

Makeen Power A/S

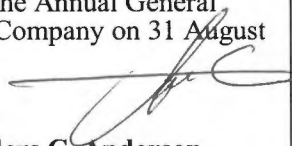
Alsvej 21

DK-8940 Randers SV

CVR no 38 33 17 60

Annual Report for 2019

The Annual Report has been presented
and adopted at the Annual General
Meeting of the Company on 31 August
2020



Chairman Anders C. Anderson

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Management's Statement on the Annual Report

The Executive and Supervisory Boards have today considered and adopted the Annual Report of Makeen Power A/S for the financial year 1 January – 31 December 2019.

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

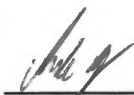
In our opinion, the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company operations for 2019.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

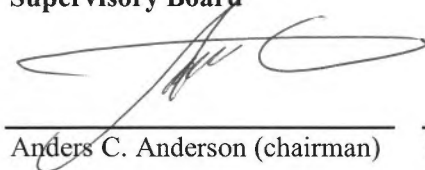
Randers, 31 August 2020

Executive Board



Anders Bjørn
CEO

Supervisory Board



Anders C. Anderson (chairman)



Søren Mikkelsen



Anders Bjørn

Independent Auditors' report

To the Shareholders of Makeen Energy 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 2019, and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Makeen Power A/S for the financial year 1 January - 31 December 2019, 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 Financials 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 Statement 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 the Company's 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.

Independent Auditors' report

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.

Independent Auditors' report

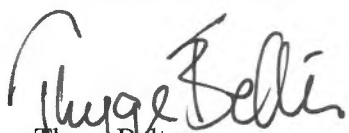
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aarhus C, 31 August 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR no 33 77 12 31



Thyge Belter

State Authorised Public Accountant

mne30222

Company information

The Company

Makeen Power A/S
Alsvej 21
DK-8940 Randers SV

CVR no 38 33 17 60
Financial period: 1 January - 31 December
Financial year: 3
Municipality of reg. office: Randers

Supervisory Board

Anders C. Anderson (chairman)
Søren Mikkelsen
Anders Bjørn

Executive Board

Anders Bjørn

Auditors

PricewaterhouseCoopers
Nobelparken
Jens Chr. Skous Vej 1
DK-8000 Aarhus C

Managements Review

Main activities

Makeen Power A/S is a turnkey power contractor to supply 360 degree solutions when it comes to establishing green, sustainable and flexible power plants tailored to customers' needs.

Development during the Year

The result before tax for the year is a loss of DKK 1.622k. The Company's financial year was largely affected by sales activities expected to benefit the Company in the coming years.

Capital Resources

The Company has per 31 December 2019 lost more than half of the share capital. The Company is subject to the rules of loss of capital of the Danish Company Act. With reference to note 1 the Company expects to reestablish the share capital through future profit, alternatively through capital increase or conversion of debt.

Expectations for the Year Ahead

For the financial year 2020 the Company expects to improve the operating profit.

Sofar the Company has not seen a significant impact from the COVID-19 pandemic, see also subsequent events disclosures in note 12. Management is not considering COVID-19 to have a significant impact on revenue and earnings in 2020 and expect existing liquidity and credit lines continues to be sufficient.

Accounting Policies

Basis of Preparation

The Annual Report of Makeen Power A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to small enterprises of reporting class B with addition of a few optional items from class C.

The accounting policies are unchanged compared to previous years.

The financial statement is presented in DKK.

Recognition and measurement

The financial statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised costs are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

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

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

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

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

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

Accounting Policies

Translation policies

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

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statements of foreign subsidiaries are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income Statement

Gross profit

Gross profit consists of revenue, other revenues and costs, cost of goods sold and other external costs. With reference to Danish Financial Statements Act § 32, revenue is not shown in the financial statement.

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria:

- 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 may with reasonable certainty be expected to be received.

Cost of sales

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises purchases for projects, raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation, administration and management of factories.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

Accounting Policies

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year after tax.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised exchange adjustments, price adjustment of securities as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company assesses for Danish tax purposes jointly with the Danish consolidated company. Foreign subsidiaries are not part of the joint taxation.

The effect of the joint taxation is divided among the involved companies according to the taxable profit or loss of each company. The companies that are part of the joint taxation are entered into the tax prepayment scheme.

Accounting Policies

Balance Sheet

Intangible assets

Development projects and licences

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work, but not exceeding 5 years.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The items "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of positive differences (goodwill).

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in subsidiaries.

Accounting Policies

Inventories

Inventories are measured at the lower of cost under the weighted average method and net realisable value. The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods, semi-finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Contract work in progress includes agreements of delivery of projects with a high level of individual customization. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

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

Prepayments and payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Accounting Policies

Equity

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax jurisdiction.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial debts

Fixed-interest loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Income Statement 1 January - 31 December 2019

	Note	2019	2018
		DKK	DKK
Operating profit/loss		-1.295.895	-1.952.252
Income from investments in subsidiaries after tax		-187.000	-17.473
Financial income	3	91.947	986
Financial expenses	4	-231.236	-123.623
Profit/loss before tax		-1.622.184	-2.092.362
Tax on profit/loss for the year	5	326.543	441.178
Net profit/loss for the year		-1.295.641	-1.651.184
Distribution of profit	6		

Balance Sheet 31 December 2019

Assets

	Note	2019	2018
		DKK	DKK
Development projects in progress	7	3.273.379	0
Intangible assets		3.273.379	0
Investments in subsidiaries		168.892	355.892
Fixed asset investments		168.892	355.892
Fixed assets		3.442.271	355.892
Inventories		215.080	217.215
Trade receivables		3.265.128	10.099
Receivables from group enterprises		188.544	0
Other receivables		1.559.992	2.686
Corporation tax		1.874.650	45.694
Deferred tax asset	9	0	603.044
Receivables		6.888.314	661.523
Cash at bank and in hand		260.575	4.177
Current assets		7.363.969	882.915
Assets		10.806.240	1.238.807

Balance Sheet 31 December 2019

Liabilities and equity

	Note	<u>2019</u>	<u>2018</u>
		DKK	DKK
Share capital	10	500.000	500.000
Net revaluation according to development costs		2.553.236	0
Retained earnings		-6.711.891	-2.863.014
Equity		<u>-3.658.655</u>	<u>-2.363.014</u>
Provision for deferred tax	9	950.509	0
Provisions		<u>950.509</u>	<u>0</u>
Prepayments received from customers	8	9.707.062	0
Trade payables		69.081	6.323
Payables to group enterprises		3.730.843	3.580.498
Other payables		7.400	15.000
Short-term debt		<u>13.514.386</u>	<u>3.601.821</u>
Debt		<u>13.514.386</u>	<u>3.601.821</u>
Liabilities and equity		<u>10.806.240</u>	<u>1.238.807</u>
Going concern	1		
Uncertainty regarding recognition and measurement	2		
Contingent assets, liabilities and other financial obligations	11		
Related parties and Group Annual Report	12		
Subsequent events	13		

Statement of changes in equity

	Share capital	Reserve according to developing costs	Retained earnings	Total
	DKK	DKK '000	DKK	DKK
Equity at 1 January 2019	500.000	0	-2.863.014	-2.363.014
Net profit/loss for the year	0	2.553.236	-3.848.877	-1.295.641
Equity at 31 December 2019	500.000	2.553.236	-6.711.891	-3.658.655

Notes to the Annual Report

1 Going concern

The Annual report is prepared under the condition of going concern. The Company has per 31 December 2019 lost more than half of the share capital. The Company expects to reestablish the share capital through future profit, alternatively through capital increase or conversion of debt.

Makeen Energy A/S who owns 100 % of the share capital has issued a limited parent guarantee which expire at the next annual general meeting. The guarantee secures the needed cash flow to ensure going concern of the Company.

2 Uncertainty regarding recognition and measurement

new product within the area of recycling. The new product is expected to have significant sales potential, but as the product is new, there is a natural uncertainty associated with it. Please refer to note 7.

	2019	2018
	DKK	DKK
3 Financial income		
Exchange adjustments	91.947	986
	91.947	986
4 Financial expenses		
Interest expenses to group enterprises	210.676	121.005
Bank charges	100	1.903
Exchange adjustments	20.232	0
Other interest	228	715
	231.236	123.623
5 Tax on profit/loss for the year		
Current tax for the year	1.880.096	45.694
Deferred tax for the year	-1.553.553	395.484
Total tax for the year	326.543	441.178
which breaks down as follows:		
Tax on profit/loss for the year	326.543	441.178
Tax on changes in equity	0	0
	326.543	441.178

Notes to the Annual Report

6 Distribution of profit

Proposed distribution of profit

Net capitalized development costs	2.553.236	0
Retained earnings	-3.848.877	-1.651.184
	<u>-1.295.641</u>	<u>-1.651.184</u>

7 Intangible assets

	Development projects in progress	
	DKK	
Cost at 1 January		0
Additions for the year		3.273.379
Cost at 31 December 2019		<u>3.273.379</u>
Amortisation at 1 January		0
Amortisation for the year		0
Amortisation at 31 December 2019		0
Carrying amount at 31 December 2019		<u>3.273.379</u>

Development project in progress

Development projects consists of development of a new product within the area of recycling. The costs consists of external costs and internal hours.

The new product leads to competitive advantage and thus directly influence the future financial performance of the company.

	2019	2018
	DKK	DKK
8 Contract work in progress		
Selling price of production	10.802.375	0
Payments received on account	-20.508.437	0
Contract work in progress, net	<u>-9.706.062</u>	<u>0</u>
Recognised in the balance sheet as follows:		
Contract work in progress recognised in	0	0
Prepayments received recognised in	-9.707.062	0
	<u>-9.707.062</u>	<u>0</u>

Notes to the Annual Report

9 Deferred tax asset/ Provision for deferred tax

Fixed assets	-720.143	0
Current assets	-230.366	0
Tax loss carry-forward	0	603.044
	<u>-950.509</u>	<u>603.044</u>

Based on the budgets for the next three years, management has considered it likely that prior years tax losses and unused tax credits can be utilized within 3-5 years.

10 Equity

The share capital consists of 5.000 shares of a nominal amount of DKK 100. No shares carry any special rights.

Share capital for the past two years is specified as follows:

	<u>2019</u>	<u>2018</u>
	DKK	DKK
Share capital	<u>500.000</u>	<u>500.000</u>

11 Contingent assets, liabilities and other financial obligations

The company's bank has at December 31st 2019 issued a bank guarantee totalling DKK 17.138k towards the company's customers.

The Danish companies in the Group are subject to mandatory Danish national joint taxation. The jointly taxed companies share the liability for the Danish income tax etc.

The company has issued a surety guarantee for Makeen Energy A/S, Makeen Power A/S and Kosan Crisplant A/S' engagement with banks for a total of DKK 265,000k.

The parent company has issued a limited parent guarantee to Makeen Power A/S which expire at the next annual general meeting.

Notes to the Annual Report

12 Related parties and Group Annual Report

Transactions

The Company has chosen only to disclose transactions which have not been made on arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

In 2019 the Company had no transactions with related parties, which are not on arm's length basis.

Group Annual Report

The Company is included in the Group Annual Report for the parent company Makeen Energy A/S and Ultimate parent company Al Ayuni Investment & Contracting Company.

The Group Annual Report can be obtained from the following address:

Makeen Energy A/S
Alsvej 21
8940 Randers SV
Denmark

13 Subsequent events

The implications of COVID-19 with many governments across the world deciding to lock-down their countries will have great impact on the global economy. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company.

At present time the Company has not recorded a decrease in the order intake and the execution of existing projects continue according to plan. As such, the Company has not seen a significant impact from the COVID-19.

Management is monitoring developments closely and at present time COVID-19 is not considered to have a significant impact revenue and earnings in 2020.