-current assets 132
3.5 Inventories 135
3.6 Trade receivables 135
3.7 Contract assets and liabilities 136
3.8 Other receivables and prepayments 137
3.9 Pension obligations 138
3.10 Provisions and contingent liabilities 140
3.11 Other payables 141
3.12 Deferred income 142

4 Capital structure and financial items 143
4.1 Equity, dividend and earnings per share 143
4.2 Hybrid capital 144
4.3 Borrowings and lease liabilities 145
4.4 Financial assets and liabilities 146
4.5 Financial income and expenses 149

5 Other notes 150
5.1 Share-based payment 150
5.2 Fee to auditors 151
5.3 Related parties 151
5.4 Cash flow specifications 152
5.5 Commitments 152
5.6 Events after the balance sheet date 153
5.7 Group enterprises 153

Consolidated income statement

DKK million	Note	2024	2023
Revenue	2.1	**8,373**	**9,416**
Other operating income	2.2	98	77
Purchased equipment for contract work		-499	-557
Raw materials and consumables used		-2,913	-3,748
Other external expenses		-1,470	-1,624
Gross profit		**3,589**	**3,564**
Staff costs	2.3	-2,351	-2,208
EBITDA		**1,238**	**1,356**
Depreciation, amortization and impairment losses		-391	-392
EBIT before special items		**847**	**964**
Special items	2.4	-248	0
EBIT after special items		**599**	**964**
Result of investments in joint ventures and associated companies	3.4	-16	-2
Financial income	4.5	289	298
Financial expenses	4.5	-299	-270
Profit before tax		**573**	**990**
Tax	2.5	-153	-215
Net profit		**420**	**775**
Attributable to:			
Shareholders of Topsoe A/S		358	775
Hybrid capital holders of Topsoe A/S		62	0
Net profit		**420**	**775**
Earnings per share	4.1	0.94	2.03
Earnings per share, diluted	4.1	0.93	2.03

Consolidated statement of comprehensive income

DKK million	Note	2024	2023
Net profit		**420**	**775**
Foreign currency translation adjustment		102	-47
Fair value adjustment on cash flow hedges		11	-15
Other		0	-3
Items that will be reclassified to the income statement		**113**	**-65**
Fair value adjustment of investments in other enterprises		27	8
Actuarial adjustments on pension obligations		12	3
Tax on pension obligations	2.5	0	0
Items that will not be reclassified to the income statement		**39**	**11**
Other comprehensive income		**152**	**-54**
Total comprehensive income		**572**	**721**
Attributable to:			
Shareholders of Topsoe A/S		510	733
Hybrid capital holders of Topsoe A/S		62	0
Minorities		0	-12
Total comprehensive income		**572**	**721**

Consolidated balance sheet

DKK million	Note	2024	2023
Assets			
Goodwill	3.1	0	0
Rights	3.1	0	0
Patents	3.1	141	130
Software	3.1	123	72
Intangible assets under construction	3.1	103	107
Intangible assets		**367**	**309**
Land and buildings	3.2	900	398
Plant and machinery	3.2	1,310	599
Other fixtures and equipment	3.2	360	188
Property, plant and equipment under construction	3.2	3,029	2,542
Property, plant and equipment		**5,599**	**3,727**
Right-of-use assets	3.3	471	405
Deferred tax asset	2.5	6	6
Other non-current assets	3.4	438	361
Non-current assets		**6,881**	**4,808**
Inventories	3.5	2,249	2,141
Trade receivables	3.6	1,963	1,675
Contract assets	3.7	372	328
Tax receivable	2.5	100	37
Other receivables and prepayments	3.8	263	503
Cash and cash equivalents		210	266
Current assets		**5,157**	**4,950**
Assets		**12,038**	**9,758**

DKK million	Note	2024	2023
Equity and liabilities			
Share capital	4.1	386	386
Share premium	4.1	302	295
Treasury shares	4.1	-153	-146
Reserves		257	117
Retained earnings		3,052	3,052
Equity attributed to the owners of the parent company		**3,844**	**3,704**
Hybrid capital	4.2	1,540	0
Non-controlling interests		0	0
Total equity		**5,384**	**3,704**
Pension obligations	3.9	39	36
Deferred tax	2.5	663	611
Provisions	3.10	317	184
Borrowings	4.3	448	563
Lease liabilities	4.3	485	426
Other payables	3.11	108	99
Non-current liabilities		**2,060**	**1,919**
Borrowings	4.3	895	594
Lease liabilities	4.3	67	56
Contract liabilities	3.7	1,265	1,376
Trade payables		1,384	1,519
Tax payable	2.5	115	9
Other payables	3.11	529	536
Deferred income	3.12	339	45
Current liabilities		**4,594**	**4,135**
Liabilities		**6,654**	**6,054**
Equity and liabilities		**12,038**	**9,758**

Consolidated cash flow statement

DKK million	Note	2024	2023
EBITDA		1,238	1,356
Special items	2.4	-248	18
Adjustments for non-cash items	5.4	308	-3
Change in working capital	5.4	-186	-54
Interest received		13	56
Interest paid		-67	-87
Corporate income tax paid		-62	-102
Cash flow from operating activities		**996**	**1,184**
Purchase of intangible assets		-139	-162
Purchase of property, plant and equipment		-2,075	-1,726
Purchase of non-current financial assets		-49	-3
Sale of non-current financial assets		6	2
Dividend received		0	92
Cash flow from investing activities		**-2,257**	**-1,797**

DKK million	Note	2024	2023
Proceeds from borrowings		1,544	704
Repayment of borrowings		-1,359	0
Installments on lease liabilities		-76	-66
Sale, purchase and dividend of treasury shares, net		-11	5
Received share capital		8	50
Received hybrid capital		1,478	0
Dividend paid		-366	-282
Cash flow from financing activities		**1,218**	**411**
Cash flow for the year		**-43**	**-202**
Cash and cash equivalents at January 1		266	477
Cash flow for the year		-43	-202
Foreign currency translation adjustments		-13	-9
Cash and cash equivalents at December 31		**210**	**266**

Consolidated statement of changes in equity

DKK million	Share capital	Share premium	Treasury shares	Reserve for unpaid capital	Foreign currency translation reserve	Reserve for financial assets measured at fair value	Hedge reserve	Total reserves	Retained earnings	Equity attributa-ble to the owners of the parent company	Hybrid capital	Non-controlling interests	Total equity
Equity at January 1, 2024	**386**	**295**	**-146**	**0**	**94**	**35**	**-12**	**117**	**3,052**	**3,704**	**0**	**0**	**3,704**
Net profit	0	0	0	0	0	0	0	0	358	358	62	0	420
Foreign currency translation adjustment	0	0	0	0	102	0	0	102	0	102	0	0	102
Fair value adjustment of cash flow hedges	0	0	0	0	0	0	11	11	0	11	0	0	11
Fair value adjustment of investments in other enterprises	0	0	0	0	0	27	0	27	0	27	0	0	27
Actuarial adjustments on pension obligations	0	0	0	0	0	0	0	0	12	12	0	0	12
Other	0	0	0	0	0	0	0	0	0	0	0	0	0
Other comprehensive income	**0**	**0**	**0**	**0**	**102**	**27**	**11**	**140**	**12**	**152**	**0**	**0**	**152**
Comprehensive income	**0**	**0**	**0**	**0**	**102**	**27**	**11**	**140**	**370**	**510**	**62**	**0**	**572**
Capital increase	0	7	0	0	0	0	0	0	0	7	0	0	7
Purchase of own shares	0	0	-10	0	0	0	0	0	0	-10	0	0	-10
Sale of own shares	0	0	0	0	0	0	0	0	0	0	0	0	0
Dividend paid	0	0	3	0	0	0	0	0	-369	-366	0	0	-366
Hybrid capital issuance	0	0	0	0	0	0	0	0	0	0	1,478	0	1,478
Employee Share Program – value of employee services	0	0	0	0	0	0	0	0	-1	-1	0	0	-1
Share-based payments	0	0	0	0	0	0	0	0	0	0	0	0	0
Transactions with owners	**0**	**7**	**-7**	**0**	**0**	**0**	**0**	**0**	**-370**	**-370**	**1,478**	**0**	**1,108**
Equity at December 31, 2024	**386**	**302**	**-153**	**0**	**196**	**62**	**-1**	**257**	**3,052**	**3,844**	**1,540**	**0**	**5,384**

Consolidated statement of changes in equity

DKK million	Share capital	Share premium	Treasury shares	Reserve for unpaid capital	Foreign currency translation reserve	Reserve for financial assets measured at fair value	Hedge reserve	Total reserves	Retained earnings	Equity attributa-ble to the owners of the parent company	Hybrid capital	Non-controlling interests	Total equity
Equity at January 1, 2023	**385**	**271**	**-151**	**26**	**141**	**27**	**3**	**197**	**2,502**	**3,204**	**0**	**12**	**3,216**
Net profit	0	0	0	0	0	0	0	0	775	775	0	0	775
Foreign currency translation adjustment	0	0	0	0	-47	0	0	-47	0	-47	0	0	-47
Fair value adjustment of cash flow hedges	0	0	0	0	0	0	-15	-15	0	-15	0	0	-15
Fair value adjustment of investments in other enterprises	0	0	0	0	0	8	0	8	0	8	0	0	8
Actuarial adjustments on pension obligations	0	0	0	0	0	0	0	0	3	3	0	0	3
Other	0	0	0	0	0	0	0	0	9	9	0	-12	-3
Other comprehensive income	**0**	**0**	**0**	**0**	**-47**	**8**	**-15**	**-54**	**12**	**-42**	**0**	**-12**	**-54**
Comprehensive income	**0**	**0**	**0**	**0**	**-47**	**8**	**-15**	**-54**	**787**	**733**	**0**	**-12**	**721**
Capital increase	1	24	0	-26	0	0	0	-26	26	25	0	0	25
Purchase of own shares	0	0	-4	0	0	0	0	0	0	-4	0	0	-4
Sale of own shares	0	0	6	0	0	0	0	0	0	6	0	0	6
Dividend paid	0	0	3	0	0	0	0	0	-283	-280	0	0	-280
Hybrid capital issuance	0	0	0	0	0	0	0	0	0	0	0	0	0
Employee Share Program – value of employee services	0	0	0	0	0	0	0	0	20	20	0	0	20
Share-based payments	0	0	0	0	0	0	0	0	0	0	0	0	0
Transactions with owners	**1**	**24**	**5**	**-26**	**0**	**0**	**0**	**-26**	**-237**	**-233**	**0**	**0**	**-233**
Equity at December 31, 2023	**386**	**295**	**-146**	**0**	**94**	**35**	**-12**	**117**	**3,052**	**3,704**	**0**	**0**	**3,704**

NOTES → 1 Basis of reporting

1.1 Basis of preparation

Introduction
The financial statements for 2024 comprise the consolidated financial statements of Topsoe A/S and its subsidiaries.

The consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards, as adopted by the EU, and further requirements in the Danish Financial Statements Act for class C large companies.

The financial statements are presented in Danish kroner (DKK) and rounded to the nearest million, unless otherwise stated. The functional currency of the parent company are DKK.

The Board of Directors considered and approved the 2024 Annual Report of Topsoe A/S on March 7, 2025. The Annual Report will be submitted to the shareholders of Topsoe A/S for approval at the Annual General Meeting on April 10, 2025.

Basis of measurement
The consolidated financial statements have been prepared on the historical cost basis, except for derivatives and investments in other enterprises, which are measured at fair value.

The accounting policies have been applied consistently for the financial year and for the comparative figures.

Basis of consolidation
The consolidated financial statements comprise the parent company, Topsoe A/S, and all subsidiaries over which Topsoe A/S exercises control and can use the power to influence the variability of the result.

The consolidated financial statements have been prepared by summarizing the financial statements of the parent company and the subsidiaries, which have been prepared in accordance with the Group's accounting policies. Intra-group balances, income, expenses, shareholdings, and dividends as well as realized and unrealized gains and losses have been eliminated.

The non-controlling interests' share of profit for the year and of equity in subsidiaries, which are not fully owned, is included as part of the Group's profit and equity but shown as separate items.

Foreign currency
Functional currency
A functional currency is determined for each Group enterprise. The functional currency is the currency used in the primary economic environment in which the enterprise operates.

Foreign currency translation
On initial recognition, foreign currency transactions are translated into the functional currency at the exchange rate at the transaction dates. Exchange differences between the exchange rates at the transaction date and the date of payment are recognized in the income statement under financial income or expenses.

Monetary items in foreign currency are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the transaction date is recognized in the income statement under financial income or expenses.

Foreign currency translation differences arising on the translation of non-monetary items, such as investments in associated companies, are recognized directly in other comprehensive income.

Recognition in the consolidated financial statements
On preparation of the consolidated financial statements, the income statements of Group enterprises with a functional currency other than Danish kroner are translated at the exchange rate at the transaction dates and balance sheet items are translated at the exchange rate at the balance sheet date.

Foreign exchange differences arising on translation of the opening equity at the exchange rate at the balance sheet date and on translation of non-current intercompany balances considered part of the net investment are recognized in other comprehensive income under foreign currency translation reserve.

Foreign exchange differences arising from the translation of the income statement from the exchange rate at the transaction dates to the exchange rate at the balance sheet date are also recognized in other comprehensive income. All items in other comprehensive income are recognized net of tax.

Other accounting policies
Purchased equipment for contract work
Purchased equipment for contract work comprises hardware etc. related to technology projects.

Raw materials and consumables used
Raw materials and consumables used comprise raw materials and consumables consumed to achieve revenue for the year, changes during the year in inventory levels, including shrinkage, waste production and any write-downs for obsolescence.

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

Deferred income
Deferred income comprises payments received in respect of income in subsequent years related to government grants.

Presentation
Cash flow statement
The cash flow statement is presented in accordance with the indirect method.

Cash flows from operating activities are stated as EBITDA adjusted for non-cash items, change in working capital, interest received and paid, and paid corporate income tax. Cash flows from investing activities comprise cash flows from purchase and sale of non-current assets and received dividend. Cash flows from financing activities comprise cash flows from borrowings, purchase and sale of treasury shares, installments on lease liabilities as well as payments to and from shareholders.

Cash and cash equivalents comprise cash at hand and deposits with financial institutions.

Materiality in financial reporting
In preparing the Annual Report, Management has sought to improve the information value of the consolidated financial statements, the notes to the statements and other measures disclosed by presenting the information in a way that supports the understanding of the Group's performance in the reporting period which has resulted in immaterial classifications and changes.

1.1 Basis of preparation (continued)

This objective is achieved by presenting fair transactional aggregation levels on line items and other financial information, emphasizing information that is considered of material importance to the user and making relevant rather than generic descriptions throughout the Annual Report. All significant and relevant disclosures are made in compliance with the International Financial Reporting Standards, the Danish Financial Statements Act and other relevant regulations, ensuring a true and fair view throughout the Annual Report.

Presentation of items and subtotals
The presentation of items and subtotals is based on separate classification of material groups of similar items. In the income statement, income and expense items are classified based on the 'nature of expense' method in accordance with IAS 1. Furthermore, the use of special items is applied to improve the transparency and understanding of the Group's financial statements by separating the ordinary activities of the Group from exceptional items. Please refer to note 2.4 Special items for further information.

Reporting under the ESEF regulation
The Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) has introduced a single electronic reporting format for the annual financial reports of issuers with securities listed on the EU regulated markets. The combination of the XHTML format with the iXBRL tags makes the annual financial reports both human-readable and machine-readable, thus enhancing accessibility, analysis and comparability of the information included in the annual financial reports.

iXBRL tags shall comply with the ESEF taxonomy, which is included in the ESEF Regulation and developed based on the IFRS taxonomy published by the IFRS Foundation.

As part of the tagging process financial statement line items are marked up to elements in the ESEF taxonomy. If a financial statement line item is not defined in the ESEF taxonomy, an extension to the taxonomy is created. Extensions must be anchored to elements in the ESEF taxonomy, except for extensions which are subtotals.

The annual report submitted to the Danish Financial Supervisory Authority (The Officially Appointed Mechanisms) consists of the XHTML document together with some technical files all included in a ZIP file named TOPSOE-2024-12-31-0-en.ZIP.

Five-year summary
The key figures and financial ratios have been calculated as follows:

Gross margin	=	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
EBITDA margin	=	$\frac{\text{EBITDA} \times 100}{\text{Revenue}}$
EBIT before special items margin	=	$\frac{\text{EBIT before special items} \times 100}{\text{Revenue}}$
EBIT after special items margin	=	$\frac{\text{EBIT after special items} \times 100}{\text{Revenue}}$
Return on invested capital	=	$\frac{\text{EBIT before special items after tax} \times 100}{\text{Average invested capital}}$
Equity ratio	=	$\frac{\text{Equity at year-end} \times 100}{\text{Balance sheet total}}$
Return on equity	=	$\frac{\text{Net profit} \times 100}{\text{Average equity}}$
Leverage	=	$\frac{\text{Net interest-bearing debt}}{\text{EBITDA}}$
Earnings per share	=	$\frac{\text{Net profit}}{\text{Average number of shares}}$

1.2 Changes in accounting policies and new standards

The accounting policies are unchanged from last year.

Implementation of new standards, amendments, and interpretations
Topsoe adopts new IFRS standards, amendments, and interpretations (IFRICs) from the mandatory effective date at the latest.

Amendments have been made to IFRS standards effective for financial years beginning on or after January 1, 2024 including "IAS 1, Presentation of Financial Statements and Practice Statement", "IAS 7, Cash Flow Statement", "IFRS 7 Financial Instruments: Disclosures" and "IFRS 16, Leasing".

Topsoe has assessed the effect of the amendments and concluded that all amendments effective for financial years beginning on or after January 1, 2024 are either not relevant to the Group or have no significant effect on the Financial Statements.

New standards, amendments, and interpretations adopted but not yet effective
The following new standards, amendments, and interpretations of relevance to Topsoe A/S have been adopted by the IASB and adopted by the EU. The standards are not yet effective and will therefore not be implemented in the annual reports until they take effect.

→ IAS 21, Foreign exchange rates: The amendment clarifies the procedures relating to the assessment of whether a currency is exchangeable into another currency, and when it is not, how to determine the exchange rate to use and which disclosures to provide. The amendment will be

1.2 Changes in accounting policies and new standards (continued)

effective for financial years beginning on or after January 1 2025. Early adoption of the amendment is permitted.

The IASB has issued the following new standards, amendments and new interpretations which could be relevant to Topsoe A/S, but which have not yet been adopted by the EU:

→ IFRS 7 and IFRS 9, Classification and measurement of financial instruments: The amendment clarifies the requirements for the timing of derecognition of some financial asset and financial liability. The amendment clarifies it is the date of settlement which determines the derecognition of a financial asset or a financial liability, although financial liabilities settled by electronic transfer under certain circumstance may be derecognized earlier. Furthermore, the amendment contains an assessment of how to determine whether a payment for financial assets satisfies the SPPI test, when the instrument is linked to the achievement of sustainability targets. The amendment will be effective for financial years beginning on or after 1 January 2026. Early adoption of the amendment is permitted, when approved by the EU.

→ IFRS 7 and IFRS 9, Contracts referencing nature-dependent electricity: The amendments introduce application guidance on when the 'own use' requirements have been complied with for contracts referring to nature-dependent electricity. The amendments also introduce guidance for the application of hedge accounting for such contracts when the actual production differs from the expected production. The amendments also introduce additional disclosure requirements for entities using such contracts. The amendment will be effective for financial years beginning on or after January 1 2026. Early adoption of the amendment is permitted, when approved by the EU.

→ IFRS 18, Classification and measurement of financial instruments: This new standard replaces IAS 1 and implements a new set of requirements for presentation and disclosures in the financial statements. The new standard requires the income statement to be structured into five categories, while also introducing two new subtotals. Furthermore, the new term "Management Performance Measures (MPM)" is introduced, which must be disclosed in the notes of the financial statements. The new requirements for presentation and disclosures are applicable for all financial statements, including consolidated financial statements, separate financial statements, and interim financial statements. The amendment will be effective for financial years beginning on or after January 1 2027. Early adoption of the amendment is permitted, when approved by the EU.

The above amendments will be implemented when they take effect. None of the above are currently expected to have any significant impact on the consolidated financial statements, except for IFRS 18, which is expected to have a significant impact on the presentation and disclosure of the financial statements.

1.3 Key accounting estimates and judgements

When preparing the consolidated financial statements, Management is required to make several estimates and judgements. These estimates and judgements are based on professional experience, historical data and other factors available to Management. Actual results may differ from the amounts estimated and judgements made, as more detailed information becomes available. Accounting estimates and judgements are continuously evaluated, and the effect recognized in the financial statements.

The primary financial statement items for which more significant accounting estimates and judgements are applied are:

Note	Significant accounting estimates and judgements	Nature of accounting impact	Impact of estimate and judgement
2.1 Revenue	Determine performance obligation	Judgement	●●●
	Determine recognition method	Judgement	●●●
	Estimate total cost to complete	Estimate	●●●
3.5 Inventories	Estimate valuation of inventory	Estimate	●●○
3.10 Provisions and contingent liabilities	Estimate warranty provisions	Estimate	●●○

Additional information of accounting estimates and judgements are included in the relevant notes.

2 Income statement

2.1 Revenue

Accounting policies

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.

Revenue from catalyst sales is recognized at a point in time when control has been transferred.

Topsoe recognise technology revenue over time where i) Topsoe's performance does not create an asset with an alternative use and Topsoe has an enforceable right to payment for performance completed to date or when, ii) Topsoe customers simultaneously receives and consumes our services or iii) Topsoe creates or enhaces an asset that the customer controls as the asset is created or enhanced. The part of technology revenue not fullfilling the above condition, for instance non-customizable spare part sales, is recognised at the point in time where control is transferred to the customer.

Revenue from technology sales recognized over time is using the percentage-of-completion method based on incurred versus forecasted contract costs, which means that revenue equals the selling price of the work completed for the year. This method is applied when total revenue and cost in respect of the contract and the percentage-of-completion at the balance sheet date can be measured reliably, and it is probable that economic benefits, including payments, will flow to the Group.

The transaction price of a contract is allocated to performance obligations, e.g. delivered catalyst and delivered technology. Technology is considered to be one performance obligation, since the deliveries are interlinked and work together as a whole and not as distinct elements.

Accounting estimates and judgements

Judgement is applied when determining if a contract for the sale of technology or catalysts or a combination thereof, involves one or more performance obligations.

Judgements are made by Management when determining if a performance obligation is recognized as revenue over time or at a point in time. The judgements relate to if there is an alternative use of the assets sold and if there is an enforceable right to payment throughout the contractual term.

The percentage-of-completion is determined on the basis of the share of contract costs incurred compared to forecasted contract costs. Forecasted costs are partly based on an estimate which to a high degree is based on historical experience. Expected income and costs of technology projects may be adjusted gradually as projects are progressing and any uncertainties are clarified.

DKK million	2024	2023
Revenue per region		
EMEA	2,942	3,678
Americas	3,520	3,846
Asia Pacific	1,911	1,892
Total revenue	**8,373**	**9,416**
Revenue per business area		
Catalysts	6,152	7,106
Technology	2,221	2,310
Total revenue	**8,373**	**9,416**
Revenue recognition methods		
Revenue recognized at a point in time	6,152	7,106
Catalyst revenue	**6,152**	**7,106**
Revenue recognized at a point in time	432	526
Revenue recognized over time	1,789	1,784
Technology revenue	**2,221**	**2,310**
Total revenue	**8,373**	**9,416**
Order backlog and previously recognized contract liabilities		
Backlog, of which the majority is expected to be recognized within 1 year	4,911	5,058
Revenue recognized that was included in the contract liability balance at the beginning of the year	659	1,091

The Group's revenue can be divided into two main categories: catalyst sales and technology sales. Catalyst sales primarily comprise the sale of catalysts. Technology sales primarily comprise basic engineering design, license fee and hardware.

The majority of catalyst sales are paid after delivery with typically 30-60 days of credit, but in certain situations the Group receives prepayments.

Technology sales are paid in installments during the contract's lifetime. The Group strives to be cash flow positive on all technology contracts at any time during project execution.

2.2 Other operating income

Accounting policies

Other operating income comprises income of a secondary nature to the Group's main activities, mainly comprising of grants provided for research projects and construction of property, plant and equipment and other services of secondary nature.

Grants

Grants are recognized when there is reasonable assurance that the grants will be received. Grants received for research and development projects as well as grants for the construction of property, plant and equipment are recognized as deferred income and systematically recognized in other operating income. Also refer to note 3.12 regarding Deferred Income.

DKK million	2024	2023
Other operating income		
Grants	87	71
Other operating income	11	6
Total other operating income	**98**	**77**

2.3 Staff costs

Accounting policies

Staff costs are recognized in the financial year in which the employees render the related service. Costs related to long-term employee benefits, e.g. share-based payments, are recognized in the periods in which they are earned.

DKK million	2024	2023
Staff costs		
Wages, salary and other remuneration	2,081	1,922
Share-based payment	16	12
Pension costs - defined contribution plans	204	177
Pension costs - defined benefit plans	6	4
Social security cost and other staff costs	178	169
Total	**2,485**	**2,284**
Transferred to assets	-134	-76
Total staff costs	**2,351**	**2,208**
Average number of employees	2,829	2,668
Remuneration to Senior Leadership Team and fee to Board of Directors		
Salary	85	66
Share-based payment	10	8
Pension	4	3
Severance pay	0	2
Total remuneration to Senior Leadership Team	**99**	**79**
Fee to Board of Directors	10	7
Total remuneration to Senior Leadership Team and Board of Directors	**109**	**86**

Total remuneration to Executive Management and Board of Directors is included in note 3 of the parent Financial statements.

2.4 Special items

Accounting policies
Special items comprise exceptional income and costs which by their nature are not related to the Group's ordinary operating activities. These are irregular and non-recurring in nature. This includes costs related to significant organizational restructuring, etc.

Accounting estimates and judgements
In the classification of special items, judgement is applied to ensure that only exceptional items not associated with the ordinary operations of the Group are included.

DKK million	2024	2023
Special items		
Restructuring costs	-17	2
Loss on sale of subsidiary	0	-6
Provisions regarding restoration costs	-170	0
Provisions regarding disposals of assets	-15	0
Write-down of fixed assets and right-of-use assets	-50	0
Other financial income	4	4
Total special items	**-248**	**0**
Line items impacted, if special items had been recognized in EBIT before special items		
Other external expenses	-202	2
Depreciation, amortization and impairment losses	-50	-6
Financial income	4	4
Total special items	**-248**	**0**

In 2024, the restructuring costs of DKK 17 million (2023: DKK 2 million) consisted of expenses and adjustments related to the closure of our business in Russia in 2022. Additionally, there was a release of trapped cash amounting to DKK 4 million (2023: DKK 4 million) related to financial income. As a result of reassessments and commitments regarding the environmental impact of our production sites and decommissioning of closed production lines, Management has allocated a total of DKK 170 million for restoration costs associated with three production sites.

In 2024, Management also allocated DKK 15 million in connection with settlement of a claim related to the divestment of enterprises in 2017. A change of use of an assets utilised in R&D lead to an extraordinary impairment of the asset by DKK 50 million. Total non-cash impact of these special items in 2024 amounted to DKK 235 million (2023: DKK 17 million).

In 2023, we sold a subsidiary with activity outside our current business with a net loss of DKK 6 million.

2.5 Income tax and deferred tax

Accounting policies

Tax for the year

Income tax comprises current tax for the year, changes in deferred tax for the year as well as any adjustments to prior years. Tax attributable to the profit for the year is recognized in the income statement, whereas tax attributable to other comprehensive income transactions is recognized through other comprehensive income.

Current tax

Tax receivable and tax payable is recognized in the balance sheet as tax calculated on the taxable income for the year adjusted for tax on taxable income for previous years and for prepaid tax.

Deferred tax

Deferred tax is measured using the balance sheet liability method in respect of temporary differences between the carrying amount and the tax value of assets and liabilities. Deferred tax is not recognized in respect of goodwill.

Deferred tax is measured on the basis of the tax rules and tax rates of the relevant countries that will be effective under current legislation at the balance sheet date on which the deferred tax is expected to materialize as current tax.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognized as non-current assets at the expected value of their utilization.

Deferred tax assets and tax liabilities are offset if the enterprise has a legally enforceable right to offset current tax liabilities and tax assets or intends either to settle current tax liabilities and tax assets on a net basis or to realize the assets and liabilities simultaneously.

Pillar Two legislation has been implemented in some of the jurisdictions in which subsidiaries of the Group operate. Legislation applicable to the Group is effective as of January 1 2024. The Group has assessed the applicable tax legislation for the regions in which the Group operates to determine potential exposure to Pillar Two tax liability.

The Group performed this assessment based on current information available regarding the Group entity operations, as well as applicable effective tax rates in each affected jurisdiction. Based on the information gathered and the result of the assessment, most jurisdictions have been determined to be out of scope of the new regulations based on the de minimis safe harbor rule. For the remaining jurisdictions, the Pillar Two simplified effective tax rates are above 15% and Management does not have reason to believe that there are any circumstances that would result in the Pillar Two effective tax rate in any of those countries dropping below 15%. Based on this assessment, the Group does not expect to be subject to any Pillar Two top-up taxes.

Accounting estimates and judgements
Management applies judgements when recognizing and measuring deferred tax assets. Deferred tax assets, including the tax base of tax loss carryforwards, are recognized if it is assessed that they can be utilized. This assessment is based on business plans and knowledge of the business.

The Group is from time to time part of tax disputes. Management assesses the likely outcome based on knowledge available of the substance of the disputes, including opinions from external tax experts.

2.5 Income tax and deferred tax (continued)

DKK million	2024	2023
Income tax		
Current tax for the year	108	118
Change in deferred tax for the year	33	95
Adjustments to prior years	12	2
Total income tax recognized in the income statement	**153**	**215**
Income tax recognized in other comprehensive income	0	0
Total income tax recognized in comprehensive income	**153**	**215**
Effective tax rate, %		
Danish corporate tax rate	22.0	22.0
Non-deductible expenses	2.9	1.9
Income not subject to tax	0.0	-0.8
Differences in foreign tax rates	3.2	-0.4
Adjustments relating to prior years	0.8	0.2
Other adjustments	-2.2	-1.2
Effective tax rate	**26.7**	**21.7**

The increase in effective tax rate from 2023 to 2024 is mainly associated with the adjustment to prior years´ tax income and increases in foreign income taxes, mainly due to write-down on assets in a US Group enterprise.

DKK million	Jan. 1	Foreign currency translation adjust-ments	Tax for the year	Tax for previ-ous years	Tax on equity	Dec. 31
Deferred tax, 2024						
Intangible assets and property, plant and equipment	119	4	82	0	0	205
Inventories	8	-1	-3	0	0	4
Contract assets	503	0	-7	1	0	497
Provisions	-18	1	-18	0	3	-32
Other	-7	-1	-11	2	0	-17
Deferred tax total, 2024	**605**	**3**	**43**	**3**	**3**	**657**
Recognized as deferred tax asset						-6
Recognized as deferred tax liability						663
Deferred tax at December 31, 2024						**657**
Of this, due after more than 1 year						439
Not recognized deferred tax assets regarding unused tax losses						21
Deferred tax, 2023						
Intangible assets and property, plant and equipment	119	-2	-21	23	0	119
Inventories	6	0	22	-20	0	8
Contract assets	416	0	81	6	0	503
Provisions	-19	-1	-1	1	2	-18
Other	-13	2	5	-1	0	-7
Deferred tax total, 2023	**509**	**-1**	**86**	**9**	**2**	**605**
Recognized as deferred tax asset						-6
Recognized as deferred tax liability						611
Deferred tax at December 31, 2023						**605**
Of this, due after more than 1 year						376
Not recognized deferred tax assets regarding unused tax losses (no expiry date)						21

3 Operating assets and liabilities

3.1 Intangible assets

Accounting policies

Goodwill

Goodwill is the positive difference between the cost of an acquisition and fair value of identifiable net assets in the acquired enterprise. Goodwill is measured at cost less accumulated impairment losses.

Goodwill is tested for impairment annually and when there is an indication of impairment. Goodwill is written down to the recoverable amount through the income statement. The recoverable amount is determined as the present value of expected cash flows of the cash-generating unit to which goodwill has been allocated. Impairment indicators comprise e.g. reduced earnings compared to expected future results or material negative development trends in the sector or the economy in the markets of the enterprise.

Impairment loss relating to goodwill is not reversed.

Other intangible assets

Rights and patents are measured at cost less accumulated amortization and impairment losses. Rights as well as patents are amortized on a straight-line basis over the remaining patent term, but not exceeding 10 years, due to the notoriously fast development in applied technologies.

Acquired or internally developed software is measured at cost less accumulated amortization and impairment losses. Software is amortized on a straight-line basis over 4 years or over the contract period.

Other intangible assets are tested for impairment when there is an indication of impairment. Impairment indicators are similar to those stated in the section on goodwill. Intangible assets are written down to recoverable amount through the income statement if lower than the carrying amount. The recoverable amount is the higher of the fair value of the asset less the expected cost to sell and its value in use. Impairment losses relating to other intangible assets are reversed if the recoverable amount subsequently increases.

Intangible assets under construction comprises software development and consists of clearly defined and identifiable projects where the following requirements are met: The technical feasibility, adequacy of resources and a potential future market can be demonstrated, it is intended to manufacture, market or utilize the project, the cost can be reliably determined, and there is reasonable certainty that the future earnings or net selling prices can cover the carrying amount as well as the costs necessary to finalize the project as incurred. Intangible assets under construction are measured at cost less accumulated impairment losses. Intangible assets under construction is tested for impairment annually and when there is an indication of impairment. The cost includes wages, amortization and other costs relating to the Group's development activities. On completion the development work is transferred to Software.

3.1 Intangible assets (continued)

DKK million	Goodwill	Rights	Patents	Software	Intangible assets under construction	Total
Intangible assets, 2024						
Cost at January 1, 2024	25	0	206	270	107	608
Additions during the year	0	0	42	20	77	139
Disposals during the year	-26	0	-8	-9	-1	-44
Transfers during the year	0	0	1	81	-82	0
Foreign currency translation adjustment	1	0	0	-1	1	1
Cost at December 31, 2024	**0**	**0**	**241**	**361**	**102**	**704**
Amortization and impairment losses at January 1, 2024	25	0	76	198	0	299
Amortization for the year	0	0	31	49	1	81
Disposals during the year	-26	0	-8	-9	-1	-44
Foreign currency translation adjustment	1	0	1	0	-1	1
Amortization and impairment losses at December 31, 2024	**0**	**0**	**100**	**238**	**-1**	**337**
Carrying amount at December 31, 2024	**0**	**0**	**141**	**123**	**103**	**367**
Research and development costs expensed in 2024						745

DKK million	Goodwill	Rights	Patents	Software	Intangible assets under construction	Total
Intangible assets, 2023						
Cost at January 1, 2023	26	39	156	240	44	505
Additions during the year	0	0	66	19	77	162
Disposals during the year	0	-40	-17	-2	0	-59
Transfers during the year	0	0	0	14	-14	0
Foreign currency translation adjustment	-1	1	1	-1	0	0
Cost at December 31, 2023	**25**	**0**	**206**	**270**	**107**	**608**
Amortization and impairment losses at January 1, 2023	26	27	70	170	0	293
Amortization for the year	0	5	22	31	0	58
Disposals during the year	0	-32	-17	-3	0	-52
Foreign currency translation adjustment	-1	0	1	0	0	0
Amortization and impairment losses at December 31, 2023	**25**	**0**	**76**	**198**	**0**	**299**
Carrying amount at December 31, 2023	**0**	**0**	**130**	**72**	**107**	**309**
Research and development costs expensed in 2023						707

3.2 Property, plant and equipment

Accounting policies

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Property, plant and equipment under construction are measured at cost less impairment loss.

The cost comprises the acquisition price and other directly attributable expenses of preparing the asset for its intended use. The present value of estimated expenses for dismantling and disposing of the asset as well as restoration expenses are added to the cost if such expenses are recognized as a provision. Material borrowing cost are allocated to qualifying assets based on funds borrowed specifically for obtaining the asset but also funds borrowed generally to the construction of the individual asset are also added to cost.

Cost of self-constructed assets are recognized as property, plant and equipment in progress on an ongoing basis until the assets are ready for use and comprises direct and indirect expenses for labor, materials, components and sub-suppliers.

Property, plant and equipment are accounted for as separate items if the useful life of the individual assets is different.

DKK million	Land and buildings	Plant and machinery	Other fixtures and equipment	Property, plant and equipment under construction	Total
Property, plant and equipment, 2024					
Cost at January 1, 2024	913	2,799	1,171	2,572	7,455
Additions during the year	298	385	113	1,279	2,075
Disposals during the year	-1	-44	-88	-6	-139
Transfers during the year	224	427	162	-813	0
Foreign currency translation adjustment	12	48	1	79	140
Cost at December 31, 2024	**1,446**	**3,615**	**1,359**	**3,111**	**9,531**
Depreciation and impairment losses at January 1, 2024	515	2,200	983	30	3,728
Depreciation for the year	28	117	102	0	247
Impairment losses for the year	0	0	0	56	56
Disposals during the year	-1	-44	-87	-6	-138
Foreign currency translation adjustment	4	32	1	2	39
Depreciation and impairment losses at December 31, 2024	**546**	**2,305**	**999**	**82**	**3,932**
Carrying amount at December 31, 2024	**900**	**1,310**	**360**	**3,029**	**5,599**
Carrying amount of assets used for operational lease	0	0	0	0	0

Property, plant and equipment under construction mainly comprises of cost relating to our SOEC factory in Herning, Denmark, which is expected to be commissioned during 2025. Borrowing cost added to Property, plant and equipment amount to DKK 76 million for the year, with an average interest rate of 4.8%.

3.2 Property, plant and equipment (continued)

Accounting policies (continued)

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.

Property, plant and equipment are tested for impairment when there is an indication of impairment. Impairment indicators are similar to those stated in the section on intangible assets. Additionally, indicators comprise damage to the asset or changed use of the asset. Property, plant and equipment are written down to recoverable amount through the income statement if lower than the carrying amount. The recoverable amount is the higher of the fair value of the asset less the expected cost to sell and its value in use. Impairment losses are reversed if the recoverable amount subsequently increases.

Lessor

When the Group is the lessor in a lease agreement classified as operational lease, the lease asset is recognized as property, plant and equipment and depreciated over the useful life. Lease income is recognized in other operating income.

Accounting estimates and judgements

Judgement is applied in determining the depreciation period and future residual value and is generally based on historical experience. Reassessment is done annually.

Furthermore, judgement is applied in determining whether impairment indicators are present.

DKK million	Land and buildings	Plant and machinery	Other fixtures and equipment	Property, plant and equipment under construction	Total
Property, plant and equipment, 2023					
Cost at January 1, 2023	866	2,922	1,204	1,009	6,001
Additions during the year	32	7	43	1,644	1,726
Disposals during the year	0	-86	-119	-8	-213
Transfers during the year	20	-17	50	-53	0
Foreign currency translation adjustment	-5	-27	-7	-20	-59
Cost at December 31, 2023	**913**	**2,799**	**1,171**	**2,572**	**7,455**
Depreciation and impairment losses at January 1, 2023	496	2,148	1,030	0	3,674
Depreciation for the year	21	154	67	0	242
Impairment losses for the year	0	0	0	37	37
Disposals during the year	0	-86	-110	-7	-203
Foreign currency translation adjustment	-2	-16	-4	0	-22
Depreciation and impairment losses at December 31, 2023	**515**	**2,200**	**983**	**30**	**3,728**
Carrying amount at December 31, 2023	**398**	**599**	**188**	**2,542**	**3,727**
Carrying amount of assets used for operational lease	0	0	0	125	125

Borrowing cost added to Property, plant and equipment amount to DKK 25 million for the year, with an average interest rate of 4.7%.

3.3 Right-of-use assets

Accounting policies

Whether a contract contains a lease or a service arrangement is assessed at contract inception. For contracts which contain a lease, the Group recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost, being the initial amount of the lease liability. The right-of-use asset is subsequently depreciated using the straight-line method over the lease term. The right-of-use asset is periodically adjusted for certain remeasurements of the lease liability and reduced by any impairment losses.

The lease term determined by the Group is the non-cancellable period of a lease, together with extension/termination option if these are reasonably certain to be exercised.

The lease liability is initially measured at the present value of the lease payments outstanding at the commencement date, discounted using the incremental borrowing rate. The lease liability is measured using the effective interest method.

The lease liability is remeasured when there is a change in future lease payments, typically due to a change in index on property leases, or if there is a reassessment of whether an extension or termination option will be exercised. A corresponding adjustment is made to the right-of-use asset, or in the income statement when the right-of-use asset has been fully depreciated.

Short-term leases (less than 12 months) and leases relating to low-value assets are not recognized in the balance sheet.

Accounting estimates and judgements

Management has evaluated extension options primarily related to office rentals. In most cases, extension options are not included, as the Group could replace the assets without significant costs or business disruption.

DKK million	Land and buildings	Other fixtures and equipment	Total
Right-of-use assets, 2024			
Carrying amount at January 1, 2024	403	2	405
Additions during the year	122	0	122
Disposals during the year	0	0	0
Depreciation for the year	-57	-1	-58
Foreign currency translation adjustment	2	0	2
Carrying amount at December 31, 2024	**470**	**1**	**471**
Right-of-use assets, 2023			
Carrying amount at January 1, 2023	456	3	459
Additions during the year	22	2	24
Disposals during the year	-16	0	-16
Depreciation for the year	-53	-2	-55
Foreign currency translation adjustment	-6	-1	-7
Carrying amount at December 31, 2023	**403**	**2**	**405**

DKK million	2024	2023
Lease information		
Interest expense (included in financial expenses)	22	20
Expense relating to short-term leases (included in other external expenses)	3	9
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other external expenses)	0	1
Revenue from sub-lease	5	4
Total cash outflow for leases	76	80

The majority of lease contracts relate to lease of office buildings. Please see note 4.2 Borrowing and lease liabilities for information about the lease liabilities. The Group has entered into a lease contract under which the Group is obligated to purchase the property at a price of DKK 74 million after termination of the lease contract in 2036. The purchase obligation is included in the lease liability.

3.4 Other non-current assets

Accounting policies

Investments in joint ventures and associated companies
Entities in which the Group directly or indirectly controls at least 20%, but not more than 50%, of the voting rights are accounted for as associated companies.

Investments in joint ventures and associated companies are recognized and measured under the equity method. The proportional share of the result after tax of investments in joint ventures and associated companies are included under financial income or financial expense.

Investments with negative net asset values are recognized at DKK 0 million.

Pension assets
Refer to note 3.9 regarding pension assets

Other investments
Investments in other enterprises are measured at fair value at the balance sheet date. Fair value adjustments are recognized through other comprehensive income under the reserve for financial assets measured at fair value.

Other receivables
Receivables are measured at amortized cost less expected credit loss.

Accounting estimates and judgements

Investments in other enterprises are measured at fair value at the balance sheet date. In case that fair value cannot be derived from an active market, it is required that Management assesses and selects an appropriate method for determination of the fair value. In this case, the fair value is measured at the discounted value of expected future cash flows or other generally accepted valuation techniques. Material assumptions comprise expected future cash flows, discount rates and growth rates for the period.

DKK million	Investments in joint ventures	Pension asset	Other investments	Other receivables	Total
Non-current assets, 2024					
Cost at January 1, 2024	24	63	199	34	320
Foreign currency translation adjustment	1	3	2	0	6
Additions during the year	26	18	0	15	59
Disposals during the year	0	0	0	0	0
Cost at December 31, 2024	**51**	**84**	**201**	**49**	**385**
Value adjustment at January 1, 2024	-2	0	50	-7	41
Profit/loss for the year	-16	0	0	0	-16
Disposals during the year	0	0	0	0	0
Value adjustments for the year	1	0	27	0	28
Value adjustment at December 31, 2024	**-17**	**0**	**77**	**-7**	**53**
Carrying amount at December 31, 2024	**34**	**84**	**278**	**42**	**438**

3.4 Other non-current assets (continued)

DKK million	Invest-ments in joint ventures	Pension asset	Other invest-ments	Other receiva-bles	Total
Non-current assets, 2023					
Cost at January 1, 2023	25	52	230	38	345
Foreign currency translation adjustment	-1	1	0	0	0
Additions during the year	0	10	2	0	12
Disposals during the year	0	0	-33	-4	-37
Cost at December 31, 2023	**24**	**63**	**199**	**34**	**320**
Value adjustment at January 1, 2023	0	0	9	-7	2
Profit/loss for the year	-2	0	0	0	-2
Disposals during the year	0	0	33	0	33
Value adjustments for the year	0	0	8	0	8
Value adjustment at December 31, 2023	**-2**	**0**	**50**	**-7**	**41**
Carrying amount at December 31, 2023	**22**	**63**	**249**	**27**	**361**

DKK million	2024	2023
Result of investments in joint ventures		
Share of result of joint ventures, net of tax	-16	-2
Total result of investments in joint ventures and associated companies	**-16**	**-2**

Investments in joint ventures and associated companies:

Shaanxi Yanchang Topsoe Catalytic Technologies Co, Ltd., Weinan, China
During 2022, the Group invested DKK 8 million in Shaanxi Yanchang Topsoe Catalytic Technologies Co, Ltd., corresponding to 49% of the share capital. In 2023 and 2024, no further investment has been made. The joint venture is a limited liability company. The company operates a minor productionline.

The share of net result after tax is DKK -1 million (2023: -2 million)

Zaffra B.V., Netherlands
Zaffra B.V. is a joint venture (50:50) between Topsoe and Sasol, created to pursue the production of sustainable aviation fuel (SAF). The business objectives of the company are to develop projects to build, own and operate facilities to produce SAF within the next decade. Topsoe´s share of the net result is DKK -16 million.

Other securities and investments:

DKK million	2024	2023
Listed equity investments - Level 1	**2**	**1**
Unlisted equity investments - Level 3:		
Karnaphuli Fertilizer Limited, Dhaka, Bangladesh (KAFCO)	156	156
Ramagundam Fertilizers and Chemicals Limited	68	67
Liquid Wind, SE	47	21
Other	5	4
Fair value of other equity investments	**278**	**249**

Listed equity investments
Topsoe owns some smaller investments in publicly traded companies measured at latest public available share prices, attributable to the fair value hierarchy 1. The fair value at end of 2024 amounts to DKK 2 million (2023: DKK 1 million). Fair value adjustment for the year is DKK 1 million.

Karnaphuli Fertilizer Limited, Dhaka, Bangladesh (KAFCO)
The Group holds shares in KAFCO of nominally BDT 692 million, which equals 15% of the shares in KAFCO. The shares are measured at fair value based on a discounted cash flow calculation using the present forecast and expectations to business development of KAFCO.

3.4 Other non-current assets (continued)

The fair value of the investment is DKK 156 million. No fair value adjustments have been made in 2024 (or 2023), as the valuation from 2022 has not been updated due to the uncertain polical situation in Bangladesh.

Ramagundam Fertilizers and Chemicals Limited, New Delhi, India
The Group an investment in Ramagundam Fertilizers and Chemicals Limited, corresponding to 4% of the share capital. The company is constructing a fertilizer plant in India.

The fair value of the investment is DKK 68 million. In 2024, the fair value has been adjusted by DKK 1 million.

Liquid Wind, SE
At the end of 2023, the Group invested a total of DKK 12 million in Liquid Wind (2022: 9 MDKK), corresponding to approx. 4.9% of the share capital. The purpose of the company is to develop, finance, build and manage commercial-scale eMethanol facilities. The fair value of the investment is calculated to be DKK 47 million at year end 2024 (2023: DKK 21 million), by applying the latest known price of shares sold between independent parties categorized as a Fair value level 3 as these observations are not directly observable.

General information and key assumptions
The valuation of unlisted equity investments in KAFCO and Ramagundam is based on the net present value of the expected future cash flows using a discount rate based on the risk inherent and investment-specific assumptions as set out below. As a minority shareholder, Topsoe receives yearly financial updates/annual reports from the companies and other information from the management of the companiesand a team in the Group's finance department then reviews the calculations and/or updates the internal valuations. The Group's finance department also has a team that reviews and/or performs the valuations of financial items required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO). Discussions of valuation processes and results are held between the CFO, the valuation team and the finance department at least once every six months, in line with the Group's half-yearly reporting periods.

The basis for the fair value calculations is the pre-tax cash flow from most recent budgets, financial forecasts for a 5-10 year period an a subsequent terminal period.

The following information summarizes the quantitative information about the significant unobservable inputs used in level 3 fair value measurements and how a reasonable change in the input would affect the fair value:

Unlisted equity investments significant unobservable inputs

	Range of inputs	
%	2024	2023
KAFCO		
Yearly earnings margin, short medium term / Average	11%/ 11%	11% / 11%
Earnings margin, long term	10%	10%
Perpetual growth rate	2%	2%
Risk adjusted discount rate	11%	11%

A change in the yearly earnings margin with +/- 5% point would incur a change in fair value of DKK 67 million and DKK -67 million, respectively.

A change in the perpetual growth rate in the terminal period with +/- 1% point would incur a change in fair value of DKK 10 million and DKK -17 million, respectively.

A change in the risk adjusted discount rate with +/- 1% point would incur a change in fair value of DKK -14 million and DKK 17 million, respectively.

	Range of inputs	
	2024	2023
RAMAGUNDAM		
Yearly earnings margin, short medium term / Average	14% - 18%/ 16%	6% - 15% / 11%
Earnings margin, long term	13%	11%
Perpetual growth rate	2%	0%
Risk adjusted discount rate	14%	11%

A change in the yearly earnings margin with +/- 5% point would incur a change in fair value of DKK 70 million and DKK -70 million, respectively.

A change in the perpetual growth rate in the terminal period with +/- 1% point would incur a change in fair value of DKK 17 million and DKK -14 million, respectively.

A change in the risk adjusted discount rate with +/- 1% point would incur a change in fair value of DKK -19 million and DKK 23 million, respectively.

Liquid Wind AB

Share price, non-listed negotiated price

A change in the share price directly corresponds to the fair value recognized. A change in share price of +/- DKK 5 in share price would incur a change in fair value of DKK 3 million and DKK -3 million, respectively.
As the company is in its start-up phase, there are no realiable forecasts and budget available for calculation of fair value and valuations technique, however the fair value measurement is done by using the most recent entry share price for new external investors.

3.5 Inventories

Accounting policies

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.

Accounting estimates and judgements

The calculation of indirect production costs is reviewed on a regular basis to ensure that all relevant assumptions such as prices, production yield and capacity utilization are incorporated correctly. Changes in the assumptions could have a significant impact on the gross margin and the overall measurement of inventories.

Inventories are written down to net realizable value if this is lower than cost. A potential impairment requirement is primarily assessed based on production quality and the development in sales market. The net realizable value is calculated as the revenue expected to be generated less selling expenses.

DKK million	2024	2023
Inventories		
Raw materials and consumables	669	683
Work in progress	201	243
Finished goods	1,379	1,215
Inventories at December 31	**2,249**	**2,141**
Cost of sales for the year	**3,504**	**4,604**
Write-down of inventories		
Impairment at January, 1	97	98
Foreign currency translation adjustment	2	-1
Additions during the year	85	66
Reversals during the year	-5	-61
Realized during the year	-12	-5
Write-down at December 31	**167**	**97**

Reversal of write-down is attributable to disposal or reuse of impaired goods in the production.

As of 31 December 2024 the indirect production cost capitalised as inventory amounts to DKK 415 million (2023:DKK 390 million).

3.6 Trade receivables

Accounting policies

Trade receivables are measured in the balance sheet at amortized cost less expected credit loss.

Accounting estimates and judgements

The expected credit loss is based on historical credit loss experience combined with forward-looking information.

DKK million	Gross trade receivables	Expected loss rate (%)	Loss allowance	Trade receivables
Ageing of trade receivables and expected credit loss, 2024				
Not due	1,542	0	0	1,542
1-90 days	310	0	0	310
91-180 days	65	0	0	65
181-360 days	47	28	-13	34
360+ days	35	66	-23	12
At December 31, 2024	**1,999**		**-36**	**1,963**
Ageing of trade receivables and expected credit loss, 2023				
Not due	974	0	0	974
1-90 days	233	0	0	233
91-180 days*	434	0	0	434
181-360 days	17	40	-7	10
360+ days	43	45	-19	24
At December 31, 2023	**1,701**		**-26**	**1,675**

* DKK 297 million relates to invoiced amounts not yet recognized as income.

3.6 Trade receivables (continued)

DKK million	2024	2023
Loss allowance		
Loss allowance at January 1	26	43
Foreign currency translation adjustment	1	-1
Additions during the year	25	4
Reversals during the year	0	-20
Realized during the year	-16	0
Loss allowance at December 31	**36**	**26**
Trade receivables due after more than 1 year	2	0

3.7 Contract assets and liabilities

Accounting policies

Contract work in progress

Contract work in progress is measured at the selling price of the work completed calculated on the basis of the percentage-of-completion. The percentage of-completion is determined on the basis of the share of contract costs incurred compared to the forecasted contract costs. This method is found to be the best method to reflect the progress.

Prepayments are offset against contract work in progress. Received payments on account exceeding the selling price of the work completed are recognized in contract work in progress under current liabilities, whereas contract assets occures when the selling price of the work completed exceeds the received payments.

Where it is probable that total contract cost will exceed the total revenue from a contract, the expected loss is recognized as a cost in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of costs incurred and net realizable value.

Please refer to accounting estimates and judgements in note 2.1 Revenue.

3.7 Contract assets and liabilities (continued)

DKK million	2024	2023
Contract assets and liabilities		
Contract work in progress	372	328
Contract assets at December 31	**372**	**328**
Contract work in progress	940	915
Prepayments from customers related to catalysts, etc.	325	461
Contract liabilities at December 31	**1,265**	**1,376**

Net contract work in progress has increased due to revenue recognition exceeding actual invoicing during the year, mainly impacting contract liabilities.

DKK million	2024	2023
Contract work in progress		
Selling price of work completed at the balance sheet date	6,741	6,775
Payments received on account	-7,309	-7,362
Contract work in progress at December 31	**-568**	**-587**
Contract work in progress recognized in contract assets	372	328
Contract work in progress recognized in contract liabilities	-940	-915
Contract work in progress at December 31	**-568**	**-587**
Net contract assets and liabilities at January 1	**-1,048**	**-1,630**
Additions during the year	-2,066	-1,728
Recognized during the year	2,221	2,310
Net contract assets and liabilities at December 31	**-893**	**-1,048**

Topsoe uses the simplified approach according to IFRS 9 when assessing impairment on the work in progress net balances. In addition to this Topsoe evaluates on a contract by contract basis and if an impairment on a contract is probable we recognise the expected loss and a related provision.

3.8 Other receivables and prepayments

Accounting polices

Other receivables are measured at amortized cost.

Expenses relating to sales work and the winning of contracts are recognized in the income statement as incurred, except agent commissions which are recognized when the relevant performance obligations have been delivered - either at a point in time or over time.

DKK million	2024	2023
Other receivables and prepayments		
Indirect tax receivables	80	152
Derivatives	0	2
Other receivables	37	22
Prepayments	146	327
Other receivables and prepayments at December 31	**263**	**503**
Agent commission for obtaining contracts		
Agent commission recognized as prepayments	9	14
Agent commission recognized in the income statement during the year.	31	27

3.9 Pension obligations

Accounting policies

For defined benefit plans, the costs and obligations for the year are determined using the projected unit credit method. This reflects services rendered by employees up to the valuation dates and is based on actuarial assumptions primarily regarding discount rates used in determining the present value of benefits and projected increase in wages.

Differences between the calculated development in pension obligations and plan assets and the realized values are recognized in other comprehensive income as actuarial gains or losses.

Changes in pension obligations for employees' past services result in an adjustment of the actuarial calculation of the present value, which is classified as past service costs. Past service costs are charged to the income statement immediately if the employees have already earned the right to the adjusted benefits. Otherwise, they will be recognized in the income statement over the period in which the employees earn the right to the adjusted benefits.

Pension plan assets are only recognized to the extent that the Group is able to derive future economic benefits such as refunds from the plan or reductions of future contributions.

Actuarial valuations of the present value of pension obligations are performed annually.

DKK million	**2024**	**2023**
Net pension obligations		
Present value of pension obligations at January 1	212	214
Foreign currency translation adjustment	11	-6
Pension costs	5	4
Calculated interest on obligation	11	10
Actuarial gains and losses, demographic assumption	8	8
Actuarial gains and losses, financial assumption	-3	2
Pension paid	-13	-11
Pension paid for settlements	-12	-9
Present value of pension obligations at December 31	**219**	**212**
Fair value of pension plan assets at January 1	239	234
Foreign currency translation adjustment	15	-8
Calculated interest on pension assets	11	10
Return on plan assets excl. interest on pension assets	19	20
Paid by the Group	5	3
Pension paid	-13	-11
Pension paid for settlements	-12	-9
Fair value of pension plan assets at December 31	**264**	**239**
Net pension assets at December 31	**45**	**27**
Recognized as assets	84	63
Recognized as liabilities	-39	-36
Pension costs		
Pension costs	5	4
Terminated pension schemes	1	0
Interest expenses	11	10
Interest income on plan assets	-11	-10
Total pension related to defined benefit recognized in staff costs	**6**	**4**
Weighted average duration of the defined benefit obligations (in years)	6.0 - 9.9	6.0-9.9

Expected defined benefit pension payments by the Group in 2025 amount to DKK 26 million.

3.9 Pension obligations (continued)

Percentage	2024	2023
Composition of plan assets, %		
Shares	12	67
Bonds	43	33
Real estate	34	0
Other	11	0
Composition of plan assets at December 31	**100**	**100**
Applied actuarial assumptions, %		
Discount rate	3.2-7.5	3.8-7.5
Future wage increases	2.5-10	2.5-10.0
Life expectancy assumptions are based on Pri-2012 Private Retirement Plans Mortality Tables projected with Mortality Improvement Scale MP-2021		
Weighted average		
Discount rate	5.3%	4.7%
Future wage increases	3.9%	3.1%

DKK million	2024	2023
Sensitivity analysis of impact on pension obligation		
0.5%-point increase on discount rate	-3	-3
0.5%-point decrease on discount rate	4	3
0.5%-point increase on future wage increase	0	0
0.5%-point decrease on future wage increase	0	0
Life expectancy increase of 1 year	-4	-3
Life expectancy decrease of 1 year	4	3

The Group has entered into pension plans with a considerable number of its employees. Most of the plans are defined contribution plans and only a small part is defined benefit plans.

Defined contribution plans
The Group finances the plans by currently paying a premium to independent insurance companies that are responsible for the pension obligations. Once the pension contributions to the defined contribution plans have been paid, the Group has no further pension obligations to current or terminated employees.

Defined benefit plans
The Group has made agreements with specific groups of employees regarding payment of certain benefits, including pension. These pensions mainly relate to certain employees in the Group's US subsidiary where the plan partly consists of a basic pension and partly of an additional pension for selected members of US management. The pension obligations are partly hedged through an independent fund. Actuarial valuation is performed annually. In addition, employees in India and Germany are covered by defined benefit plans.

The majority of the obligations are funded with assets placed in independent pension funds mainly in the US. Most of the plan assets are quoted investments.

3.10 Provisions and contingent liabilities

Accounting policies

Provisions are recognized when, due to an earlier event, the Group has a legal or constructive obligation and it is expected that the settlement of the obligation will require an outflow of resources.

Provisions are measured on the basis of Management's best estimate of the amount at which the obligation is expected to be met and are discounted if deemed material.

Contingent liabilities comprise possible obligations which have not yet been confirmed or cannot be measured reliably, but which result in outflow of resources if realized.

Accounting estimates and judgements

The warranty provisions are based on historical levels as well as estimated amounts required for settling specific warranty cases. Furthermore, the warranty provision for engineering projects reflects the expected risk associated with the various technologies. Warranty provisions can be impacted by unexpected quality issues on our catalyst or technology solutions.

Management continuously assesses provisions, including contingencies and the likely outcome of pending and potential legal proceedings. The outcome of these depends on future events which are uncertain by nature.

The assessments may involve advice from external experts and legal advisors.

DKK million	Warranty provision for engineering projects	Warranty provision for catalysts	Other	Total
Provisions, 2024				
Provisions at January 1, 2024	71	102	11	184
Provisions during the year	31	0	170	201
Reversals during the year	-28	-19	-11	-58
Realized provisions during the year	-8	-2	0	-10
Provisions at December 31, 2024	**66**	**81**	**170**	**317**

Provisions related to special items, cf. note 2.4, of DKK 170 million is included in Other provisions and is expected to be recognised after 1 year.

The majority of the warranty provisions are expected to be recognized after 1 year.

DKK million	Warranty provision for engineering projects	Warranty provision for catalysts	Other	Total
Provisions, 2023				
Provisions at January 1, 2023	143	58	10	211
Provisions during the year	40	44	1	85
Reversals during the year	-92	0	0	-92
Realized provisions during the year	-20	0	0	-20
Provisions at December 31, 2023	**71**	**102**	**11**	**184**

The majority of the warranty provisions are expected to be recognized after 1 year.

3.10 Provisions and contingent liabilities (continued)

DKK million	2024	2023
Ageing of guarantees issued on the Group's behalf for project-related risk		
Less than 1 year	420	459
Between 1 and 5 years	393	206
After 5 years	41	31
Guarantees issued at December 31	**854**	**696**

Guarantees have been issued by banks and credit insurance institutions to customers on the Group's behalf to cover project-related risk, such as received prepayments and performance. In the event that a guarantee materializes, banks and credit insurance institutions have recourse against the Group. In the event that a guarantee is expected to materialize, a provision is recognized.

DKK million	2024	2023
Guarantees issued by the Group		
Guarantee issued by the Group in relation to the Employee Share Program, expires 2025	2	2
Guarantees issued by the Group at December 31	**2**	**2**

Contingent liabilities and contingent assets
The Group is a party to a number of court cases and legal disputes. Management assesses that none of these will significantly impact the Group's financial position.

Topsoe has won an arbitration case in 2024 and is to have costs reedeemed, but as of December 31, 2024 the amount to be received cannot be assed reliably.

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

There are no significant contingent assets or liabilities apart from the above.

3.11 Other payables

Accounting policies
Other payables are measured at amortized cost, mainly corresponding to nominal value.

DKK million	2024	2023
Other payables		
Staff-related items	534	524
Other payables	103	111
Other payables at December 31	**637**	**635**
Classification of other payables		
Non-current liabilities	108	99
Current liabilities	529	536
Other payables at December 31	**637**	**635**

Staff-related items primarily comprise employee holiday provision, provision for Group bonus and payroll taxes due.

3.12 Deferred income

Accounting policies

Deferred income comprises payments received in respect of income in subsequent years related to government grants.

DKK million	**2024**	**2023**
Deferred income	339	45
	339	**45**

Included in deferred income at the end of 2024 is DKK 280 million corresponding to the first portion of EUR 94 million granted from the EU Innovation Fund to partially fund construction of the SOEC production site in Herning.

It is expected that recognition of the grant in the income statement will commence in 2025.

Also refer to note 2.2 regarding Other operating income.

4 Capital structure and financial items

4.1 Equity, dividend and earnings per share

Accounting policies

Share premium
The share premium consists of the difference between the par value of the shares issued and the issue price.

Reserves
The foreign currency translation reserve comprises all translation adjustments arising from the translation of financial statements of Group enterprises with a functional currency other than Danish kroner as well as translation adjustments concerning non-current inter-company balances that are considered a part of the net investment in such enterprises.

Reserve for financial assets measured at fair value comprises the accumulated net change in the fair value of investments in other enterprises classified as financial assets measured at fair value through other comprehensive income.

Treasury share reserve
The reserve comprises the net cost of treasury shares. The reserve includes the price paid when aquired and dividend received on own shares less the value at transfer date.

Treasury shares are bought back to meet obligations under the Group's incentive schemes and to adapt the capital structure.

The reserve is a distributable reserve.

Hedging reserve
The hedging reserve includes the cash flow hedge reserve,. The cash flow hedge reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges, as described in note 4.4. Amounts are subsequently either transferred to the initial cost of inventory or reclassified to profit or loss as appropriate.

Dividend
Proposed dividend for the financial year is recognized in retained earnings.

According to Danish corporate law, reserves available for distribution as dividends are based on the financial statements of the parent company, Topsoe A/S. Dividends are paid from distributable reserves. Share premium is a distributable reserve.

Earnings per share
Earnings per share are presented as both basic and diluted earnings per share. Basic earnings per share are calculated as profit divided by the monthly average number of shares outstanding. Diluted earnings per share are calculated as profit divided by the sum of monthly average number of shares outstanding, including the dilutive effect of the outstanding share pool.

Non-paid capital
Non-paid capital comprises registered capital that has not yet been paid. The reserve is non-distributable.

Number	2024	2023
Shares		
Shares at January 1	385,985,825	385,056,829
Capital increase	217,604	928,996
Shares at December 31	**386,203,429**	**385,985,825**

The nominal value of each share is DKK 1. All issued shares have been paid. No shares carry any special right. The capital increase is due to the Employee Share Program (see note 5.1 Share-based payment for further information).

Of the total number of registered shares 3,443,074 are treasury shares held by the Group at year-end.

DKK million	2024	2023
Dividend		
Proposed dividend, DKK per share	0.39	0.96
Proposed dividend, DKK million	149	369
Paid dividend relating to prior year, DKK per share	0.96	0.73
Paid dividend relating to prior year, DKK million	369	282

Proposed dividend for 2024 will be considered at the Annual General Meeting on April 10, 2025.

In 2024, a dividend for 2023 of DKK 369 million was paid to shareholders.

Capital structure
The capital structure of Topsoe is intended to maintain financial stability, optimize cost of the capital and to ensure financial readiness allowing the Group to act on business opportunities as they present themselves. The gearing ratio was 1.4 at December 31, 2024 (2023: 1.1)

Capital allocation
The dividend policy of Topsoe A/S targets to pay out a total dividend of up to 50% of the net profit distributed to equity holders of Topsoe A/S adjusted for public grants, provided that the capital structure allows this.

4.1 Equity, dividend and earnings per share (continued)

DKK million	2024	2023
Earnings per share		
Net profit, owners of the parent company's share	358	775
Average number of registered shares	386,119,735	385,511,239
Average number of treasury shares	3,472,709	3,689,195
Average number of outstanding shares	382,647,026	381,822,044
Average number of performance shares	1,356,003	698,496
Earnings per share	0.94	2.03
Earnings per share, diluted	0.93	2.03
Treasury shares, nominal		
Treasury shares at January 1	3,547,086	3,654,382
Purchase of treasury shares	284,279	400,652
Sale of treasury shares	-388,291	-507,948
Treasury shares at December 31	**3,443,074**	**3,547,086**

4.2 Hybrid capital

Hybrid capital comprises issued bonds from May 2024 of EUR 200 million. The issued hybrid capital is accounted for as a hybrid capital reserve in equity.

The classification is based on the special characteristics of the hybrid bond, where the bondholders are subordinate to other creditors, and Topsoe A/S may defer and ultimately decide not to pay the coupon. Any deferred coupons outstanding in 3024 will be cancelled. However, deferred coupon payments become payable if Topsoe A/S decides to pay dividends to shareholders. Coupon payments are recognized in equity. For further details on the hybrid capital, please see table below.

As the principal of the securities ultimately falls due in 3024, its discounted fair value is zero due to the terms of the securities. Therefore, a liability of zero has been recognized in the balance sheet, and the full amount of the proceeds has been recognized as equity. Coupon payments are recognized in the cash flow statement in the same way as dividend payments within financing activities.

Coupon payments	
6.750%	6.750%
Nominal value of hybrid capital	EUR 200 million
Classification in financial statements	Equity
Issued	May 2024
Maturing	May 3024
First call date	May 23, 2029
Interest	
For the first four years	6.750%
For the following years	The prevailing 5-year EUR swap rate plus the initial credit spread plus step-up 5.00 per cent

Below is a specification of the cash flow related to the hybrid capital transactions in 2024.

DKK million	2024
Cash flow from issuance of hybrid capital	
Issue of new hybrid capital	1,492
Cost associated with new hybrid capital	-14
Proceeds from issurance of hybrid capital	**1,478**

4.2 Hybrid capital (continued)

Accounting policies

Hybrid capital is treated in accordance with the rules on compound financial instruments based on the characteristics of the bonds. The notional amount, which constitutes a liability, is recognized at present value, and equity has been increased by the difference between the net proceeds received and the present value of the discounted liability. The part of the hybrid capital that is accounted for as a liability is measured at amortized cost. The carrying amount is zero on initial recognition and due to the 1,000-year term of the hybrid capital, amortization charges will only have an impact on the income statement for the years at the end of the 1,000-year term of the hybrid capital. Coupon payments are accounted for as dividends and are recognized directly in equity when the obligation to pay arises. The obligation to pay coupon payments is at the discretion of Group Management and deferred coupon lapses upon maturity of the hybrid capital. Coupon payments are recognized in the cash flow statement in the same way as dividend payments within financing activities. On redemption of the hybrid capital, the payment will be distributed between liability and equity, applying the same principles as used when the hybrid capital was issued. The difference between the payment on redemption and the net proceeds received on issue is recognized directly in equity as the debt portion of the existing hybrid issues will be nil during the first part of the life of the hybrid capital. On the date on which the Board of Directors decides to exercise an option to redeem the hybrid capital, the part of the hybrid capital that will be redeemed will be reclassified to loans and borrowings. The reclassification will be made at the market value of the hybrid capital at the date the decision is made. Following the reclassification, coupon payments and exchange rate adjustments will be recognized in the income statement as financial income or expenses.

4.3 Borrowings and lease liabilities

Accounting policies

Borrowings are initially recognized at the proceeds received net of transaction costs incurred. Subsequently, the loans are measured at amortized cost, corresponding to capitalized value, using the effective interest rate, so that the difference between the proceeds and the nominal value is recognized in the income statement over the term of the loan.

DKK million	Borrowings	Lease liabilities	Other payables	Total
Interest-bearing debt, 2024				
Interest-bearing debt at January 1, 2024	1,157	483	103	1,743
Value adjustment	5	0	0	5
Loans raised	1,538	122	6	1,666
Installments	-1,357	-53	-2	-1,412
Interest-bearing debt at December 31, 2024	**1,343**	**552**	**107**	**2,002**
Of which long-term	448	485	104	1,037
Interest-bearing debt, 2023				
Interest-bearing debt at January 1, 2023	452	505	102	1,059
Value adjustment	1	-6	1	-4
Loans raised	704	24	0	728
Installments	0	-40	0	-40
Interest-bearing debt at December 31, 2023	**1,157**	**483**	**103**	**1,743**
Of which long-term	563	426	96	1,085

Borrowings comprise loans from credit institutions.
Please refer to note 3.3 Right-of-use assets for further information.
Loans raised reported above under Lease liabilities is non-cash.
Borrowings are subject to standard trade covenants as well as certain financial leverage ratio covenants. The covenants as of December 31, 2024, were all met.

4.4 Financial assets and liabilities

Accounting policies

Fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and on the significance of the inputs to the fair value measurement as a whole. The inputs are described as follows:

→ Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

→ Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.

→ Level 3 inputs are fair value measures derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

DKK million	< 1 year	1-5 years	> 5 years	Total payments	Future interests	Carrying amount
Maturity and classification of financial liabilities, 2024						
Borrowings	916	367	126	1,409	-66	1,343
Lease liabilities	83	290	301	674	-122	552
Trade payables	1,384	0	0	1,384	0	1,384
Other financial liabilities	526	10	94	630	0	630
Financial liabilities measured at amortized cost	**2,909**	**667**	**521**	**4,097**	**-188**	**3,909**
Derivatives measured at fair value through income statement	3	0	0	3	0	3
Derivatives measured at fair value through other comprehensive income	1	0	0	1	0	1
Financial liabilities measured at fair value	**4**	**0**	**0**	**4**	**0**	**4**
Financial liabilities at December 31, 2024	**2,913**	**667**	**521**	**4,101**	**-188**	**3,913**
Maturity and classification of financial liabilities, 2023						
Borrowings	621	420	215	1,256	-99	1,157
Lease liabilities	67	230	308	605	-123	482
Trade payables	1,250	0	0	1,250	0	1,250
Other financial liabilities	766	11	94	871	-7	864
Financial liabilities measured at amortized cost	**2,704**	**661**	**617**	**3,982**	**-229**	**3,753**
Derivatives measured at fair value through income statement	0	0	0	0	0	0
Derivatives measured at fair value through other comprehensive income	15	0	0	15	0	15
Financial liabilities measured at fair value	**15**	**0**	**0**	**15**	**0**	**15**
Financial liabilities at December 31, 2023	**2,719**	**661**	**617**	**3,997**	**-229**	**3,768**

4.4 Financial assets and liabilities (continued)

Financial risk

Currencies

As Topsoe operates globally, the income statement, balance sheet, and cash flows are subject to the risk of currency fluctuations, mainly in relation to Topsoe's flows of USD.

Part of this risk is mitigated through natural hedges arising from activities where Topsoe has both income and expenses in the same currency. However, the risk is not fully covered by natural hedges, and consequently, Topsoe hedges certain future cash flows. A 5% change in the DKK/USD exchange rate is assessed to have an EBIT effect of DKK 15-25 million (2023: DKK 15-25 million). Please refer to the table on page 148 for sensitivity analysis.

Interest rates

Topsoe's general interest rate policy is to maintain a loan portfolio where the fixed interest rate portion is kept within a range of 50-75%, while the floating interest rate portion is kept within a range of 25-50%. By the end of 2024, the fixed rate portion stood at 64% (2023: 37%), while the floating rate portion stood at 36% (2023: 63%). We are in compliance with our interest rate policy.

For the floating rate portion of our interest-bearing debt at the end of 2024, an increase in the interest rate level of 1 percentage point will increase interest expenses by DKK 10 million p.a. (2023: DKK 7 million).

Market risk

Commodity price risk is the risk that commodity prices will change in a way that causes economic losses. Topsoe hedges certain materials used for production in order to mitigate such risks. Please refer to the table on page 148 regarding commodity hedges

Credit

The credit risk of Topsoe is primarily related to trade receivables from state, public, and privately-owned corporations. Where feasible, we seek to mitigate credit risk by applying instruments such as letters of credit and bank guarantees as well as selective structuring of payment terms, etc. On a quarterly basis, we assess whether the Group should make accruals for bad debt which is considered unlikely to be collected.

Furthermore, credit risk arises from cash and derivatives. In order to reduce this risk, the Group only deals with financial counterparties who, in the opinion of Management, have satisfactory financial strength. Financial strength towards financial counterparties is viewed satisfactory when possesing a long-term credit rating of ´A-´ or higher from at least one out of the following three selected rating agencies: Standard and Poor's, Moody's or Fitch. In case of multiple ratings, the lower rating shall apply.

At December 31, 2024, the Group considers its maximum credit risk to be DKK 2,731 million (2023: DKK 2,843 million) equal to the total of the Group's financial assets .

Liquidity

Topsoe must maintain sufficient liquidity to fund daily operations, debt service, and expansion. Topsoe's access to liquidity consists of cash and cash equivalents, including access to committed revolving credit facilities. Cash and cash equivalents, undrawn committed credit facilities and free operating cash flow should correspond to at least 1.2x of the liquidity use over the upcoming 12 months.

The Group's derivatives are entered into to hedge the currency risk and accounted for as hedge accounting or economic hedges.

Cash flow hedging

Topsoe uses forward exchange contracts to hedge currency risks and commodity futures to mitigate the risk of price fluctuations on expected future cash flows that meet the criteria for cash flow hedging. Fair value changes for cash flow hedges, which are considered effective, are recognized in other comprehensive income in the hedging reserve. For each reporting date, effectiveness is considered and if the future cash flows are no longer expected to materialize, the accumulated value reported in the hedge reserve is reclassified to financial items in the income statement. In all other cases the accumulated value is reclassified to the income statement in the same line as the hedged item.

Carrying amount, net fair value

	2024		2023	
DKK million	Cash flow hedge	Total hedge	Cash flow hedge	Total hedge
Financial instruments asset	0	0	2	2
Financial instruments liability	-1	-1	-15	-15
Total	**-1**	**-1**	**-13**	**-13**

Ineffectiveness is recognized in the income statement within financial items. Ineffectiveness was immaterial in 2024 and 2023.

At December 31 2024, the fair value of our cash flow hedge instruments amounted to net DKK -1 million (2023: DKK -13 million). The breakdown of the cash flow hedges by most important currencies for each of the years 2024 and 2023 is shown in the table below.

DKK million	2024	2023
Change in cash flow hedge reserve	11	-16
Reclassified from other comprehensive income to work in progress	0	0

4.4 Financial assets and liabilities (continued)

Cash flow hedges

DKK million	2024 Notional amount	2024 Net fair value	2023 Notional amount	2023 Net fair value
Currency				
USD	-99	0	-432	2
Total		**0**		**2**

A negative notional amount represents a sale of the currency. Average currency rate of USD hedged at the end of 2024 was 7.10 (2023: 6.77).

DKK million	2024 Contractual principal amount	2024 Net fair value	2023 Contractual principal amount	2023 Net fair value
Commodity hedges				
Metals	18	-1	54	-15
Total		**-1**		**-15**

In the table 'Transaction impact' a sensitivity analysis is disclosed. The analysis assumes that all other variables, in particular exposures and interest rates, remain constant. The sensitivity analysis shows the gain/loss on net profit and other comprehensive income of a 5% increase in the specified currencies against DKK (a 5% decrease will have a similar opposite effect). The analysis includes the offsetting impact from monetary items and derivatives used to hedge the currency risk. The impact on net profit for the year includes monetary items in foreign currencies that are currency adjusted through the income statement as well as any derivatives used for economic hedging. The impact on other comprehensive income includes the value adjustment on derivatives designated as hedge accounting in effective cash flow hedges.

DKK million	2024 Change	2024 Net profit for the year	2024 Equity	2023 Change	2023 Net profit for the year	2023 Equity
Transaction impact, currency						
USD	5%	16	16	5%	21	21
CNY	5%	17	17	5%	16	16
Total		**33**	**33**		**37**	**37**

A negative notional amount represents a sale of the currency

Fair value of financial assets and liabilities

DKK million	Level 1	Level 2	Level 3
Other securities and investments			
Fair value at December 31, 2024	2	0	276
Value adjustment recognized in the income statement	1	0	26

Please refer to note 3.4 for information on input to valuation of other securities and investments stated at fair value in level 3.

DKK million	Level 1	Level 2	Level 3
Derivatives			
Fair value at December 31, 2024	0	-2	0
Value adjustment recognized in hedging fund under equity	0	11	0

4.5 Financial income and expenses

DKK million	2024	2023
Financial income		
Dividend from other investments	0	92
Interest income	13	13
Foreign currency translation adjustment	228	184
Other financial income	48	9
Total financial income	**289**	**298**
Financial expenses		
Interest expenses	16	39
Foreign currency translation adjustment	166	228
Other financial expenses	117	3
Total financial expenses	**299**	**270**

Interest expenses include interest on financial liabilities measured at amortized cost of DKK 84 million (2023: DKK 48 million).

5 Other notes

5.1 Share-based payment

Accounting policies

Performance shares
The Group's performance shares scheme is equity-settled, measured at the grant date and recognized in the income statement as staff costs over the vesting period. The offsetting item is recognized directly in equity.

The fair value of the performance shares granted is determined based on the external valuations of the Group and comparable peers.

On initial recognition, an estimate is made of the number of share units that the employees are expected to earn. The estimated number of share units is adjusted subsequently to reflect the actual number of share units earned.

Employee Share Program (ESP)
The Employee Share Program is considered an equity-settled program. The discount element, which is the deviation between the employees' share purchase price and the market value, is expensed as a cost in Staff costs during the duration of the program. The offsetting entry is included directly in Retained earnings as a transaction with owners.

The Phantom Program is considered a cash-settled program. The invested amount is considered a non-current liability. The annual fair value adjustment is expensed as cost in Staff costs over the service period.

No. of shares	2024	2023
Performance shares	**1,158,116**	**238,875**
Granted during the year	449,003	934,106
Cancelled during the year	-53,229	-14,865
No. of shares at December 31	**1,553,890**	**1,158,116**

Share-based incentive schemes
In 2021, the Group launched incentive share-based payment schemes for the purpose of motivating and retaining selected employees, senior leaders and members of the Executive Team.

Retention is motivated by requiring continued service for a period covering the vesting period as a minimum. The schemes are also intended to align the interests of employees and share-holders.

As of December 31, 2024 the company has 3 long term incentive plans and participation is as follows:

2022 – 2024 LTI covering 24 employees

2023 – 2025 LTI covering 29 employees

2024 - 2026 LTI covering 30 employees

Total costs recognized in 2024 for all 3 plans amounted to DKK 6 million (2023: DKK 22 million).

The fair value of each performance share scheme at December 31, 2024, including 10% forfeiture rate, is estimated as

2022 – 2024 LTI – DKK 2.5 million (2023: DKK 6.5 million)

2023 – 2025 LTI – DKK 10 million (2023: DKK 4.3 million)

2024 – 2026 LTI – DKK 4.2 million

Employee Share Program

The Employee Share Program (ESP) was launched in 2019 with enrollment in February 2020. Employees at all levels have been offered the opportunity to acquire shares in Topsoe A/S at market value by investing an amount equal to ½, 1 or 2 months' salary. For every four shares purchased at market value, employees purchased a fifth share at a price of DKK 1. An annual investment window will be open to new employees. The program expired by December 31, 2024 and Topsoe will buy back the shares during Q1 2025.

In 2024, no additional employees enrolled in the program.

Good leavers (mainly employees who retire or are dismissed) can choose to keep the shares until the program expires or sell the shares to a purchaser designated by the Group in the next annual window at the fair market price. Resigning participants must sell the shares to a purchaser designated by the Group in the next annual window at the lower of the invested amount plus an amount for the fifth share that increases to the price paid for the four shares during the period or the fair market price.

In some countries, participation in the ESP is not possible due to local legislation. Instead, employees in these countries have been offered to participate in a Phantom Program. The participating employees have invested an amount equal to ½, 1 or 2 months' salary and are granted phantom shares in Topsoe A/S at principles equal to the ESP. At the time of expiry of the program, employees will be refunded based on the fair value of the phantom shares.

In 2024, no employees enrolled in the Phantom Program.

5.2 Fee to auditors

DKK million	2024	2023
Audit and audit-related fees		
Statutory audit fee	4	3
Other assurance statements	2	0
Non-audit services		
Tax assistance	5	3
Other assistance	5	7
Total fee to auditors	**16**	**13**

PwC Denmark is Topsoe's auditor appointed by the Annual General Meeting. Fees for audit and audit-related services and non-audit services from PwC Denmark to Topsoe amounted to DKK 16 million (2023: DKK 13 million).

5.3 Related parties

Main shareholders
Topsøe Holding A/S, Lyngby, Denmark - control
Dahlia Investments Pte. Ltd., Singapore - minority with significant influence

Intercompany transactions have been eliminated in the consolidated financial statements.

DKK million		2024	2023
Transactions with parent company			
Management fee received from the parent company		2	1
Receivables from the parent company at December 31		2	6
Dividend paid to Topsoe Holding A/S		252	193
Hybrid Bond investment by Topsoe Holding A/S		75	0
Related parties	**Transactions**		
Companies under common control	Rent	5	4
	Deposit	2	2
Joint venture	Project revenue	0	0

For remuneration to Senior Leadership Team and Board of Directors, please refer to note 2.3 Staff costs.

5.4 Cash flow specifications

DKK million	2024	2023
Adjustments for non-cash items		
Gain and losses from disposal of assets	-2	-1
Special items, impairment non-cash	50	-18
Gain from divestment of associated companies	0	11
Change in provisions, non cash	135	32
Other adjustments	125	-27
Total adjustments for non-cash items	**308**	**-3**
Change in working capital		
Increase (-) / decrease in inventories	-72	273
Increase (-) / decrease in trade receivables	-241	-192
Increase / decrease (-) in contract assets and liabilities	-20	-563
Increase / decrease (-) in trade payables, etc.	147	428
Total change in working capital	**-186**	**-54**

The numbers in the table above cannot be derived directly from the balance sheet.

5.5 Commitments

DKK million	2024	2023
Contractual obligations		
Purchase obligations relating to property, plant and equipment and intangible assets	322	747
Lease obligations related to software, IT service and maintainance agreements, running up to 9 years	85	33
Investment obligations related to investing in companies included under non-current assets	0	0
Contractual obligations at December 31	**407**	**780**
Ageing of contractual obligations		
Less than 1 year	309	615
Between 1 and 5 years	97	163
After 5 years	1	2
Contractual obligations at December 31	**407**	**780**

5.6 Events after the balance sheet date

Topsoe has admitted the corporate bond for trading and official listing with effect from 20 January 2025 on Nasdaq Copenhagen, cf. note 4.2 regarding Hybrid Capital.

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

5.7 Group enterprises

Company	Country	Ownership share	Activity
Topsoe A/S (Parent)	Denmark		P, S,R,O
Topsoe América Latina S.A.	Argentina	100%	S
Topsoe Australia Pty. Ltd.	Australia	100%	S
Haldor Topsoe do Brasil Tecnologia e Servicos em Catalisadores Eireli	Brazil	100%	S
Haldor Topsoe Canada Limited	Canada	100%	S
Topsoe (Beijing) Co. Ltd	China	100%	P, S
Topsoe International A/S	Denmark	100%	S
Subcontinent Ammonia Investment Company ApS	Denmark	100%	O
Topsoe Project Investment A/S	Denmark	100%	O
T Ramagundam A/S	Denmark	100%	O
Topsoe Power-to-X Holding A/S	Denmark	100%	O
Topsoe SOEC Production A/S	Denmark	100%	P
Topsoe PtX Denmark A/S	Denmark	100%	O
Topsoe Battery Materials A/S	Denmark	100%	S, R
Topsoe Battery Materials GmbH	Germany	100%	O
Topsoe Germany GmbH	Germany	100%	S
Topsoe India Pvt. Ltd.	India	100%	S, O
Topsoe Sdn. Bhd.	Malaysia	100%	S
Topsoe De Mexico, S. A. de C. V.	Mexico	100%	S
OOO Haldor Topsøe, under liquidation	Russia	100%	O
Topsoe, Inc.	US	100%	P, S
Topsoe Project Development U.S. Inc.	US	100%	O
Topsoe PtX US Inc.	US	100%	O
Topsoe eCOs Inc.	US	100%	O
Topsoe SOEC Production US Inc.	US	100%	O

P: Production S: Sales R: R&D O: Other

FINANCIAL STATEMENTS OF TOPSOE A/S

Income statement of Topsoe A/S 155
Balance sheet of Topsoe A/S 156
Statement of changes in equity of Topsoe A/S 158

Notes

1 Accounting policies **159**
2 Revenue **159**
3 Staff costs **160**
4 Special items: **160**
5 Result of investments in Group enterprises, joint ventures, and associated companies **160**
6 Financial income **160**
7 Financial expenses **161**
8 Proposed distribution of profit **161**
9 Intangible assets **161**
10 Property, plant and equipment **162**
11 Right-of-use assets **162**
12 Investments **163**
13 Inventories **165**
14 Contract work in progress **165**
15 Deferred tax **165**
16 Provisions **165**
17 Non-current liabilities **166**
18 Share-based payment **166**
19 Guarantees **167**
20 Contractual obligations **167**
21 Contingent liabilities **167**
22 Fee to auditors appointed at the general meeting **167**
23 Related parties **167**
24 Fair value financial assets and liabilities **168**
25 Subsequent events **168**
26 Consolidated financial statements **168**

Income statement of Topsoe A/S

DKK million	Note	2024	2023
Revenue	2	**6,965**	**7,893**
Change in inventories of finished goods and intermediate products		-7	-21
Other operating income		97	69
Purchased equipment for contract work		-496	-580
Raw materials and consumables used		-2,523	-3,188
Other external expenses	4	-1,537	-1,590
Gross profit		**2,499**	**2,583**
Staff costs	3	-1,735	-1,634
Depreciation, amortization and impairment losses		-291	-259
EBIT		**473**	**690**
Result of investments in Group enterprises, joint ventures, and associated companies	5	130	279
Financial income	6	236	131
Financial expenses	7	-222	-165
Profit before tax		**617**	**935**
Tax		-169	-144
Net profit	8	**448**	**791**

Balance sheet of Topsoe A/S

DKK million	Note	2024	2023
Assets			
Rights		0	0
Patents		139	130
Software		123	72
Intangible assets under construction		102	107
Intangible assets	9	**364**	**309**
Land and buildings		308	291
Plant and machinery		456	309
Other fixtures and equipment		309	177
Property, plant and equipment under construction		706	526
Property, plant and equipment	10	**1,779**	**1,303**
Right-of-use assets	11	**414**	**357**
Investments in Group enterprises		2,187	2,209
Investments in joint ventures		24	21
Receivables from Group enterprises		2	32
Other securities and investments		6	5
Other receivables		24	13
Investments	12	**2,243**	**2,280**
Non-current assets		**4,800**	**4,249**

DKK million	Note	2024	2023
Inventories	13	**1,378**	**1,396**
Trade receivables		1,064	1,226
Contract work in progress	14	351	342
Receivables from Group enterprises		3,619	1,350
Other receivables		110	235
Tax receivable		0	23
Prepayments		142	180
Receivables		**5,286**	**3,356**
Cash		**18**	**113**
Current assets		**6,682**	**4,865**
Assets		**11,482**	**9,114**

Balance sheet of Topsoe A/S (continued)

DKK million	Note	2024	2023
Equity and liabilities			
Share capital		386	386
Share premium		302	295
Treasury shares		-153	-147
Net revaluation reserve according to the equity method		758	808
Hedging reserve		-1	-12
Reserve for development costs		193	118
Reserve for Employee Share Program		36	37
Retained earnings		2,174	1,865
Proposed dividends		149	354
Equity attributed to the owners of Topsoe A/S		**3,844**	**3,704**
Hybrid capital		1,540	0
Equity		**5,384**	**3,704**
Deferred tax	15	596	557
Provisions	16	298	183
Borrowings	17	448	563
Lease liabilities	17	418	367
Other payables	17	105	97
Non-current liabilities		**1,865**	**1,767**

DKK million	Note	2024	2023
Borrowings	17	895	594
Lease liabilities	17	51	40
Deferred income		339	46
Prepayments from customers		283	395
Contract work in progress	14	903	884
Trade payables		1,082	1,096
Tax payables		107	0
Payables to Group enterprises		143	161
Other payables		430	427
Current liabilities		**4,233**	**3,643**
Liabilities		**6,098**	**5,410**
Equity and liabilities		**11,482**	**9,114**

Statement of changes in equity of Topsoe A/S

DKK million	Share capital	Share premium	Treasury shares	Net revaluation reserve according to the equity method	Reserve for development costs	Hedging reserve	Reserve for Employee Share Program	Retained earnings	Proposed dividend	Equity attributable to the owners of Topsoe A/S	Hybrid capital	Total equity
Equity at January 1, 2024	**386**	**295**	**-147**	**808**	**118**	**-12**	**37**	**1,865**	**354**	**3,704**	**0**	**3,704**
Net profit	0	0	0	-162	0	0	0	399	149	386	62	448
Fair value adjustment of hedging reserve	0	0	0	0	0	11	0	0	0	11	0	11
Other adjustments	0	0	1	0	0	0	0	0	0	1	0	1
Currency translation differences	0	0	0	112	0	0	0	0	0	112	0	112
Capitalized development projects	0	0	0	0	75	0	0	-75	0	0	0	0
Net profit and income and expenses recognized under equity	**0**	**0**	**1**	**-50**	**75**	**11**	**0**	**324**	**149**	**510**	**62**	**572**
Capital increase	0	7	0	0	0	0	0	0	0	7	0	7
Purchase of own shares	0	0	-10	0	0	0	0	0	0	-10	0	-10
Sale of own shares	0	0	0	0	0	0	0	0	0	0	0	0
Hybrid capital issuance	0	0	0	0	0	0	0	0	0	0	1,478	1,478
Employee Share Program – value of employee services	0	0	0	0	0	0	-1	0	0	-1	0	-1
Share-based payment	0	0	0	0	0	0	0	0	0	0	0	0
Dividend paid	0	0	3	0	0	0	0	-15	-354	-366	0	-366
Transactions with owners	**0**	**7**	**-7**	**0**	**0**	**0**	**-1**	**-15**	**-354**	**-370**	**1,478**	**1,108**
Equity at December 31, 2024	**386**	**302**	**-153**	**758**	**193**	**-1**	**36**	**2,174**	**149**	**3,844**	**1,540**	**5,384**

1 Accounting policies

Basis of preparation
The financial statements for 2024 of Topsoe A/S have been prepared in accordance with the requirements of the Danish Financial Statements Act for class C large companies.

The accounting policies are unchanged from last year.

The applied accounting policies are similar to those of the Group except for the following matters:

Currency translation
Foreign currency adjustments of balances considered part of the total net investment in enterprises which have a functional currency other than Danish Kroner (DKK) are recognized in the income statement of the parent company under financials.

Other securities and investments
Investments in other enterprises are measured at fair value. Fair value adjustments are recognized in the income statement under financial income or financial expenses.

Investments in Group enterprises
Investments in Group enterprises are recognized and measured under the equity method.

Group enterprises with negative equity are measured at DKK 0 million, and receivables from these Group enterprises are written down by the parent company's share of the negative equity if they are 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 proportionate share of the result after tax is included in the income statement under result of investments in Group enterprises, joint ventures and associated companies.

Reserves
Reserve for development costs comprises development costs after depreciation and tax for self-constructed development projects.

Cash flow statement
No separate cash flow statement has been prepared for the parent company, as the parent company's cash flow statement is included in the consolidated cash flow statement.

2 Revenue

DKK million	**2024**	**2023**
Revenue split on categories and recognition method		
Revenue recognized at a point in time	4,868	5,647
Catalyst revenue	**4,868**	**5,647**
Revenue recognized at a point in time	184	330
Revenue recognized over time	1,913	1,916
Technology revenue	**2,097**	**2,246**
Total revenue	**6,965**	**7,893**
Revenue per region		
EMEA	2,961	3,645
Americas	2,209	2,492
Asia Pacific	1,795	1,756
Total revenue	**6,965**	**7,893**

3 Staff costs

DKK million	2024	2023
Wages, salary and other remuneration	1,601	1,478
Pension cost	168	147
Social security cost and other staff costs	85	85
Total	**1,854**	**1,710**
Transferred to assets	-119	-76
Total staff costs	**1,735**	**1,634**
Executive Management, salary and pension	44	49
Fee to Board of Directors	10	7
Total remuneration to Executive Management and Board of Directors	**54**	**56**
Average number of employees	1,918	1,834

4 Special items:

In 2024, restructuring costs of DKK 17 million (2023: DKK 2 million) consisted of expenses and adjustments related to the closure of our business in Russia in 2022., which has been recognised in Other external expenses.

As a result of reassessments and commitments regarding the environmental impact of our production sites and decommissioning of closed production lines, Management has allocated a total of DKK 100 million for restoration costs associated with two production lines in Denmark, which has been recognized as Other external expenses.

Additionally, there was a release of trapped cash amounting to DKK 4 million (2023: DKK 4 million) related to financial income.

5 Result of investments in Group enterprises, joint ventures, and associated companies

DKK million	2024	2023
Share of result of Group enterprises, net	147	278
Change in intercompany profit	-16	2
Share of result of joint ventures and associated companies, net	-1	-1
Total income from investments in Group enterprises, joint ventures, and associated companies	**130**	**279**

6 Financial income

DKK million	2024	2023
Interest received from Group enterprises	43	36
Interest income	7	7
Foreign currency translation adjustment	133	84
Other financial income	53	4
Total financial income	**236**	**131**

7 Financial expenses

DKK million	2024	2023
Interest expenses to Group companies	13	9
Interest expenses	6	32
Foreign currency translation adjustment	87	120
Other financial expenses	116	4
Total financial expenses	**222**	**165**

8 Proposed distribution of profit

DKK million	2024	2023
Proposed dividend	149	354
Hybrid capital	62	0
Net revaluation reserve according to the equity method	-162	198
Retained earnings	399	239
Total proposed distribution of profit	**448**	**791**

9 Intangible assets

DKK million	Rights	Patents	Software	Assets under construc- tion	Total Intangible assets
Cost at January 1, 2024	0	206	269	107	582
Additions during the year	0	42	19	77	138
Disposals during the year	0	-12	-9	0	-21
Transfers during the year	0	1	81	-82	0
Cost at December 31, 2024	**0**	**237**	**360**	**102**	**699**
Amortization and impairment losses at January 1, 2024	0	76	197	0	273
Amortization for the year	0	31	49	1	81
Disposals during the year	0	-9	-9	-1	-19
Amortization and impairment losses at December 31, 2024	**0**	**98**	**237**	**0**	**335**
Carrying amount at December 31, 2024	**0**	**139**	**123**	**102**	**364**

10 Property, plant and equipment

DKK million	Land and buildings	Plant and machinery	Other fixtures and equip-ment	Assets under construc-tion	Total Property, plant & equipt-ment
Cost at January 1, 2024	611	2,046	1,036	526	4,219
Additions during the year	16	33	93	1,524	1,666
Disposals during the year	0	-21	-93	-1,023	-1,137
Transfers during the year	16	164	141	-321	0
Cost at December 31, 2024	**643**	**2,222**	**1,177**	**706**	**4,748**
Depreciation and impairment losses at January 1, 2024	320	1,737	859	0	2,916
Depreciation for the year	15	54	91	4	164
Disposals during the year	0	-25	-82	-4	-111
Depreciation and impairment losses at December 31, 2024	**335**	**1,766**	**868**	**0**	**2,969**
Carrying amount at December 31, 2024	**308**	**456**	**309**	**706**	**1,779**

11 Right-of-use assets

DKK million	Land and buildings	Other fixtures and equipment	Right-of-use assets total
Cost at January 1, 2024	539	4	543
Additions during the year	103	0	103
Disposals during the year	0	0	0
Cost at December 31, 2024	**642**	**4**	**646**
Depreciation and impairment losses at January 1, 2024	183	3	186
Depreciation for the year	45	1	46
Disposals during the year	0	0	0
Depreciation and impairment losses at December 31, 2024	**228**	**4**	**232**
Carrying amount at December 31, 2024	**414**	**0**	**414**

12 Investments

DKK million	Investments in Group enterprises	Investments in joint ventures	Receivables from Group enterprises	Other securities and investments	Other receivables
Cost at January 1, 2024	315	25	31	7	13
Additions during the year	75	0	0	0	9
Disposals during the year	-12	0	-29	0	0
Cost at December 31, 2024	**378**	**25**	**2**	**7**	**22**
Value adjustment at January 1, 2024	1,894	-3	1	-2	0
Foreign currency adjustments	108	3	0	0	0
Dividends	-315	0	0	0	0
Net profit/loss for the year	130	-1	0	1	0
Disposals	0	0	0	0	0
Other adjustments	-8	0	-1	0	2
Value adjustment at December 31, 2024	**1,809**	**-1**	**0**	**-1**	**2**
Carrying amount at December 31, 2024	**2,187**	**24**	**2**	**6**	**24**
Of this less than 1 year					**0**

12 Investments (continued)

Investments in joint ventures:

Shaanxi Yanchang Topsoe Catalytic Technologies Co, Ltd., Weinan, China
During 2022, the Group invested DKK 8 million in Shaanxi Yanchang Topsoe Catalytic Technologies Co, Ltd., corresponding to 49% of the share capital. In 2023 and 2024, no further investment has been made. The joint venture is a limited liability company. The company operates a minor productionline. The share of net result after tax is DKK -1 million (2023: -2 million)

Investments in Group enterprises:

Company	Registered office	Voting and ownership share
Topsoe América Latina S.A.	Buenos Aires, Argentina	100%
Topsoe Australia Pty. Ltd.	Perth, Australia	100%
Haldor Topsoe do Brasil Tecnologia e Servicos em Catalisadores Eireli	Rio de Janeiro, Brazil	100%
Haldor Topsoe Canada Limited	Vancouver, Canada	100%
Topsoe (Beijing) Co. Ltd	Beijing, China	100%
Topsoe International A/S	Lyngby, Denmark	100%
Subcontinent Ammonia Investment Company ApS	Lyngby, Denmark	100%
Topsoe Project Investment A/S	Lyngby, Denmark	100%
T Ramagundam A/S	Lyngby, Denmark	100%
Topsoe Power-to-X Holding A/S	Lyngby, Denmark	100%
Topsoe SOEC Production A/S	Lyngby, Denmark	100%
Topsoe Germany GmbH	Essen, Germany	100%
Topsoe India Pvt. Ltd.	New Delhi, India	100%
Topsoe Sdn. Bhd.	Kuala Lumpur, Malaysia	100%
Topsoe De Mexico, S. A. de C. V.	Mexico City, Mexico	100%
OOO Haldor Topsøe, under liquidation	Moscow, Russia	100%
Topsoe, Inc.	Houston, United States	100%
Topsoe Project Development U.S. Inc.	Houston, United States	100%
Topsoe PtX US Inc.	Houston, United States	100%
Topsoe eCOs Inc.	Seattle, United States	100%
Topsoe SOEC Production US Inc.	Wilmington, United States	100%
Topsoe PtX Denmark A/S	Lyngby, Denmark	100%
Topsoe Battery Materials A/S	Lyngby, Denmark	100%
Topsoe Battery Materials GmbH	Essen, Germany	100%

13 Inventories

DKK million	2024	2023
Raw materials and consumables	438	444
Work in progress	154	198
Finished goods	786	754
Inventories at December 31	**1,378**	**1,396**

14 Contract work in progress

DKK million	2024	2023
Selling price of work performed at the balance sheet date	5,936	5,824
Payments received on account	-6,489	-6,366
Contract work in progress at December 31	**-553**	**-542**
Contract work in progress recognized in assets	351	342
Contract work in progress recognized in liabilities	-903	-884
Contract work in progress at December 31	**-552**	**-542**

15 Deferred tax

DKK million	2024	2023
Deferred tax at January 1	557	451
Tax for the year	39	106
Deferred tax at December 31	**596**	**557**
Intangible assets and property, plant and equipment	123	53
Inventories	16	22
Work in progress	496	503
Provisions	-45	-29
Other	6	8
Deferred tax at December 31	**596**	**557**

16 Provisions

DKK million	2024	2023
Warranty provision for technology projects and catalysts	147	173
Other provisions	151	10
Provisions at December 31	**298**	**183**

The majority of provisions are expected to be recognized after 1 year.

17 Non-current liabilities

DKK million	2024	2023
Borrowings		
After 5 years	118	199
Between 1 and 5 years	330	364
More than 1 year	**448**	**563**
Less than 1 year	895	594
Borrowings at December 31	**1,343**	**1,157**
Lease liabilities		
More than 1 year	418	367
Less than 1 year	51	40
Lease liabilities at December 31	**469**	**407**
Other payables		
More than 1 year	105	97
Less than 1 year	430	427
Other payables at December 31	**535**	**524**

Non-current other payables mainly consist of employee holiday fund.

Current other payables mainly consist of employee related payables, VAT related payables etc.

18 Share-based payment

Performance Share Units

No. of shares	2024	2023
Performance shares		
No. of shares at January 1	879,821	219,914
Granted during the year	482,914	659,907
Cancelled during the year	-53,229	0
No. of shares at December 31	**1,309,506**	**879,821**

Employee Share Program
The Employee Share Program (ESP) was launched in 2019 with enrollment in February 2020. Employees at all levels have been offered the opportunity to acquire shares in Topsoe A/S at market value by investing an amount equal to ½, 1 or 2 months' salary. For every four shares purchased at market value, employees purchased a fifth share at a price of DKK 1. An annual investment window will be open to new employees. The program expired by December 31, 2024 and Topsoe will buy back the shares during Q1 2025.

In 2024 no additional employees enrolled in the program.

Good leavers (mainly employees who retire or are dismissed) can choose to keep the shares until the program expires or sell the shares to a purchaser designated by the Group in the next annual window at the fair market price. Resigning participants must sell the shares to a purchaser designated by the Group in the next annual window at the lower of the invested amount plus an amount for the fifth share that increases to the price paid for the four shares during the period or the fair market price.

In some countries, participation in the ESP is not possible due to local legislation. Instead, employees in these countries have been offered to participate in a Phantom Program. The participating employees have invested an amount equal to ½, 1 or 2 months' salary and are granted phantom shares in Topsoe A/S at principles equal to the ESP. At the time of expiry of the program, employees will be refunded based on the fair value of the phantom shares.

In 2024 no employees enrolled in the Phantom Program.

19 Guarantees

DKK million	2024	2023
Guarantees issued by banks and credit insurance institutions on the Company's behalf for contract work, etc.	804	621
Parent company guarantees issued by the Company for certain obligations in subsidiaries	51	74
Guarantees issued by the Company in relation to the Employee Share Program	2	2

20 Contractual obligations

DKK million	2024	2023
Less than 1 year	303	609
Between 1 and 5 years	85	145
Contractual obligations at December 31	**388**	**754**

Contractual obligations relate to software and maintenance agreements running 6-24 months.

21 Contingent liabilities

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

Topsoe A/S is a party to ongoing litigation. Management assesses that the outcome of these lawsuits will not affect the Company's financial position.

22 Fee to auditors appointed at the general meeting

DKK million	2024	2023
Audit and audit -related fees		
Statutory audit fee	2	2
Other assurance statements	2	0
Non-audit services		
Tax assistance	4	5
Other assistance	3	2
Total fee to auditors appointed at the general meeting	**11**	**9**

PwC Denmark is Topsoe's auditor appointed by the Annual General Meeting. Fees for audit and audit-related services and non-audit services from PwC Denmark to Topsoe A/S amounted to DKK 11 million (2023: DKK 9 million).

23 Related parties

The main shareholders are:
Topsøe Holding A/S, Lyngby, Denmark
- shareholder - control

Dahlia Investments Pte. Ltd., Singapore
- shareholder - minority

No transactions have been carried out with the Board of Directors, Senior Leadership Team, key management staff, shareholders, Group enterprises or other related parties which have not been under normal market conditions.

24 Fair value financial assets and liabilities

DKK million	Level 1	Level 2	Level 3
Other securities and investments			
Fair value at December 31, 2024	2	0	4
Value adjustment recognized in the income statement	1	0	0
Derivatives			
Fair value at December 31, 2024	0	-2	0
Value adjustment recognized in hedging fund under equity	0	11	0

Please refer to note 11 for information on input to valuation of other securities and investments stated at fair value in level 3.

25 Subsequent events

Topsoe A/S has admitted the corporate bond for trading and official listing with effect from 20 January 2025 on Nasdaq Copenhagen, cf. note 4.2 regarding Hybrid Capital.

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

26 Consolidated financial statements

Topsøe Holding A/S prepares consolidated financial statements, which include the Company and its Group enterprises.

STATEMENTS AND AUDITOR'S REPORT

Statement by the Executive Management and Board of Directors on the Annual Report **171**
Independent auditor's report **172**
Independent auditor's report on ESG **173**

STATEMENT BY THE EXECUTIVE MANAGEMENT AND BOARD OF DIRECTORS ON THE ANNUAL REPORT

The Executive Management and Board of Directors have today considered and approved the Annual Report 2024 of Topsoe A/S.

The consolidated financial statements have been prepared in accordance with IFRS accounting Standards as adopted by the EU, and further requirements in the Danish Financial Statements Act and the financial statements of the parent company have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position on December 31, 2024 of the Group and the parent company and of the results of the Group and parent company operations and of the Group's cash flows for 2024 in accordance with the applied accounting policies.

In our opinion, the Management's review includes a true and fair view of the development in the operations and financial circumstances, of the results for the year and of the financial position of the Group and the parent company as well as a description of the most significant risks and elements of uncertainty facing the Group and the parent company.

Topsoe's Consolidated environmental data and the Consolidated social and governance data and the related notes have been prepared in accordance with the reporting principles of materiality, inclusivity, responsiveness and the accounting policies. In our opinion, they give a true and fair view of the organisation's environmental, social and governance performance in accordance with these principles.

In our opinion, the annual report of Topsoe A/S for the financial year 1 January to 31 December 2024 with the file name TOPSOE-2024-12-31-0-en.ZIP is prepared, in all material respects, in compliance with the ESEF Regulation.

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

Lyngby, March 7, 2025

Registered Executive Management

Roeland Baan
President and Chief Executive Officer

Allan Bødskov Andersen
Chief Financial Officer

Elena Scaltritti
Chief Commercial Officer

Board of Directors

Jeppe Christiansen
Chairman

Jakob Haldor Topsøe
Vice Chairman

Benoit Valentin
Vice Chairman

Christina Teng Topsøe
Member

Rohit Sobti
Member

Jens Kehlet Nørskov
Member

Susana Quintana Plaza
Member

Ines Kolmsee
Member

Anders Broe Bendtsen
Employee representative

Christina Borch
Employee representative

Lis Ibsen
Employee representative

Line Holten Kollin
Employee representative

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Topsoe A/S

Report on the audit of the Financial Statements

Our opinion

In our opinion, the Consolidated Financial Statements (pages 114 - 153) give a true and fair view of the Group's financial position at December 31, 2024 and of the results of the Group's operations and cash flows for the financial year January 1 to December 31, 2024 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements (pages 154 - 169) give a true and fair view of the Parent Company's financial position at December 31, 2024 and of the results of the Parent Company's operations for the financial year January 1 to December 31, 2024 in accordance with the Danish Financial Statements Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit, ESG & Risk Committee and the Board of Directors.

What we have audited

The Consolidated Financial Statements of Topsoe A/S for the financial year January 1 to December 31, 2024 comprise the consolidated income statement and statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement and the notes, including material accounting policy information.

The Parent Company Financial Statements of Topsoe A/S for the financial year January 1 to December 31, 2024 comprise the income statement, the balance sheet, the statement of changes in equity and the notes, including material accounting policy information. Collectively referred to as 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Appointment

Securities issued by Topsoe A/S were listed and admitted to trading on Nasdaq Copenhagen on 20 January 2025, from which date Topsoe A/S became a Public Interest Entity. Prior to the admission of the securities for listing on Nasdaq Copenhagen, we were appointed as auditors of Topsoe A/S on 4 April 2024 for the financial year 2024.

Independence

We are independent of the Group 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. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Statement on Management's review

Management is responsible for Management's Review (pages 170).

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 in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management's Review includes the disclosures required by the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company 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 consolidated financial statements that give a true and fair view in accordance with IFRS

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2024. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition Topsoe has entered into various sales agreements, including contract work in progress, that are subject to interpretation, consequently increasing the inherent complexity of revenue recognition. We focused on this area due to the inherent complexity of revenue recognition including contract work in progress. These areas involve significant judgment and estimates made by Management in determining the level of completion and the expected costs to finalise projects, including the assessment on whether contracts contain multiple performance obligations. Reference is made to Note 2.1 in the Consolidated Financial Statement.	We considered the appropriateness of the Group's accounting policies for revenue recognition and assessed compliance with applicable financial reporting standards. We performed risk assessment procedures to gain an understanding of IT systems and applications, business processes, and relevant controls related to revenue recognition. For the controls we assessed if these had been designed and implemented in a way that effectively addresses the risk of material misstatement. We tested that selected controls considered relevant to our audit were performed consistently, including Management's monitoring of controls. For contract work in progress, we examined reports related to the progression of work in progress, assessed the use of methods, challenged the assumptions applied and tested contracts and data included in Management's preparation of estimates regarding revenue recognition and contract assets and liabilities. We also held meetings with project controllers in order to assess the progress of the projects. Furthermore, we performed substantive procedures regarding invoicing and cut-off at year-end in order to assess the accounting treatment and principles applied. We applied data analysis in our testing of revenue transactions in order to identify and test transactions outside the ordinary transaction flow. We also assessed the adequacy of disclosures relating to segments and revenue recognition.

Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of parent company 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 Group's and the Parent 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 Management either intends to liquidate the Group or the Parent 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 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 Group's and the Parent 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 and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent 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 Group or the Parent Company to cease to continue as a going concern.

→ Evaluate the overall presentation, structure and content 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.

→ Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on compliance with the ESEF Regulation

As part of our audit of the Financial Statements we performed procedures to express an opinion on whether the annual report of Topsoe A/S for the financial year January 1 to December 31, 2024 with the filename TOPSOE-2024-12-31-0-en.ZIP is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human-readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of Topsoe A/S for the financial year January 1 to December 31, 2024 with the filename TOPSOE-2024-12-31-0-en.ZIP is prepared, in all material respects, in compliance with the ESEF Regulation.

Hellerup, March 7, 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
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Michael Groth Hansen
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INDEPENDENT AUDITOR'S REPORT ON ESG

To the Stakeholders of Topsoe A/S

Topsoe A/S engaged us to provide limited assurance on the Statement of Environmental, Social and Governance (ESG) performance for the period 1 January - 31 December 2024 stated in the tables on pages 62 and 66-103.

Our conclusion
Based on the procedures we performed and the evidence we obtained, nothing came to our attention that causes us not to believe that the ESG statement for the period 1 January - 31 December 2024 for Topsoe A/S are prepared, in all material respects, in accordance with the applied accounting policies developed by the Topsoe A/S as stated in the tables on pages 62 and 66-103.

This conclusion is to be read in the context of what we state in the remainder of our report.

What we are assuring
The scope of our work was limited to assurance over the ESG statement in the 2024 Annual Report of Topsoe A/S stated in the tables on pages 62 and 66-103.

We express limited assurance in our conclusion.

Corresponding information
With effect from 2023, the ESG statement has become subject to a limited assurance engagement. Please note that the comparative ESG data points stated in the ESG statements for the years prior to 2023 have not been subject to assurance, which also appears in the ESG statements.

Professional standards applied and level of assurance
We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' and, in respect of the greenhouse gas emissions, in accordance with International Standard on Assurance Engagements 3410 'Assurance engagements on greenhouse gas statements'. The quantification of greenhouse gas emissions is subject to inherent uncertainty because of incomplete scientific knowledge used to determine the emissions factors and the values needed to combine emissions of different gasses.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our independence and quality control
We have complied with the independence requirements and other ethical requirements in the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and ethical requirements applicable in Denmark.

PricewaterhouseCoopers applies International Standard on Quality Management 1, ISQM 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our work was carried out by an independent multidisciplinary team with experience in sustainability reporting and assurance.

Understanding reporting and measurement methodologies
The ESG statement needs to be read and understood together with the ESG statement accounting policies. The ESG statement accounting policies used for the preparation of the ESG statement are the accounting policies developed by the Company, which Management is solely responsible for selecting and applying.

The absence of a significant body of established practice on which to draw to evaluate and measure sustainability data allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Work performed
We are required to plan and perform our work in order to consider the risk of material misstatement of the ESG statement. In doing so and based on our professional judgement, we:

→ Evaluated the appropriateness of the accounting policies used, their consistent application and related disclosures in the ESG statement;

→ Made inquiries and conducted interviews with management with responsibility for management and reporting of the ESG statement to assess reporting and consolidation process, use of company-wide systems and controls performed;

- Performed limited substantive testing on a sample basis to underlying documentation and evaluated the appropriateness of quantification methods and compliance with the ESG statement accounting policies for preparing ESG statement at corporate head office and in relation to selected Topsoe's reporting sites;

- Performed analytical review and trend explanation of the ESG statement; and

- Evaluated the obtained evidence.

Management's responsibilities
Management of Topsoe A/S is responsible for:

- Designing, implementing and maintaining internal control over information relevant to the preparation of the ESG statement that are free from material misstatement, whether due to fraud or error;

- Establishing objective ESG statement accounting policies for preparing the ESG statement;

- Measuring and reporting the information in the ESG statement based on the ESG statement accounting policies; and

- The content of the ESG statement.

Our responsibility
We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the ESG statement for the period 1 January – 31 December 2024 are prepared, in all material respects, in accordance with the ESG statement accounting policies;

- Forming an independent conclusion, based on the procedures performed and the evidence obtained; and

- Reporting our conclusion to the stakeholders of Topsoe A/S.

Hellerup, March 7, 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
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