

# Annual Report 2018

Haldor Topsøe International A/S  
CVR no. 23 97 22 12

The Annual Report has been presented and adopted at the Annual General Meeting on March 26, 2019



Chair of the meeting,  
Louise Jessen Høyer

## Contents

### Management's review

Directors' report	1
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### Statements

Statement by the Management and Board of Directors on the Annual Report	2
Independent Auditor's Report	3

### Financial statements

Accounting policies	5
Income statement January 1 – December 31	7
Balance sheet at December 31	8
Notes to the financial statements	10

## Directors' report

The business of the Company is to provide marketing and engineering consulting services. The activities of the company are mainly conducted through liaison offices in New Delhi and Bahrain and via subsidiaries in India, Canada and Malaysia.

The net profit for the financial year 2018 has been TDKK 9,631. In 2019 a similar profit is expected.

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

The Management and Board of Directors have today considered and adopted the Annual Report 2018 of Haldor Topsøe International A/S.

The financial statements have been prepared in accordance with the Danish Financial Statements Act. In our opinion, the financial statements give a true and fair view of the financial position of the company at December 31, 2018 and of the results

of the company operations for 2018 in accordance with the applied accounting policies.

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

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

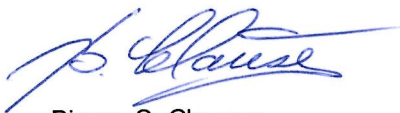
Lyngby, March 26, 2019

### Management



Peter Rønne Andersen

### Board of Directors



Bjerne S. Clausen  
(Chairman)



Lene Ramm



Peter Rønne Andersen

## Independent Auditor's Report

To the Shareholders of Haldor Topsøe International A/S.

### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018, and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Haldor Topsøe International A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Statement on Management's Review

Management is responsible for Management's Review.

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

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

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

### Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement,



whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related

to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, March 26 2019

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

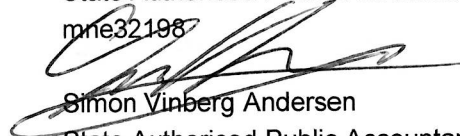
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Maj-Britt Nørskov Nannestad

State Authorised Public Accountant

mne32198



Simon Vinberg Andersen

State Authorised Public Accountant

mne35458

## Accounting policies

The financial statements of Haldor Topsøe International A/S for 2018 have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from previous year.

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

### General

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

### Translation policy

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

Financial statements for branches with another functional currency than Danish kroner are translated into Danish kroner using the exchange rate prevailing at the balance sheet date for the balance sheet items and average exchange rates for income statement items, except from fixed assets and depreciation of the same, which is converted after the market value on the purchase day.

Financial statements of group and associated enterprises with another functional currency than Danish kroner are translated into Danish kroner using the exchange rate prevailing at the balance sheet date for the balance sheet items and average exchange rates for income statement items.

Currency translation adjustments arising on the translation of group enterprises' net assets at the beginning of the financial year and translation of

group enterprises' income statements from average exchange rates to the exchange rates prevailing at the balance sheet date are recognized directly in equity.

## Income statement

### Revenue

Revenue comprises of service fees from the company's operation of representation offices.

Recognition occurs when:

- delivery has been made before year end,
- a binding sales agreement has been made,
- the sales price has been determined, and
- payment has been received or receipt can be expected with reasonable certainty.

### Other external expenses

Other external expenses comprise travelling, office expenses, entertainment, audit etc.

### Staff expenses

Staff expenses comprise of wages and salaries as well as salary dependent costs.

### Depreciation

Depreciation comprise of depreciation of property, plant and equipment.

### Result of investments in group enterprises and associated enterprises

The proportionate share of the profit is recognized as "Result of investments in group enterprise" and "Result of investments in associated enterprise" respectively.

### Financial income and expenses

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



**Tax**

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

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

**Balance sheet**

**Property, plant and equipment**

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

Other fixtures and equipment	4 - 10 years
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Gains and losses from sale of property, plant and equipment are recognized in 'Other external expenses'.

**Impairment of fixed assets**

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

**Investments in group enterprises and associated enterprises**

Investments in group enterprise and associated enterprises are recognized and measured under the equity method. The proportionate share of the com-

pany's equity is included in the Balance Sheet under the item 'Investments in group enterprise' and 'Investments in associated enterprise' respectively.

**Receivables**

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

**Prepayments**

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

**Provisions**

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

**Debt**

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

**Tax**

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

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

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



**Income statement January 1 - December 31**

	Note	2018 DKK 1,000	2017 DKK 1,000
<b>Revenue</b>		<b>19,115</b>	<b>18,526</b>
Other external expenses		-5,280	-5,035
Staff expenses	1	-12,297	-13,293
Depreciation and impairment loss of property, plant and equipment	3	-163	-274
<b>EBIT</b>		<b>1,375</b>	<b>-76</b>
Result of investments in group enterprises	4	8,391	8,734
Result of investments in associated enterprises	4	433	345
Financial income		228	172
Financial expenses	2	-559	-399
<b>Profit before tax</b>		<b>9,868</b>	<b>8,776</b>
Tax		-237	63
<b>Net profit</b>		<b>9,631</b>	<b>8,839</b>
 <b>Proposed distribution of profit</b>			
Net revaluation reserve according to the equity method		8,824	9,079
Retained earnings		807	-240
		<b>9,631</b>	<b>8,839</b>

**Balance sheet at December 31**

**Assets**

	<u>Note</u>	<u>2018</u> DKK 1,000	<u>2017</u> DKK 1,000
Other fixtures and equipment		247	499
<b>Property, plant and equipment</b>	<b>3</b>	<b>247</b>	<b>499</b>
Investments in group enterprises		71,897	65,198
Investments in associated enterprises		1,005	1,319
Other receivables		52	191
<b>Investments</b>	<b>4</b>	<b>72,954</b>	<b>66,708</b>
<b>Non-current assets</b>		<b>73,201</b>	<b>67,207</b>
Other receivables		2	14
Deferred tax assets		58	114
Prepayments		803	1,675
<b>Receivables</b>		<b>863</b>	<b>1,803</b>
<b>Cash</b>		<b>3,077</b>	<b>11,211</b>
<b>Current assets</b>		<b>3,940</b>	<b>13,014</b>
<b>Assets</b>		<b>77,141</b>	<b>80,221</b>

## Balance sheet at December 31

### Equity and liabilities

	Note	2018 DKK 1,000	2017 DKK 1,000
Share capital		500	500
Net revaluation reserve according to the equity method		52,081	45,696
Retained earnings		18,072	17,265
<b>Equity</b>		<b>70,653</b>	<b>63,461</b>
Provisions		677	740
<b>Non-current liabilities</b>		<b>677</b>	<b>740</b>
Trade payables		6	23
Payables to group enterprises		4,307	13,651
Corporate income tax		236	0
Other payables		1,262	2,346
<b>Current liabilities</b>		<b>5,811</b>	<b>16,020</b>
<b>Liabilities</b>		<b>6,488</b>	<b>16,760</b>
<b>Equity and liabilities</b>		<b>77,141</b>	<b>80,221</b>
Contractual obligations	5		
Contractual liabilities	6		
Consolidated Accounts	7		
Subsequent events	8		

## Notes to the financial statements

### 1 Staff expenses

	2018	2017
	DKK 1,000	DKK 1,000
Wages and salaries	9,956	10,125
Pensions	-23	802
Other social security contributions	2,364	2,366
	<u>12,297</u>	<u>13,293</u>

There has been no payments of salaries or fees to Management or Board of Directors during the years 2018 and 2017.

Average number of employees	<u>16</u>	<u>16</u>
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### 2 Financial expenses

	2018	2017
	DKK 1,000	DKK 1,000
Interest paid to group enterprises	58	97
Bank interests	23	54
Foreign currency translation adjustments	478	248
	<u>559</u>	<u>399</u>

### 3 Property, plant and equipment

	Other fixtures and equipment
	<u></u>
Cost at January 1, 2018	1,617
Additions during the year	0
Disposals during the year	<u>-270</u>
Cost at December 31, 2018	<u>1,347</u>
Depreciation at January 1, 2018	1,118
Depreciation for the year	163
Reversal of depreciation on assets sold and scrapped	<u>-181</u>
Depreciation at December 31, 2018	<u>1,100</u>
<b>Carrying amount at December 31, 2018</b>	<u><b>247</b></u>



## Notes to the financial statements

### 4 Investments

	Investments in group enterprises	Investments in associated enterprises	Other receivables
	DKK 1,000	DKK 1,000	DKK 1,000
Cost at January 1, 2018	18,780	2,041	191
Additions during the year	0	0	3
Disposals during the year	0	0	-104
Cost at December 31, 2018	<u>18,780</u>	<u>2,041</u>	<u>90</u>
Revaluations at January 1, 2018	46,418	-722	0
Foreign currency adjustment	-1,692	-747	-38
Net profit/(loss) for the year	<u>8,391</u>	<u>433</u>	<u>0</u>
Revaluations at December 31, 2018	<u>53,117</u>	<u>-1,036</u>	<u>-38</u>
<b>Carrying amount at December 31, 2018</b>	<b><u>71,897</u></b>	<b><u>1,005</u></b>	<b><u>52</u></b>

Investments in group enterprises are specified as follows:

Name	Place of registered office	Votes and ownership
Haldor Topsoe India Pvt. Ltd.	New Delhi, India	99.99%
Haldor Topsoe Canada Ltd.	Vancouver, Canada	100.00%
Haldor Topsoe Sdb. Bhd.	Kuala Lumpur, Malaysia	100.00%

Investments in associated enterprises are specified as follows:

Name	Place of registered office	Votes and ownership
Haldor Topsoe America Latina S.A.	Buenos Aires, Argentina	23.99%
Haldor Topsoe de México, S.A. de C.V.	Mexico	10.00%

## Notes to the financial statements

### 5 Contractual obligations

As per December 31, 2018 the company has entered into a number of leasing and rental agreements related to premises and equipment. The total lease and rental payments during the non-cancellable periods, which in some cases extend to 2023, amounts to TDKK 2,866. (2017: TDKK 743.5).

### 6 Contractual liabilities

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

### 7 Consolidated Accounts

Haldor Topsoe A/S prepares consolidated financial statements which includes the Company and its group enterprises.

### 8 Subsequent events

No events materially affecting the Company's financial position at December 31, 2018 have occurred after the balance sheet date.