

# **Makeen ProSupply ApS**

**Alsvej 21**

**DK-8940 Randers SV**

**CVR no 41 24 63 32**

## **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 Makeen ProSupply ApS for the financial year 17 March – 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.


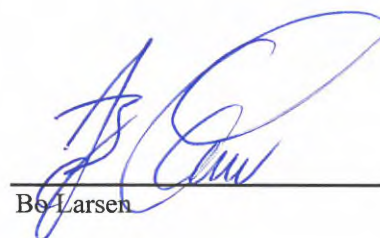
We recommend that the Annual Report be adopted at the Annual General Meeting.

Randers, 20. April 2021

### Executive Board

  
Bo Larsen  
CEO

### Supervisory Board

  
Anders C. Anderson (chairman)  
Søren Mikkelsen  
Bo Larsen

# **Independent Auditors' report**

## **To the Shareholders of Makeen ProSupply ApS**

### **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 17 March - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Makeen ProSupply ApS for the financial year 17 March - 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**

Makeen ProSupply ApS  
Alsvej 21  
DK-8940 Randers SV

CVR no 41 24 63 32  
Financial period: 17 March - 31 December  
Financial year: 1  
Municipality of reg. office: Randers

### **Supervisory Board**

Anders C. Anderson (chairman)  
Søren Mikkelsen  
Bo Larsen

### **Executive Board**

Bo Larsen

### **Auditors**

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

## **Managements Review**

### **Main activities**

Makeen ProSupply ApS is through the ownership of ProSupply entities a global market supplier of components for all kinds of gases and ammonia NH<sub>3</sub> as well as equipment for boiler and heat exchanger production.

### **Development during the Year**

The result before tax for the year is a loss of DKK 1.821 kDKK. The Company's financial year was largely affected by negative value adjustment of an interest rate swap.

### **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 2021 the Company expects to improve the operating profit.

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 Makeen ProSupply ApS 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 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.

### **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 "Other receivables" and "Other payables", respectively.

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.

#### **Administrative expenses**

Administrative expenses comprise expenses for Management, consultants, it expenses etc.

#### **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**

#### **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.

#### **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.

#### **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.

## **Accounting Policies**

### **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.



## Income Statement 17 March - 31 December 2020

	Note	<u>2020</u>
		DKK
<b>Operating profit/loss</b>		<b>-45.811</b>
Income from investments in subsidiaries after tax		-519.040
Financial income	2	95.472
Financial expenses	3	<u>-1.719.365</u>
<b>Profit/loss before tax</b>		<b>-2.188.744</b>
Tax on profit/loss for the year	4	<u>367.335</u>
<b>Net profit/loss for the year</b>		<b><u>-1.821.409</u></b>
<b>Distribution of profit</b>	5	

## Balance Sheet 31 December 2020

### Assets

	Note	2020 DKK
Receivables from group enterprises		619.881
Corporation tax		30.967
Deferred tax asset	7	336.368
<b>Receivables</b>		<b>987.216</b>
<b>Cash at bank and in hand</b>		<b>81.689</b>
<b>Current assets</b>		<b>1.068.905</b>
<b>Assets</b>		<b>1.068.905</b>

## Balance Sheet 31 December 2020

### Liabilities and equity

	Note	2020 DKK
Share capital	8	1.000.000
Retained earnings		-1.784.489
<b>Equity</b>		<b>-784.489</b>
Deficit, subsidiaries		482.120
<b>Provisions</b>		<b>482.120</b>
Other payables		1.371.274
<b>Short-term debt</b>		<b>1.371.274</b>
<b>Debt</b>		<b>1.371.274</b>
<b>Liabilities and equity</b>		<b>1.068.905</b>

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## Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 17 March 2020	1.000.000	0	1.000.000
Exchange adjustments	0	36.920	36.920
Net profit/loss for the year	0	-1.821.409	-1.821.409
<b>Equity at 31 December 2020</b>	<b>1.000.000</b>	<b>-1.784.489</b>	<b>-784.489</b>

## 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 expires at the next annual general meeting. The guarantee secures the needed cash flow to ensure going concern of the Company.

	2020
	DKK
<b>2 Financial income</b>	
Exchange adjustments	95.472
	<b>95.472</b>
<b>3 Financial expenses</b>	
Bank charges	408.277
Exchange adjustments.	9.487
Fair value adjustments on derivative financial instruments	1.301.601
	<b>1.719.365</b>
<b>4 Tax on profit/loss for the year</b>	
Current tax for the year	30.967
Deferred tax for the year	336.368
<b>Total tax for the year</b>	<b>367.335</b>
which breaks down as follows:	
Tax on profit/loss for the year	367.335
Tax on changes in equity	0
	<b>367.335</b>



## Notes to the Annual Report

### 5 Distribution of profit

#### Proposed distribution of profit

Retained earnings	-1.821.409
	<u>-1.821.409</u>

### 6 Fixed assets investments

	Investments in subsidiaries
	<u>DKK</u>
Cost at 17 March	0
Additions for the year	<u>0</u>
Cost at 31 December 2020	<u>0</u>
Value adjustment at 17 March	0
Exchange adjustments of subsidiaries	36.920
Net profit/loss for the year	-519.040
Adjustment of investments with negative net asset value	<u>482.120</u>
Value adjustment at 31 December	<u>0</u>
<b>Carrying amount at 31 December 2020</b>	<u>0</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital
Makeen ProSupply North America LLC	USA	kUSD 0

### 7 Deferred tax asset/ Provision for deferred tax

Fixed assets	
Current assets	89.778
Tax loss carry-forward	<u>246.590</u>
	<u><b>336.368</b></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.

## Notes to the Annual Report

### 8 Equity

The share capital consists of 10.000 shares of a nominal amount of DKK 100. No shares carry any special rights.

### 9 Contingent assets, liabilities and other financial obligations

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

The Company has issued a surety guarantee for Makeen Energy A/S, Makeen Power A/S, House of Makeen Energy A/S and Kosan Crisplant A/S' engagement with banks for a total of DKK 393,399k.

The Parent has provided security towards banks with the shares of Makeen ProSupply North America for Makeen ProSupply North America's engagement with

The parent company has issued a limited parent guarantee to Makeen ProSupply ApS which expire at the next annual general meeting.

### 10 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

In 2020 the Company had no transactions with related parties, which are not on arm's

#### 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 &

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

Makeen Energy A/S  
Alsvej 21  
8940 Randers SV  
Denmark

### 11 Subsequent events

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