

House of Makeen Energy A/S

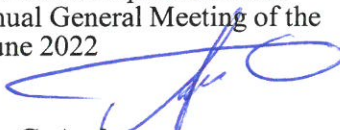
Alsvej 21

DK-8940 Randers SV

CVR no 39769360

Annual Report for 2021

The Annual Report has been presented and
adopted at the Annual General Meeting of the
Company on 28 June 2022



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 2021.

The Annual Report is 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 at 31 December 2021 of the Company and of the results of the Company operations for 2021.

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.

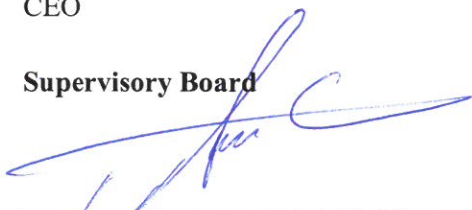
Randers, 28 June 2022

Executive Board



Søren Mikkelsen
CEO

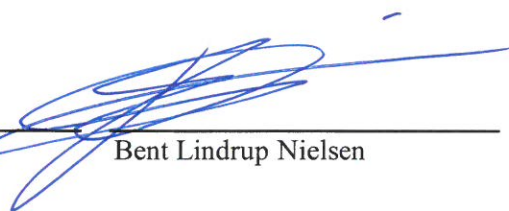
Supervisory Board



Anders C. Anderson (chairman)



Mads Bach Christensen



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 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes ("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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 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 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, 28 June 2022

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: 4

Municipality of reg. office: Randers

Supervisory Board

Anders C. Anderson (chairman)
Mads Bach Christensen
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 Makeen Energy Group.

Development during the Year

For the year of 2021 the company has a net profit, which is considered to be satisfying. The number of tenants has increased during the year.

Expectations for the Year Ahead

For the financial year of 2022 the Company expects to improve the operating profit.

Ownership

The Company's share capital of DKK 400k by 31 December 2021 is wholly owned by Makeen Energy A/S, Alsvej 21, DK-8940 Randers SV, Denmark.

Accounting Policies

Basis of Preparation

The Annual Report of House of Makeen Energy A/S for 2021 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.

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

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.

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.

Accounting Policies

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 2021

	Note	2021	2020
		DKK	DKK
Gross profit		5.498.460	4.637.464
Profit/loss before financial income and expenses		5.498.460	4.637.464
Depreciations	4	-2.131.670	-2.018.802
Financial income		172.076	87.377
Financial expenses		-1.187.951	-1.223.521
Profit/loss before tax		2.350.915	1.482.518
Tax on profit/loss for the year	2	-758.038	-707.335
Net profit/loss for the year		1.592.877	775.183
Distribution of profit	3		

Balance Sheet 31 december 2021

Assets

	Note	<u>2021</u>	<u>2020</u>
		DKK	DKK
Land and buildings	4	64.563.823	64.609.569
Other fixtures and fittings, tools and equipment	4	227.313	218.063
Property, plant and equipment		<u>64.791.136</u>	<u>64.827.632</u>
Fixed assets		<u>64.791.136</u>	<u>64.827.632</u>
Inventories		<u>104.536</u>	<u>0</u>
Trade receivables		1.530.180	933.360
Receivables from group enterprises		4.906.941	3.233.711
Prepayments		32.186	47.114
Receivables		<u>6.469.307</u>	<u>4.214.185</u>
Cash at bank and in hand		<u>335.659</u>	<u>1.174.147</u>
Current assets		<u>6.909.502</u>	<u>5.388.332</u>
Assets		<u>71.700.638</u>	<u>70.215.964</u>

Liabilities and equity

	Note	2021	2020
		DKK	DKK
Share capital	6	400.000	400.000
Reserve for hedging transactions		-1.505.449	-3.222.181
Retained earnings		2.613.499	1.020.622
Equity		1.508.050	-1.801.559
Provision for deferred tax	5	152.137	202.015
Provisions		152.137	202.015
Credit institutions	7	52.540.200	59.247.338
Other payables	7	3.559.038	3.447.548
Long-term debt		56.099.238	62.694.886
Current portion of long-term debt	7	4.704.075	4.822.303
Trade payables		390.059	640.123
Payables to group enterprises		3.806.990	551.399
Corporation tax		1.292.122	228.819
Other payables		1.296.433	902.518
Prepayments		2.451.534	1.975.460
Short-term debt		13.941.213	9.120.622
Debt		70.040.451	71.815.508
Liabilities and equity		71.700.638	70.215.964

	Note
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Statement of changes in equity

	Share capital	Reserve for hedging transactions	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January 2021	400.000	-3.222.181	1.020.622	-1.801.559
Fair value adjustment of hedging instruments, end of year	0	2.200.938	0	2.200.938
Tax on changes in equity	0	-484.206	0	-484.206
Net profit/loss for the year	0	0	1.592.877	1.592.877
Equity at 31 December 2021	400.000	-1.505.449	2.613.499	1.508.050

Notes to the Annual Report

<u>2021</u>	<u>2020</u>
DKK	DKK

1 Staff

The average number of full-time employees is 0 (2020: 0).

The Executive Board and Supervisory Board do not receive remuneration from the Company.

2 Tax on profit/loss for the year

Current tax for the year	1.292.122	228.819
Deferred tax for the year	-49.878	197.045
Total tax for the year	1.242.244	425.864

which breaks down as follows:

Tax on profit/loss for the year	758.038	547.406
Tax on profit/loss previous years	0	159.929
Tax on changes in equity	484.206	-281.471
	1.242.244	425.864

3 Distribution of profit

Proposed distribution of profit

Retained earnings	1.592.877	775.183
	1.592.877	775.183

Notes to the Annual Report

4 Property, plant and equipment

	Land and buildings	Other fixtures and fittings, tools and equipment
	DKK	DKK
Cost at 1. january	68.464.495	305.343
Additions for the year	2.015.567	79.607
Cost at 31 december 2021	70.480.062	384.950
Impairment losses and depreciation at 1. january	3.854.926	87.280
Depreciation for the year	2.061.313	70.357
Impairment losses and depreciation at 31 december 2021	5.916.239	157.637
Carrying amount at 31 december 2021	64.563.823	227.313
Depreciated over	20-40 years	2-10 years
	2021	2020
	DKK	DKK
5 Provision for deferred tax		
Fixed asset	236.248	202.015
Current assets	-84.111	0
	152.137	202.015

6 Equity

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

Notes to the Annual Report

7 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>2021</u>	<u>2020</u>
	DKK	DKK
Credit institutions		
After 5 years	33.748.232	39.986.179
Between 1 and 5 years	18.791.968	19.261.159
Long-term part	<u>52.540.200</u>	<u>59.247.338</u>
Within 1 year	4.704.075	4.822.303
Short-term part	<u>4.704.075</u>	<u>4.822.303</u>
	<u>57.244.275</u>	<u>64.069.641</u>
Other payables		
After 5 years	3.559.038	3.447.548
Long-term part	<u>3.559.038</u>	<u>3.447.548</u>
Within 1 year	0	0
	<u>3.559.038</u>	<u>3.447.548</u>

8 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 64.564k.

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 358,248k.

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

Notes to the Annual Report

9 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 2021 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, Alsvej 21, 8940 Randers SV, Denmark.

10 Derivative financial instruments

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

	<u>2021</u>	<u>2020</u>
	DKK	DKK
Interest rate swaps	-1.930.063	-4.131.001
	<u>-1.930.063</u>	<u>-4.131.001</u>
Cash flow hedges	-1.930.063	-4.131.001
	<u>-1.930.063</u>	<u>-4.131.001</u>
Liabilities	-1.930.063	-4.131.001
	<u>-1.930.063</u>	<u>-4.131.001</u>

11 Subsequent events

No events materially affecting the assessment of the financial position of the Company at 31 December 2021 have occurred after the balance sheet date.