

MAKEEN ProSupply ApS

Alsvej 21

DK-8940 Randers SV

CVR no 41 24 63 32

Annual Report for 2023

The Annual Report has been presented
and adopted at the Annual General
Meeting of the Company on 27 June
2024

Chairman Mads Bach Christensen

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Management's Statement on the Annual Report

The Executive and Board of directors have today considered and adopted the Annual Report of MAKEEN ProSupply ApS for the financial year 1 January 2023 – 31 December 2023.

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 2023 of the Company and the Group and of the results of the Company and Group operations and consolidated cash flows for 2023.

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 SV, 27 June 2024

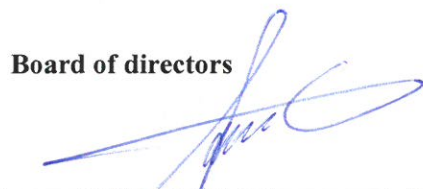
Executive Board



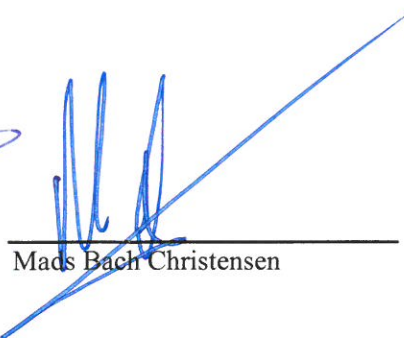
Bo Larsen

CEO

Board of directors



Anders C. Anderson (chairman)



Mads Bach Christensen



Søren Mikkelsen

Independent Auditors' report

To the Shareholder of MAKEEN ProSupply ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of MAKEEN Prosupply ApS for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 Group 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 Financial 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.

Independent Auditors' report

Management's Responsibilities for the Financial Statements

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

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent 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 Group or the Parent 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 judgement and maintain professional scepticism 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent Company to cease to continue as a going concern.

Independent Auditors' report

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, 27 June 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR no 33 77 12 31



Claus Lindholm Jacobsen

State Authorised Public Accountant

mne23328



Thyge Belter

State Authorised Public Accountant

mne30222

Company information

The Company

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DK-8940 Randers SV

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E-mail: info@makeenenergy.com

Website: www.makeenenergy.com

CVR no 41 24 63 32

Financial period: 1 January - 31 December

Financial year: 4

Municipality of reg. office: Randers

Board of directors

Anders C. Anderson (chairman)

Mads Bach Christensen

Søren Mikkelsen

Sulaiman Abdulrahman Alkharraz

Executive Board

Bo Larsen

Auditors

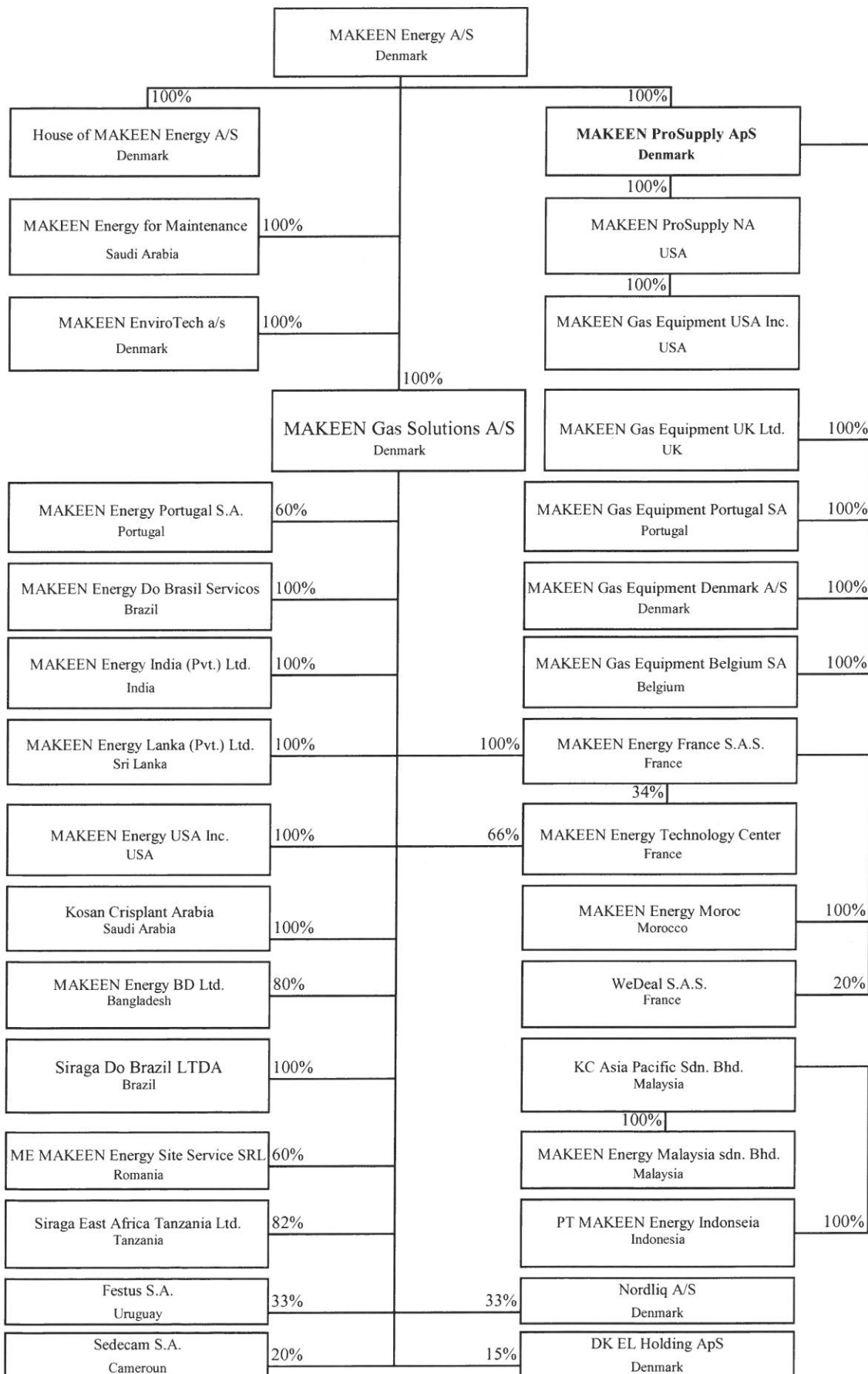
PricewaterhouseCoopers

Nobelparken

Jens Chr. Skous Vej 1

DK-8000 Aarhus C

Group Overview



Financial Highlights

	Group			
	2023	2022	2021	2020
	DKK mio.	DKK mio.	DKK mio.	DKK mio.
Key figures				
Profit/loss				
Revenue	796,3	747,1	553,1	310,7
Gross profit/loss	197,1	198,3	140,7	71,7
EBITDA	76,9	77,5	53,0	14,9
EBITA	75,6	77,1	50,5	14,8
Profit/loss before financial income and expenses	66,0	67,1	41,2	5,4
Net financials	-12,0	-10,6	-10,5	-6,2
Net profit/loss for the year	39,9	42,0	22,2	-0,8
Balance sheet				
Balance sheet total	352,0	361,6	311,0	238,7
Investment in property, plant and equipment	1,0	6,8	1,9	0,0
Equity total	108,7	71,5	25,9	-0,8
Average number of employees	148	146	131	68
Ratios				
Gross margin	24,8%	26,5%	25,4%	23,1%
EBITDA margin	9,7%	10,4%	9,6%	4,8%
EBITA margin	9,5%	10,3%	9,1%	4,8%
Profit margin	8,3%	9,0%	7,5%	1,7%
Return on assets	18,8%	18,6%	13,3%	2,3%
Solvency ratio	30,9%	19,8%	8,3%	-0,3%
Return on equity	44,3%	86,4%	177,6%	-800,0%

The ratios have been prepared in accordance with the definitions stated in the section accounting policies.

Management's Review

Main activities

MAKEEN ProSupply ApS is through the ownership of MAKEEN Gas Equipment entities a global market supplier of components for all kinds of gases and ammonia NH₃ as well as equipment for boiler and heat exchanger production.

Development during the Year

The result before tax for the year is a profit of DKK 54.0 million versus DKK 56.5 million in 2022. The revenue and result are in line with the announced expectations in the annual report for 2022.

The sale of the Group's products continued to develop positively throughout 2023 showing an even better potential for the years to come. The result is achieved based on continuous focus on acquisition of relevant activities, development of strategic business segments, cost price reductions, improvement of product mix and introduction of new products.

The current organisation, combined with more acquisitions, ensures the Group a strong position to continuously benefit from the improvement of the market situation, which is expected to continue in the coming year.

Special Risks

Macro-economic and Political Conditions

The Group sells products and services world-wide. The geographical distribution ensures a considerable diversification of risks, but also implies that the Group's sales often are influenced positively or negatively by macro-economical or political conditions on specific markets.

Credit and Liquidity Risks

The Group's activities on a large number of markets involve a certain exposure to deferred payments and non-payments from customers. Such risks are met by strict management of payment conditions and use of normal payment instruments.

Foreign Exchange Risks

As the major part of the Group's revenue is generated abroad, results and equity are affected by the development in exchange rates in respect of a number of currencies. However, the risk is limited by a material part of revenue being settled in Euro. It is Group policy to hedge against commercial foreign exchange exposure through forward exchange contracts. The Company does not enter into foreign exchange positions for speculative purposes.

Statutory statement on CSR according to section 99a of the Danish Financial Act

For a description of the Group's policies according to section 99a of the Danish Financial Act, please refer to the annual report for Makeen Energy A/S, Cvr.: 36 71 84 63 for 2023.

Management's Review

Statutory statement on the underrepresented gender according to section 99b of the Danish Financial Act.

The Company's highest level of management, the Board of Directors, is currently consisting solely of males. Members of the Board of Directors elected on the General Meeting are elected according to qualifications.

The composition of genders in the Board of Directors is unchanged in 2023 as the number of changes has not provided the basis for an improvement.

The company aims for 20% of Board of Directors to be occupied by the underrepresented gender by 2025. The Company has in 2023 implemented a targeted recruitment strategy focusing on attracting qualified candidates from the underrepresented gender for board positions. This may include advertising on platforms and networks specifically targeting female leaders and experts.

There are no employees in the company's other management level. Information about the underrepresented gender requires a minimum of 3 members on the balance sheet date, which is why the statement has been omitted

	2023	2024	2025	2026	2027
Board of Directors					
Members in total	4				
Underrepresented gender in %	0%				
Target	20%				
Year for archiving target	2025				
Other management level					
Members in total	0				
Underrepresented gender in %	0%				
Target	N/A				
Year for archiving target	N/A				

Statutory statement on Data ethics according to section 99d of the Danish Financial Act

For a description of the Group's policies according to section 99d of the Danish Financial Act, please refer to the annual report for Makeen Energy A/S, Cvr.: 36 71 84 63 for 2023.

Management's Review

Expectations for the Year Ahead

The Group expects that the demand for the products for the gas- and ammonia NH₃ industries as well as the equipment for boiler and heat exchanger production will continue the high level in 2024. Management expect existing liquidity and credit lines continues to be sufficient.

For the financial year 2024 the group expects the revenue to be in the level DKK 850 - 900 million and net result in the level DKK 36-44 million.

Intellectual Capital Resources

The Group gives priority to continuing training of employees in the Parent Company and the subsidiaries abroad. Training in sales management, project management, project training and general leadership has been carried through during the year. Similar training will continue in the coming year.

Ownership

The Company's share capital of DKK 1,000k by 31 December 2023 is wholly owned by MAKEEN Energy A/S, Alsvej 21, DK-8940 Randers SV, Denmark.

Accounting Policies

Basis of Preparation

The Annual Report of MAKEEN ProSupply ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C and current Danish Accounting Standards.

The financial statements are presented in TDKK.

The Company has in 2023 changed the accounting policies used for the classification of cash and cash equivalents in the cash flow statement. The change has led to changes in the Company's cash flows, as Credit institutions are included in financing activity rather than net cash holdings. The Company's result, balance sheet total and equity are not affected by the change.

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.

Accounting Policies

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

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, MAKEEN ProSupply ApS, and enterprises in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

On acquisition of subsidiaries, the difference between cost of acquisition and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the purchase method). In this connection any restructuring provisions decided concerning the acquired enterprise are deducted. Any remaining positive differences are recognised in "Investments in subsidiaries" and are amortised on a straight-line basis over the estimated useful life, but not exceeding 20 years.

Due to change in recognition and measurement of net assets, differences from acquired enterprises may be adjusted until the end of the financial year following the year of acquisition. These adjustments are at the same time reflected in the value of goodwill, including amortisation already made.

Amortisation of goodwill is recognised in the line goodwill amortisation.

Leases

All of the Group's leases are classified as either operating or finance leases. Payments concerning operating leases are recognised in the income statement on a straight-line basis over the leasing period. The payments concerning finance leases are divided between financial expenses and repayments on the leasing debt to obtain a constant interest rate for the remaining leasing debt.

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

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 raw materials and consumables.

Distribution expenses

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising, marketing and exhibition expenses as well as operation of motor vehicles, depreciation, etc.

Administrative expenses

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

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprises, including gains and losses on the sale of intangible assets and property, plant and equipment.

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.

Income from investments in associates

The item "Income from investments in associates" 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.

Accounting Policies

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.

Balance Sheet

Intangible assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life determined on the basis of Management's experience with the individual business areas. The maximum amortisation period is 20 years, the longest period applying to enterprises acquired for strategic purposes with a strong market position and a long earnings profile.

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 years
Plant and machinery	2-10 years
Other fixtures and fittings, tools and equipment	2-10 years
Leasehold improvements	5-12 years

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

Accounting Policies

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.

Investments in subsidiaries and associates

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

The items "Investments in subsidiaries" and "Investments in associates" 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.

Deposits

Deposits comprise prepaid deposits concerning rental agreements.

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 with consideration for the 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.

Accounting Policies

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.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

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.

Deferred income

Deferred income comprises amount received for goods or services which have not yet been delivered.

Cash Flow Statement

The cash flow statement shows the Group's cash flow for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

No cash flow statement has been prepared for the Parent Company as the Parent Company cash flows are included in the Consolidated Cash Flow Statement.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt, movement in credit institutions as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Accounting Policies

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
EBITDA margin	$\frac{\text{EBITDA} \times 100}{\text{Revenue}}$
EBITA margin	$\frac{\text{EBITA} \times 100}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$

Income Statement 1 January 2023 - 31 December 2023

	Note	Group		Parent Company	
		2023	2022	2023	2022
		DKK '000	DKK '000	DKK '000	DKK '000
Revenue	1	796.267	747.140	0	0
Cost of sales	3	-599.147	-548.832	0	0
Gross profit/loss		197.120	198.308	0	0
Distribution expenses	3	-85.713	-87.993	0	0
Administrative expenses	3, 4	-34.993	-33.628	-11	-67
Operating profit/loss		76.414	76.687	-11	-67
Other operating income		0	389	0	0
Other operating expenses		-773	0	0	0
EBITA		75.641	77.076	-11	-67
Goodwill amortisation	9	-9.611	-9.981	0	0
Profit/loss before financial income and expenses		66.030	67.095	-11	-67
Income from investments in subsidiaries after tax	4	0	0	38.837	41.985
Financial income	5	3.142	1.885	600	6.249
Financial expenses	6	-15.145	-12.528	-298	-1.404
Profit/loss before tax		54.027	56.452	39.128	46.763
Tax on profit/loss for the year	7	-14.087	-14.406	-64	-1.051
Net profit/loss for the year		39.940	42.046	39.064	45.712
Distribution of profit	8				

Balance Sheet 31 December 2023

Assets	Note	Group		Parent Company	
		2023	2022	2023	2022
		DKK '000	DKK '000	DKK '000	DKK '000
Goodwill		45.338	51.857	0	0
Brand		35.653	39.129	0	0
Customer relations		14.123	16.937	0	0
Intangible assets	9	95.114	107.923	0	0
Land and buildings		574	445	0	0
Plant and machinery		121	146	0	0
Other fixtures and fittings, tools and equipment		3.636	3.651	0	0
Leasehold improvements		2.919	3.534	0	0
Property, plant and equipment	10	7.250	7.776	0	0
Investments in subsidiaries		0	0	101.001	79.589
Other investments		422	0	422	0
Deposits		398	412	0	0
Fixed asset investments	11	820	412	101.423	79.589
Fixed assets		103.184	116.111	101.423	79.589
Inventories	12	124.629	123.634	0	0
Trade receivables		74.736	69.988	0	0
Receivables from group enterprises		18.487	6.928	14.374	3.695
Other receivables		1.130	1.253	0	0
Corporation tax		0	2	0	0
Deferred tax asset	13	296	257	0	0
Prepayments	14	6.666	6.903	0	0
Receivables		101.315	85.331	14.374	3.695
Cash at bank and in hand		22.886	36.570	113	1
Current assets		248.830	245.535	14.487	3.696
Assets		352.014	361.646	115.910	83.285

Balance Sheet 31 December 2023

Liabilities and equity

	Note	Group		Parent Company	
		2023	2022	2023	2022
		DKK '000	DKK '000	DKK '000	DKK '000
Share capital		1.000	1.000	1.000	1.000
Reserve for hedging transactions		4.245	5.121	0	0
Reserve for currency conversion		35	1.868	0	0
Reserve for net revaluation under the equity method		0	0	67.273	45.861
Retained earnings		103.424	63.484	40.431	24.612
Total equity	15	108.704	71.473	108.704	71.473
Provision for deferred tax	13	71	55	0	0
Provisions		71	55	0	0
Credit institutions	16	53.971	90.639	0	0
Long-term debt		53.971	90.639	0	0
Current portion of long-term debt	16	95.135	96.100	5.000	5.000
Credit institutions		17.565	20.917	0	0
Trade payables		41.864	42.134	0	0
Payables to group enterprises		14.813	16.431	2.122	5.726
Deferred income		4.682	8.335	0	0
Corporation tax		4.527	3.825	64	1.051
Other payables		10.682	11.737	20	35
Short-term debt		189.268	199.479	7.206	11.812
Debt		243.239	290.118	7.206	11.812
Liabilities and equity		352.014	361.646	115.910	83.285

Balance Sheet 31 December 2023

	<u>Note</u>
Fee to auditors appointed at the general meeting	2
Contingent assets, liabilities and other financial obligations	17
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Statement of changes in equity

Group	Share capital	Reserve for hedging transactions	Reserve for currency conversion	Retained earnings	Total
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Equity at 1 January 2023	1.000	5.121	1.868	63.484	71.473
Exchange adjustments	0	0	-1.833	0	-1.833
Fair value adjustment of hedging instruments	0	-1.123	0	0	-1.123
Tax on equity adjustments	0	247	0	0	247
Net profit/loss for the year	0	0	0	39.940	39.940
Equity at 31 December 2023	1.000	4.245	35	103.424	108.704

Parent Company	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	DKK '000	DKK '000	DKK '000	DKK '000
Equity at 1 January 2023	1.000	45.861	24.612	71.473
Exchange adjustments	0	-1.834	1	-1.833
Adjustments in subsidiaries	0	-15.591	15.591	0
Net profit/loss for the year	0	38.837	227	39.064
Equity at 31 December 2023	1.000	67.273	40.431	108.704

Cash Flow Statement 1 January 2023 - 31 December 2023

	<u>Note</u>	Group	
		2023	2022
		DKK '000	DKK '000
Net profit/loss for the year		39.940	42.046
Adjustments	21	37.076	39.845
Change in working capital	22	-23.538	-18.821
Cash flows from operating activities before financial income and expenses		53.478	63.070
Financial income		3.142	1.885
Financial expenses		-15.145	-12.528
Cash flows from ordinary activities		41.475	52.427
Corporation tax paid		-13.159	-12.705
Cash flows from operating activities		28.316	39.722
Acquisition of subsidiaries		0	-1.673
Purchase of property, plant and equipment		-1.016	-6.772
Fixed asset investments made		-3	-6.830
Sale of fixed asset investments		4	0
Cash flows from investing activities		-1.015	-15.275
Raising of long-term debt		33.724	25.577
Movements in Credit institutions		-3.352	20.912
Repayment of long-term debt		-71.357	-74.281
Cash flows from financing activities		-40.985	-27.792
Change in cash and cash equivalents		-13.684	-3.345
Cash and cash equivalents at 1 January 2023		36.570	39.915
Cash and cash equivalents at 31 December 2023		22.886	36.570
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		22.886	36.570
Cash and cash equivalents at 31 December 2023		22.886	36.570

Notes to the Annual Report

	Group		Parent Company	
	2023	2022	2023	2022
	DKK '000	DKK '000	DKK '000	DKK '000
1 Revenue				
Geographical segments				
Europe	127.197	122.306	0	0
Outside Europe	669.070	624.834	0	0
	796.267	747.140	0	0
Activity segments				
Project sales	2.026	144	0	0
Aftersales	794.241	746.996	0	0
	796.267	747.140	0	0
2 Fee to auditors appointed at the general meeting				
PricewaterhouseCoopers				
Audit fee	199	273	11	49
Non-audit services	0	515	0	0
Other audit companies				
Audit fee and non-audit services	131	403	0	0
	330	1.191	11	49
3 Staff				
Wages and salaries	81.636	77.699	0	0
Pensions	1.767	1.515	0	0
Other social security expenses	9.803	8.152	0	0
	93.206	87.366	0	0
Average number of employees	148	146	0	0

With reference to Section 98B (3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed.

Notes to the Annual Report

	Parent Company			
	2023		2022	
	DKK '000	DKK '000	DKK '000	DKK '000
4 Income from investments in subsidiaries after tax				
Share of earnings of subsidiaries after tax	41.076		44.460	
Amortisation of goodwill	-2.239		-2.475	
	38.837		41.985	
	Group		Parent Company	
	2023	2022	2023	2022
	DKK '000	DKK '000	DKK '000	DKK '000
5 Financial income				
enterprises	156	0	153	0
Exchange adjustments	250	556	0	232
Other financial income	2.736	1.329	447	6.017
	3.142	1.885	600	6.249
6 Financial expenses				
Interest expenses to group enterprises	3.658	5.707	279	1.352
Bank charges	10.836	5.844	0	0
Exchange adjustments	600	796	0	52
Other financial expenses	51	181	19	0
	15.145	12.528	298	1.404
7 Tax on profit/loss for the year				
Current tax for the year	13.863	14.646	64	1.051
Deferred tax for the year	-23	794	0	0
Total tax for the year	13.840	15.440	64	1.051
which breaks down as follows:				
Tax on profit/loss for the year	14.087	14.406	64	1.051
Tax on changes in equity	-247	1.034	0	0
	13.840	15.440	64	1.051

Notes to the Annual Report

	Group		Parent Company	
	2023	2022	2023	2022
	DKK '000	DKK '000	DKK '000	DKK '000
8 Distribution of profit				
Proposed distribution of profit				
Net revaluation according to the equity method	0	0	38.837	41.985
Retained earnings	39.940	42.046	227	3.727
	39.940	42.046	39.064	45.712

9 Intangible assets

Group	Goodwill	Brand	Customer relations	Order backlog
	DKK '000	DKK '000	DKK '000	DKK '000
Cost at 1 January 2023	65.254	45.367	23.361	3.969
Exchange adjustments	-1.783	-1.486	-765	-181
Cost at 31 December 2023	63.471	43.881	22.596	3.788
Amortisation at 1 January 2023	13.397	6.238	6.424	3.969
Exchange adjustments	-325	-251	-259	-181
Amortisation for the year	5.061	2.241	2.308	0
Amortisation at 31 December 2023	18.133	8.228	8.473	3.788
Carrying amount at 31 December 2023	45.338	35.653	14.123	0
Amortised over	10-20 years	20 years	10 years	9-18 months

Amortisation and impairment of intangible assets are recognised in the following items:

Amortisation, goodwill	9.610
	9.610

Goodwill

Investment in subsidiaries are considered to be of strategic importance for the Group. In consideration of the Groups plans for development and increasing the activities in the acquired subsidiaries the useful life of goodwill is set up to 20 years.

Notes to the Annual Report

10 Property, plant and equipment

Group	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improve- ments
	DKK '000	DKK '000	DKK '000	DKK '000
Cost at 1 January 2023	2.235	1.036	6.500	3.726
Exchange adjustments	52	24	-94	-111
Additions for the year	124	9	883	0
Disposals for the year	0	0	-508	0
Cost at 31 December 2023	<u>2.411</u>	<u>1.069</u>	<u>6.781</u>	<u>3.615</u>
Impairment losses and depreciation at 1 January 2023	1.790	890	2.849	192
Exchange adjustments	41	21	19	-10
Depreciation for the year	6	37	785	514
Reversal of impairment and depreciation of sold assets	0	0	-508	0
Impairment losses and depreciation at 31 December 2023	<u>1.837</u>	<u>948</u>	<u>3.145</u>	<u>696</u>
Carrying amount at 31 December 2023	<u>574</u>	<u>121</u>	<u>3.636</u>	<u>2.919</u>
Depreciated over	<u>20 years</u>	<u>2-10 years</u>	<u>2-10 years</u>	<u>5-12 years</u>

Depreciation and impairment of property, plant and equipment are recognised in the following

	2023
	DKK '000
Cost of sales	15
Distribution expenses	44
Administrative expenses	1.283
	<u>1.342</u>

Notes to the Annual Report

11 Fixed assets investments

Group	Investments in associates	Other Investments	Deposits
	DKK '000	DKK '000	DKK '000
Cost at 1 January 2023	1.008	0	412
Exchange adjustments	0	0	-13
Additions for the year	0	0	3
Disposals for the year	0	0	-4
Cost at 31 December 2023	1.008	0	398
Value adjustment at 1 January 2023	-1.008	0	0
Fair value adjustment of hedging instruments	0	422	0
Value adjustments at 31 December 2023	-1.008	422	0
Carrying amount at 31 December 2023	0	422	398
	Investments in subsidiaries	Investments in associates	Other Investments
	DKK '000	DKK '000	DKK '000
Cost at 1 January 2023	32.720	1.008	0
Additions for the year	0	0	0
Cost at 31 December 2023	32.720	1.008	0
Value adjustment at 1 January 2023	46.869	-1.008	0
Exchange adjustments	-1.834	0	0
Net profit/loss for the year	38.837	0	0
Dividend to the Parent Company	-15.591	0	0
Fair value adjustment of hedging instruments	0	0	422
Value adjustment at 31 December 2023	68.281	-1.008	422
Carrying amount at 31 December 2023	101.001	0	422

Notes to the Annual Report

11 Fixed assets investments (continued)

Of this amount, goodwill amounts to 95.114

Subsidiaries and associated companies are recognised and measured as separate entities.

Investments in subsidiaries and associates are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Subsidiaries:			
MAKEEN ProSupply North America	USA	KUSD 0	100%
MAKEEN Gas Equipment Denmark A/S	Denmark	kDKK 500	100%
MAKEEN Gas Equipment Portugal SA	Portugal	kEUR 200	100%
MAKEEN Gas Equipment UK Ltd.	UK	kGBP 10	100%
- Tankgas Equipment Ltd. (dormant)	UK	kGBP 5	100%
- Combined Gas Systems Ltd. (dormant)	UK	kGBP 0,1	100%
- Marshalls Excelsior Europe Ltd.(dormar	UK	kGBP 0,1	100%
MAKEEN Gas Equipment Belgium SA	Belgium	kEUR 200	100%
Associates:			
Suncil Technology ApS	Denmark	kDKK 8.310	24%

	Group		Parent Company	
	2023	2022	2023	2022
	DKK '000	DKK '000	DKK '000	DKK '000
12 Inventories				
Raw materials and consumables	124.629	123.634	0	0
	124.629	123.634	0	0

Notes to the Annual Report

	Group		Parent Company	
	2023	2022	2023	2022
	DKK '000	DKK '000	DKK '000	DKK '000
13 Provision for deferred tax				
Fixed assets	60	44	0	0
Current assets	11	11	0	0
	71	55	0	0
Provision for deferred tax at 1. January	55	29	0	0
Amounts recognised in the income statement for the year	16	26	0	0
Provision for deferred tax at 31. December	71	55	0	0
Deferred tax asset				
Fixed assets	0	257	0	0
Tax loss carry-forward	296	0	0	0
	296	257	0	0
Deferred tax asset at 1. January	257	1.025	0	0
Amounts recognised in the income statement for the year	-208	266	0	0
Amounts recognised in equity for the year	247	-1.034	0	0
Deferred tax asset at 31. December	296	257	0	0

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.

14 Prepayments

Prepayments	6.666	6.903	0	0
	6.666	6.903	0	0

Notes to the Annual Report

15 Share Capital

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

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

	2023	2022	2021	2020
	DKK '000	DKK '000	DKK '000	DKK '000
Share capital	1.000	1.000	1.000	1.000

16 Long-term debt

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

The debt falls due for payment as specified below:

	Group		Parent Company	
	2023	2022	2023	2022
	DKK '000	DKK '000	DKK '000	DKK '000
Credit institutions				
After 5 years	0	0	0	0
Between 1 and 5 years	53.971	90.639	0	0
Long-term part	53.971	90.639	0	0
Within 1 year	0	34.617	0	0
	53.971	125.256	0	0
Loans from group enterprises				
Between 1 and 5 years	0	0	0	0
Long-term part	0	0	0	0
Within 1 year	95.135	61.483	5.000	5.000
	95.135	61.483	5.000	5.000

Notes to the Annual Report

17 Contingent assets, liabilities and other financial obligations

The future minimum lease payments under operating leases are as follows:

	Group		Parent Company	
	2023	2022	2023	2022
	DKK '000	DKK '000	DKK '000	DKK '000
No later than 1 year	4.602	5.086	0	0
Later than 1 year and no later than 5 years	8.131	11.744	0	0
Later than 5 years	0	1.303	0	0
	12.733	18.133	0	0

Group

The Group has issued a surety guarantee for MAKEEN Energy A/S, MAKEEN Gas Solutions A/S, MAKEEN EnviroTech A/S and House of MAKEEN Energy A/S' engagement with banks for a total of DKK 323,089k.

Parent Company

The Company has issued a surety guarantee for MAKEEN Energy A/S, MAKEEN Gas Solutions A/S, MAKEEN EnviroTech A/S, House of MAKEEN Energy A/S and MAKEEN Prosupply North America' engagement with banks for a total of DKK 323,089k.

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.

Notes to the Annual Report

18 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 2023 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

Al Ayuni Investment & Contracting Company
3769 ath thumamah rd, ar rabi
Unit no. 2
Riyadh 13316 – 8580
Saudi Arabia

19 Derivative financial instruments

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

	Group		Parent Company	
	2023	2022	2023	2022
	DKK '000	DKK '000	DKK '000	DKK '000
Interest rate swaps	5.442	6.565	422	0
	<u>5.442</u>	<u>6.565</u>	<u>422</u>	<u>0</u>
Cash Flow hedges	5.442	6.565	0	0
	<u>5.442</u>	<u>6.565</u>	<u>0</u>	<u>0</u>
Assets/Liabilities	422	0	422	0
	<u>422</u>	<u>0</u>	<u>422</u>	<u>0</u>

Notes to the Annual Report

20 Subsequent events

In January 2024 the Company acquired FAS Flüssiggas Anlagen GmbH based in Salzgitter, Germany, who will be an integrated part of MAKEEN Gas Equipment division. The acquisition is expecting to strengthening the global business and network of Makeen Gas Equipment.

No events materially affecting the assessment of the financial position of the Company by 31 December 2023 have occurred after the balance sheet date.

	Group	
	2023	2022
	DKK '000	DKK '000
21 Cash flow statement - adjustments		
Financial income	-3.142	-1.885
Financial expenses	15.145	12.528
Depreciation of property, plant and machinery	1.342	209
Amortisation of intangible assets	9.610	9.981
Tax on profit/loss for the year	14.087	14.406
Equity adjustments	34	4.606
	37.076	39.845
22 Cash Flow Statement - change in working capital		
Change in inventories	-995	-33.030
Change in receivables	-4.748	-12.495
Change in other receivables	123	324
Change in prepayments (assets)	237	949
Change in trade payables etc.	-270	12.175
Change in receivables from group enterprises, net	-13.177	3.544
Change in other debt	-1.055	2.993
Change in deferred income	-3.653	6.719
	-23.538	-18.821