

House of Makeen Energy A/S

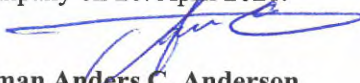
Alsvej 21

DK-8940 Randers SV

CVR no 39769360

Annual Report for 2020

The Annual Report has been presented and adopted at the Annual General Meeting of the Company on 20. April 2021.



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 House of Makeen Energy A/S for the financial year 1 January – 31 December 2020.

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

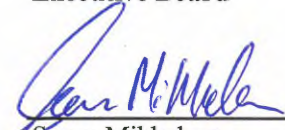
In our opinion, the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and of the results of the Company operations for 2020.

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, 20. April 2021

Executive Board



Søren Mikkelsen
CEO

Supervisory Board



Anders C. Anderson (chairman) Søren Mikkelsen Bent Lindrup Nielsen

Independent Auditors' report

To the Shareholder of House 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 2020, and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of House of Makeen Energy A/S for the financial year 1 January - 31 December 2020, 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, 20. April 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR no 33 77 12 31



Thyge Belter

State Authorised Public Accountant

mne30222

Company information

The Company	House of Makeen Energy A/S Alsvej 21 DK-8940 Randers SV CVR no 39769360 Financial period: 1 January - 31 December Financial year: 3 Municipality of reg. office: Randers
Supervisory Board	Anders C. Anderson (chairman) Søren Mikkelsen Bent Lindrup Nielsen
Executive Board	Søren Mikkelsen
Auditors	PricewaterhouseCoopers Nobelparken Jens Chr. Skous Vej 1 DK-8000 Aarhus C

Review

Main activities

House of Makeen Energy A/S owns a rental property. The House of Makeen Energy is the Headquarter for the Group of Makeen Energy.

Development during the Year

For the year of 2020 the company has a net profit, which is considered to be satisfying. The Company has gotten more tenants during the year.

Capital Resources

The Company has per 31 December 2020 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 of 2021 the Company expects an operating profit equal to 2020.

The consequences of Covid-19, where many governments around the world have decided to "close their countries down " will have a huge impact on the world economy.

It is the management's assessment that the outbreak of Covid-19 has not affected the company significantly, neither is it expected to at a later stage.

Accounting Policies

Basis of Preparation

The Annual Report of House of Makeen Energy A/S for 2020 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.

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.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as a part of "Credit Institutions".

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Accounting Policies

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.

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

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Land and buildings	20-40 years
Other fixtures and fittings, tools and equipment	2-10 years

Assets costing less than DKK 20,000 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the Group of assets to which they are attributable.

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.

Accounting Policies

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

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.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Other payables

Other payables comprise guilty deposits paid by the tenants.

Prepayments

Prepayments comprises of pre-invoiced rent for the future period.

Income Statement 1. January - 31 December 2020

	Note	<u>2020</u>	<u>2019</u>
		DKK	DKK
Gross profit		4.637.464	4.167.363
Profit/loss before financial income and expenses		4.637.464	4.167.363
Depreciations	6	-2.018.802	-1.923.404
Financial income	2	87.377	74.940
Financial expenses	3	-1.223.521	-1.220.280
Profit/loss before tax		1.482.518	1.098.619
Tax on profit/loss for the year	4	-707.335	-289.079
Net profit/loss for the year		775.183	809.540
Distribution of profit	5		

Balance Sheet 31 December 2020

Assets

	Note	2020	2019
		DKK	DKK
Land and buildings	6	64.609.569	65.208.827
Other fixtures and fittings, tools and equipment	6	218.063	229.600
Property, plant and equipment		64.827.632	65.438.427
Fixed assets		64.827.632	65.438.427
Trade receivables		933.360	267.497
Receivables from group enterprises		3.233.711	1.824.685
Corporation tax	4	0	468.847
Other receivables		0	77.943
Prepayments		47.114	35.769
Receivables		4.214.185	2.674.741
Cash at bank and in hand		1.174.147	2.460.240
Current assets		5.388.332	5.134.981
Assets		70.215.964	70.573.408

Liabilities and equity

	Note	2020	2019
		DKK	DKK
Share capital	8	400.000	400.000
Reserve for hedging transactions		-3.222.181	-2.224.238
Retained earnings		1.020.622	245.439
Equity		-1.801.559	-1.578.799
Provision for deferred tax	7	202.015	4.970
Provisions		202.015	4.970
Credit institutions	9	59.247.338	62.624.534
Other payables	9	3.447.548	2.747.078
Long-term debt		62.694.886	65.371.612
Current portion of long-term debt	9	4.822.303	4.799.192
Trade payables		640.123	283.014
Payables to group enterprises		551.399	89.834
Corporation tax		228.819	0
Other payables		902.518	201.119
Prepayments		1.975.460	1.402.466
Short-term debt		9.120.622	6.775.625
Debt		71.815.508	72.147.237
Liabilities and equity		70.215.964	70.573.408

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Statement of changes in equity

	Share capital	Reserve for hedging transactions	Retained earnings	Total
	<u>DKK</u>		<u>DKK</u>	<u>DKK</u>
Equity at 1 January 2020	400.000	-2.224.238	245.439	-1.578.799
Fair value adjustment of hedging instruments, end of year	0	-1.279.414	0	-1.279.414
Tax on changes in equity	0	281.471	0	281.471
Net profit/loss for the year	0	0	775.183	775.183
Equity at 31 December 2020	<u>400.000</u>	<u>-3.222.181</u>	<u>1.020.622</u>	<u>-1.801.559</u>

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 2020 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.

	<u>2020</u>	<u>2019</u>
	DKK	DKK
2 Financial income		
Interest on mortgages	82.406	72.107
Capital gain on loan	4.971	2.833
	<u>87.377</u>	<u>74.940</u>
3 Financial expenses		
Bank charges	1.223.521	1.220.280
	<u>1.223.521</u>	<u>1.220.280</u>
4 Tax on profit/loss for the year		
Current tax for the year	-228.819	428.232
Deferred tax for the year	-197.045	-89.962
Total tax for the year	<u>-425.864</u>	<u>338.270</u>
which breaks down as follows:		
Tax on profit/loss for the year	-547.406	-289.079
Tax on profit/loss previous years	-159.929	0
Tax on changes in equity	281.471	627.349
	<u>-425.864</u>	<u>338.270</u>
5 Distribution of profit		
Proposed distribution of profit		
Retained earnings	775.183	809.540
	<u>775.183</u>	<u>809.540</u>

Notes to the Annual Report

6 Property, plant and equipment

	Land and buildings	Other fixtures and fittings, tools and equipment
	DKK	DKK
Cost at 1. January	67.098.341	263.490
Additions for the year	1.366.154	41.853
Cost at 31 December 2020	68.464.495	305.343
Impairment losses and depreciation at 1. January	1.889.514	33.890
Depreciation for the year	1.965.412	53.390
Impairment losses and depreciation at 31 December 2020	3.854.926	87.280
Carrying amount at 31 December 2020	64.609.569	218.063
Depreciated over	20-40 years	2-10 years
	2020	2019
	DKK	DKK
7 Provision for deferred tax		
Fixed asset	202.015	7.036
Current assets	0	-2.066
	202.015	4.970

Notes to the Annual Report

8 Equity

The share capital consists of 4.000 shares of a nominal amount of DKK 100. No shares carry any special rights.

9 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-

The debt falls due for payment as specified below:

	<u>2020</u>	<u>2019</u>
	DKK	DKK
Credit institutions		
After 5 years	39.986.179	43.501.018
Between 1 and 5 years	19.261.159	19.123.516
Long-term part	<u>59.247.338</u>	<u>62.624.534</u>
Within 1 year	4.822.303	4.799.192
Short-term part	<u>4.822.303</u>	<u>4.799.192</u>
	<u>64.069.641</u>	<u>67.423.726</u>
Other payables		
After 5 years	3.447.548	2.747.078
Long-term part	<u>3.447.548</u>	<u>2.747.078</u>
Within 1 year	0	0
	<u>3.447.548</u>	<u>2.747.078</u>

Notes to the Annual Report

10 Contingent assets, liabilities and other financial obligations

The Company has issued a mortgage bond with security in land and buildings with carrying amount of total DKK 64.610k.

The Company has issued a surety guarantee for Makeen Energy A/S, Makeen Power A/S, Kosan Crisplant A/S and Makeen Prosupply ApS' engagement with banks for a total of DKK 371,774k.

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

11 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 2020 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

Notes to the Annual Report

12 Derivative financial instruments

Fair value of derivatives recognised in the balance sheets as of 31 December:

	<u>2020</u>	<u>2019</u>
	DKK	DKK
Interest rate swaps	-4.131.001	-2.851.587
	<u>-4.131.001</u>	<u>-2.851.587</u>
Cash flow hedges	-4.131.001	-2.851.587
	<u>-4.131.001</u>	<u>-2.851.587</u>
Liabilities	-4.131.001	-2.851.587
	<u>-4.131.001</u>	<u>-2.851.587</u>

13 Subsequent events

No events materially affecting the assessment of the financial position of the Company at 31 December 2020 have occurred after the balance sheet date.