



GREEN FINANCE REPORT 2024

ANNUAL REPORT OF ALLOCATION AND IMPACT OF
GREEN FINANCE LISTED BONDS ISSUED BY TOPSOE

TOPSOE
Making Energy Transition

SHAPING THE FUTURE OF POWER-TO-X

Our new plant 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 customer from our new Solid Oxide Electrolyzer Cell (SOEC) stack 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 currently represent 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 is 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 are 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 is 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 CO₂ in its first ten years, equivalent

to more than 4,000 return flights from Paris to New York. The factory 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 Commission’s ambition is to deploy 40GW of European-produced electrolyzers by 2030. As Roeland Baan confirmed on receiving the grant: “This grant 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

Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or CINEA. Neither the European Union nor the granting authority can be held responsible for them.

TOPSOE'S GREEN HYBRID BONDS

ISIN	Bond type	Face value	Coupon	Issue date	Maturity	Net proceeds	Total allocated proceeds DKKm	Proceeds allocated in 2024 DKKm	Unallocated proceeds DKKm
DK0030539622	Hybrid	EUR 200m	6.750%	23-05-2024	23-05-3024	DKK 1,478	DKK 258	DKK 258	DKK 1,220



TOTAL AMOUNTS ALLOCATED BY BOND

The table provides details on Topsoe's outstanding green hybrid bonds, including total allocated amounts.

Our Green hybrid bond DK0030539622 is listed on Nasdaq Copenhagen as of 20 January 2025.

TOPSOE'S GREEN HYBRID BONDS ALLOCATION BY PROJECT 2024

ISIN	Bond type	Issued	Type of project	Name of project	New financing / refinancing	2024
DK0030539622	Hybrid, EUR 200m	2024	Renewable energy	SOEC Manufacturing Plant, Herning	Refinancing / New financing	DKK 258

GREEN HYBRID BOND ALLOCATION BY PROJECT

During the period 2024 a total of DKK 265 million green hybrid bond proceeds has been allocated to 1 renewable energy project, the construction of Topsoe's SOEC Manufacturing Plant in Herning, Denmark.

During 2025 the project will enter into ramp-up and commissioning phase with a continued allocation of proceeds towards capex spend and reach commercial operation during H1 where the allocation of proceeds will move into opex cost.



TOPSOE PROJECTS WITH GREEN HYBRID BONDS ALLOCATION

Project	Country	Project status	Construction period	Yearly CO ₂ avoidance – Tons – In operation	Yearly CO ₂ avoidance – Tons – Potential after construction
SOEC Manufacturing Plant, Herning	Denmark	Under construction	2023-2025	N/A	7.6m*



INVESTMENT ANNOUNCEMENT

On 1 September 2022, Topsoe announced that the board of directors had taken final investment decision to begin construction of the world’s largest SOEC electrolyzer manufacturing plant in Herning Denmark.

Plant manufacturing capacity is 500 MW per year with an option to expand to 5 GW

The plant will ship its first electrolyzer stacks in 2025, reaching full capacity by 2026.

Note *. The plant will have a capacity of 500mw per year, and compared to hydrogen produced from fossil fuels it will avoid emitting 7.6 million tonnes of CO₂ in its first ten years

STATEMENT BY THE EXECUTIVE MANAGEMENT

The Executive Management has today considered and approved the Green Finance Report for 2024 of Topsoe A/S.

In our opinion, the Green bond impact report represents a reasonable, fair, and balanced representation of the green bond proceeds allocations and is prepared in accordance with Topsoe's Green Finance Framework, May 2024.

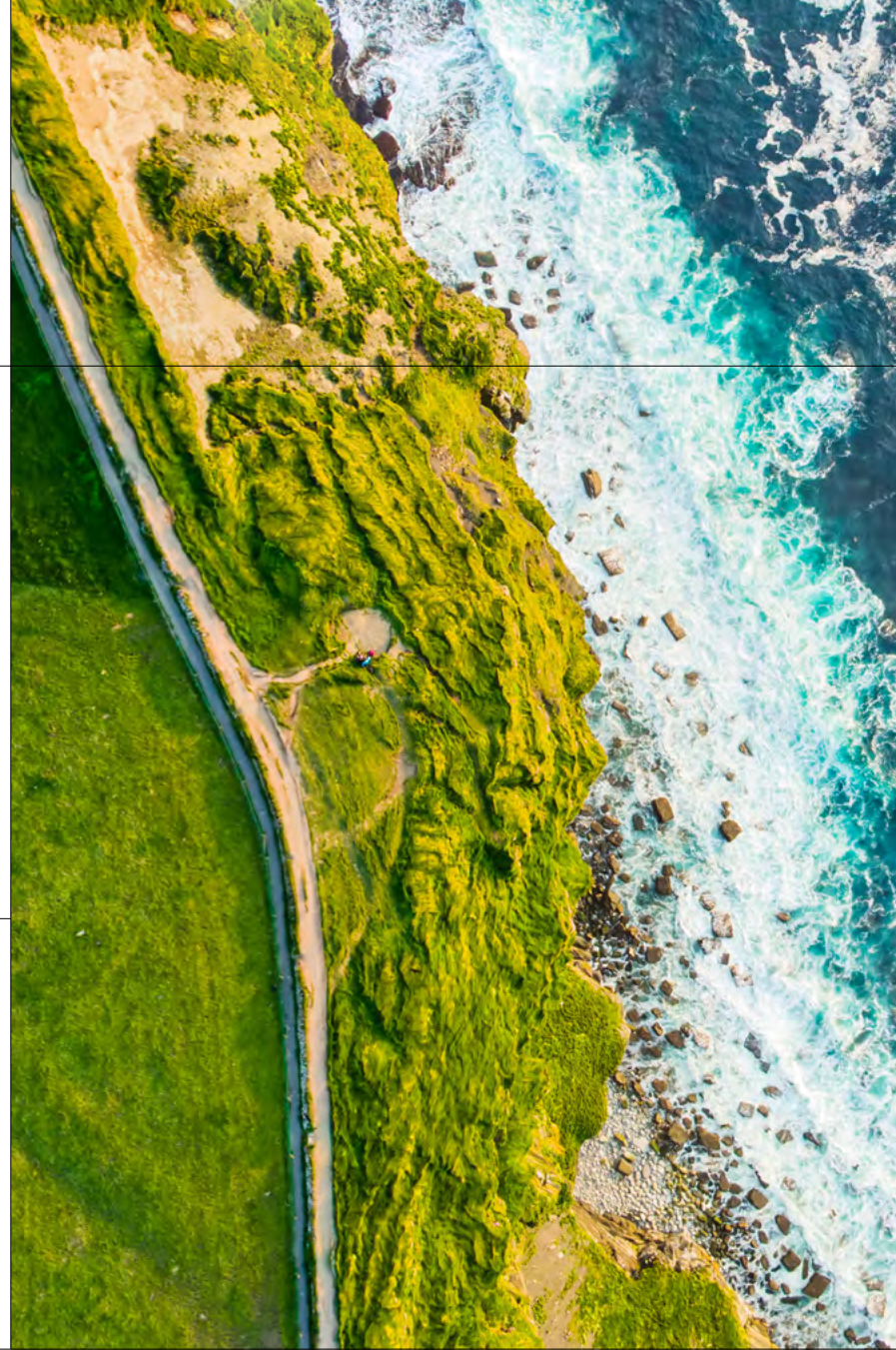
Lyngby, March 7, 2025

Executive Management

Roeland Baan
President and Chief Executive Officer

Allan Bødskov Andersen
Chief Financial Officer

Elena Scaltritti
Chief Commercial Officer



INDEPENDENT LIMITED ASSURANCE REPORT ON SELECTED INFORMATION IN THE GREEN FINANCE REPORT

To the Board of Directors Topsoe A/S
and to the green bond investors

Topsoe A/S engaged us to provide limited assurance on selected information as described below in Topsoe's Green Finance Report for 2024 on page 3 and 4 in the section 'TOPSOE'S GREEN HYBRID BONDS' and TOPSOE'S GREEN HYBRID BONDS ALLOCATION BY PROJECT 2024' (the "Selected Information").

Our conclusion

Based on the procedures we performed and the evidence we obtained, nothing has come to our attention that causes us not to believe that the Selected Information for the period 23 May - 31 December 2024 for Topsoe A/S is prepared, in all material aspects, in accordance with Topsoe's 'Green Finance Framework' (dated May 13 2024, presented on Topsoe's website.)

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 Selected Information as defined in the first paragraph of our report, which comprises the total amount allocated from the bond and allocated to the project.

We express limited assurance in our conclusion.

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'.

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 behavior, 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.

Understanding reporting

The Selected Information needs to be read and understood together with the criteria for preparing the Selected Information as described in Topsoe's 'Green Finance Framework'. The criteria used for the preparation of the Selected Information are developed by Topsoe A/S, which Management is solely responsible for selecting and applying.

Work performed

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information. In doing so and based on our professional judgement, we:

- Assessed the design of the processes and internal controls for managing, recording, and reporting the Selected Information;

- Made enquiries of relevant Topsoe’s management to assess whether the reporting has been prepared in accordance with Topsoe’s ‘Green Finance Framework’;
- Checked the Selected Information on a sample basis to underlying documentation and evaluated the compliance with the criteria in Topsoe’s ‘Green Finance Framework’;
- Performed analytical review of the Selected Information, including the allocation of amounts as presented in Topsoe’s ‘Green Finance Report 2024’;
- Considered the disclosure and presentation of the Selected Information
- Evaluated the evidence obtained.

Management’s responsibility

Management of Topsoe A/S are responsible for:

- Designing, implementing and maintaining internal control over information relevant to the preparation of the Selected Information that are free from material misstatement, whether due to fraud or error;
- Establishing objective criteria for preparing the Selected Information as described in the Topsoe ‘Green Finance Framework’;
- Measuring and reporting the Selected Information based on the Topsoe ‘Green Finance Framework’; and
- The content of the Selected Information.

Our responsibility

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Selected Information is prepared, in all material respects, in accordance with Topsoe’s ‘Green Finance Framework’;
- Forming an independent conclusion, based on the procedures performed and the evidence obtained; and
- Reporting our conclusion to the Board of Topsoe A/S and to the green bond investors.

This report, including our conclusions, has been prepared solely for the Board of Directors of Topsoe A/S and the green bond investors in accordance with the agreement between us, to assist the Board of Directors in reporting on Topsoe’s green bonds. We permit this report to be disclosed online at Topsoe A/S’ website in respect of the 2024 reporting year to assist Topsoe A/S in responding to their governance responsibilities by obtaining an independent assurance report on the Selected Information.

Hellerup, 7. March, 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Michael Groth Hansen

State Authorised Public Accountant
mne33228

Rikke Lund-Kühl

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REPORT SCOPE

Projects selected to be represented in Topsoe A/S's Green Bond Report 2024, have been selected and determined from the below criteria. Projects in scope are shown on page 4 and 5 of the report.

- The selection and calculation of investment is made in accordance with the principles determined in Topsoe A/S' Green Finance Framework
- The 'Green bonds allocated' corresponds actual investment less other external financing
- Bond Issuance amount represent net amount of nominal bond value, 200m EUR (Green Bond), less associated costs. Projects in above list do not only count incremental bond investments in 2024, but also refinancing of investments from before May 2024
- Project in operation as of 31/12/2024
- Project under construction as of 31/12/2024

Note *. Projects under Construction are defined by having had financial investment decision to construct project



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