

Makeen ProSupply ApS

Alsvej 21

DK-8940 Randers SV

CVR no 41 24 63 32

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 Makeen ProSupply ApS for the financial year 1 January 2021 – 31 December 2021.

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

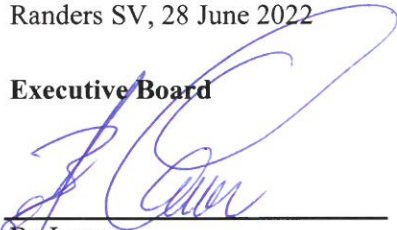
In our opinion, the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and the Group and of the results of the Company and Group operations for 2021.

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 SV, 28 June 2022

Executive Board



Bo Larsen
CEO

Supervisory Board



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 2021, and of the results of the Group's and the Parent Company's operations for the financial year 1 January - 31 December 2021 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 2021, 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 ("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 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 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, 28 June 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR no 33 77 12 31



Claus Lindholm Jacobsen

State Authorised Public Accountant

mne23328



Thyge Belter

State Authorised Public Accountant

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Company information

The Company

Makeen ProSupply ApS
Alsvej 21
DK-8940 Randers SV

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Website: www.kosancrisplant.com

CVR no 41 24 63 32

Financial period: 1 January - 31 December

Financial year: 2

Municipality of reg. office: Randers

Supervisory Board

Anders C. Anderson (chairman)
Mads Bach Christensen
Søren Mikkelsen

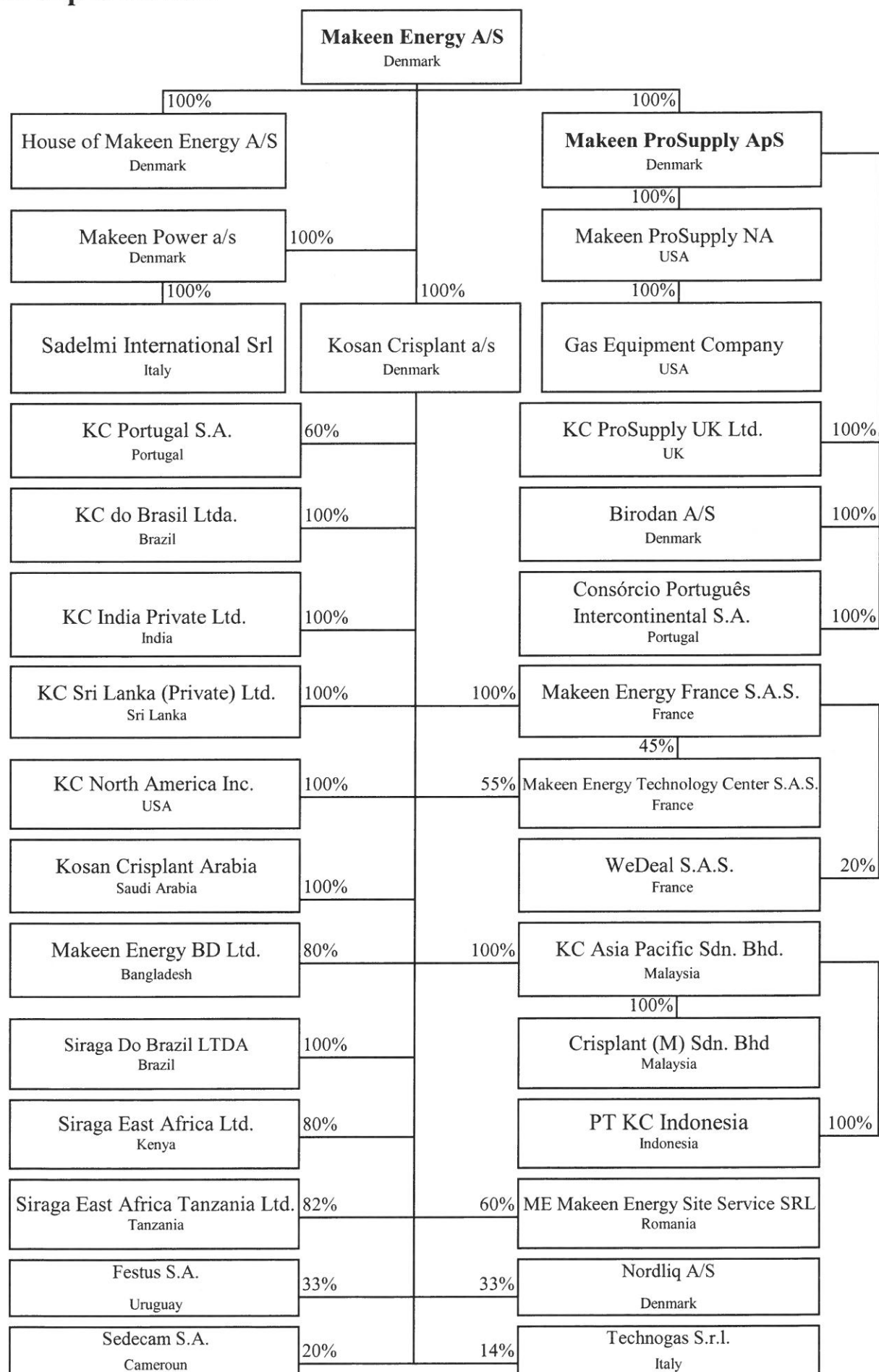
Executive Board

Bo Larsen

Auditors

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

Group Overview



Financial Highlights

	Group	
	2021	2020
	DKK mio.	DKK mio.
Key figures		
Profit/loss		
Revenue	553,1	310,7
Gross profit/loss	140,7	71,7
EBITDA	53,0	14,9
EBITA	50,5	14,8
Profit/loss before financial income and expenses	41,2	5,4
Net financials	-10,5	-6,2
Net profit/loss for the year	22,2	-0,8
Balance sheet		
Balance sheet total	311,0	238,7
Investment in property, plant and equipment	1,9	0,0
Equity total	25,9	-0,8
Average number of employees	131	68
Ratios		
Gross margin	25,4%	23,1%
EBITDA margin	9,6%	4,8%
EBITA margin	9,1%	4,8%
Profit margin	7,5%	1,7%
Return on assets	13,3%	2,3%
Solvency ratio	8,3%	-0,3%
Return on equity	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 ProSupply 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 22.2 million versus a loss of DKK 0.8 million in 2020. The result is better than expected at the beginning of the year, primarily driven by large increase in activity and sales in the US-market.

The sale of the Group's products continued to develop positively throughout 2021 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 financial year of 2021 has been affected by the Covid19 situation as well as challenges in the supply chain. Despite these challenges, the profit has improved significantly. The result for 2021 is considered very satisfactory.

During the financial year the Group has continued its investments through the acquisition of the shares of Birodan A/S, KC ProSupply UK Ltd. and Consórcio Português Intercontinental S.A. from the sistercompany Kosan Crisplant a/s, all contributing positively to the turnover and the result for the year. 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.

With effect from 31 March 2022 the Group has acquired Belgium based Kroch Equipment. Kroch Equipment thus becomes the latest branch of Makeen Energy's trading division, Makeen ProSupply, which supplies gas components and other commodities as well as service and consultancy for the gas industry worldwide.

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.

Management's Review

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

The Group runs its business in an economically and socially responsible way to the benefit of all its stakeholders, i.e. shareholders, employees, customers, suppliers and other stakeholders. The business model is a combination of unique equipment, own manufactured parts and extensive services as well as third party components using the core competences of all employees for the benefit of our customers.

Through its parent company Makeen Energy A/S, the Group has joined the UN Global Compact. The 2021 report, describes the Groups policies for environmental impact, labour- and human rights and anti corruption as well as actions taken during the last year and goals for the coming year. Please refer to the statutory statement on CSR for additional information about the Group's social responsibility.

The statutory statement on CSR according to section 99a of the Danish Financial Act is available at: https://cms.makeenenergy.com/media/a5skvgmx/global-compact-2022_responsible-energy-solutions-on-a-sustainability-journey.pdf

Statutory report on the underrepresented gender

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 target of the Board of Directors is that females shall be represented by minimum 20% of the members elected by on the General Meeting. It is the Company's policy that new members are elected based on qualifications and not gender or similar. The target shall be achieved in 2024.

The composition of genders in the Board of Directors is unchanged in 2021 as the number of changes has not provided the basis for an improvement.

As the management levels below the Board of Directors consist solely of the Chief Executive Officer, no target has been defined for the gender composition in other management levels.

Management's Review

Statutory report on data ethics

The Group has no formal policy on data ethics as the Group historically has considered data ethics to be sufficiently covered by the existing GDPR policy. However, in 2022 we have re-considered how to work with data ethics in the Group and have decided to develop and implement a formal policy on data ethics through its parent company Makeen Energy A/S.

In the policy, the Group will set high standards for how and when to collect, store and use personal and non-personal data and is committed to openness and transparency about our use of data.

In 2021, the Group has defined its internal stakeholders and started up the process to develop the data ethics policy. The policy will include a description of:

- which kind of data the Group collect, store and use
- how and when to collect data
- which data are shared with external parties
- how to train our employees in data ethics

With the data ethics policy fully in place during 2022 the Group will begin implementation of the policy and tools to monitor the use of data and data ethics compliance.

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 2022.

Management expect existing liquidity and credit lines continues to be sufficient.

Russia's invasion of Ukraine is not expected to impact turnover nor operating profit for the financial year 2022, where the Company expects to improve the operating profit.

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 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 Makeen ProSupply ApS for 2021 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 accounting policies are unchanged compared to previous years.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Makeen Energy A/S, CVR.-nr. 36 71 84 63, the Company has not prepared a cash flow statement.

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.

Intra-group acquisitions

Makeen ProSupply ApS has as of 1 January 2021 acquired the entire share capital of the Group's subsidiaries Birodan A/S, Concórcio Portugêses Internail S.A., and KC ProSupply UK Limited. The companies have been acquired at the booked net asset value as of 31 December 2020 and have been accounted for using the "book value method" and thus no adjustment of comparative figures has been made.

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.

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 2021 - 31 December 2021

	Note	Group		Parent Company	
		2021	2020	2021	2020
		DKK '000	DKK '000	DKK '000	DKK '000
Revenue	1	553.115	310.706	0	0
Cost of sales	3	-412.428	-239.039	0	0
Gross profit/loss		140.687	71.667	0	0
Distribution expenses	3	-63.592	-37.706	0	0
Administrative expenses	2, 3	-24.232	-18.357	-62	-46
Operating profit/loss		52.863	15.604	-62	-46
Other operating income		-2.348	-789	0	0
EBITA		50.515	14.815	-62	-46
Goodwill amortisation	9	-9.276	-9.427	0	0
Profit/loss before financial income and expenses		41.239	5.388	-62	-46
Income from investments in subsidiaries after tax	4	0	0	24.117	-519
Income from investments in associates after tax		-1.008	0	-1.008	0
Financial income	5	588	98	3.597	96
Financial expenses	6	-10.120	-6.255	-1.476	-1.719
Profit/loss before tax		30.699	-769	25.168	-2.188
Tax on profit/loss for the year	7	-8.455	-37	-453	367
Net profit/loss for the year		22.244	-806	24.715	-1.821
Distribution of profit	8				

Balance Sheet 31 December 2021

Assets	Note	Group		Parent Company	
		2021	2020	2021	2020
		DKK '000	DKK '000	DKK '000	DKK '000
Goodwill		52.581	44.922	0	0
Brand		38.957	37.938	0	0
Customer relations		18.137	18.774	0	0
Intangible assets	9	109.675	101.634	0	0
Land and buildings		452	0	0	0
Plant and machinery		122	0	0	0
Other fixtures and fittings, tools and equipment		516	193	0	0
Leasehold improvements		125	0	0	0
Property, plant and equipment	10	1.215	193	0	0
Investments in subsidiaries		0	0	48.139	0
Deposits		136	108	0	0
Fixed asset investments	11	136	108	48.139	0
Fixed assets		111.026	101.935	48.139	0
Inventories	12	90.604	68.731	0	0
Trade receivables		57.493	35.227	0	0
Receivables from group enterprises		1.219	741	1.150	620
Other receivables		1.577	209	1.866	0
Corporation tax		261	589	0	31
Deferred tax asset	13	1.025	1.710	0	336
Prepayments	14	7.852	7.791	0	0
Receivables		69.427	46.267	3.016	987
Cash at bank and in hand		39.915	21.798	123	82
Current assets		199.946	136.796	3.139	1.069
Assets		310.972	238.731	51.278	1.069

Balance Sheet 31 December 2021

Liabilities and equity

	Note	Group		Parent Company	
		2021	2020	2021	2020
		DKK '000	DKK '000	DKK '000	DKK '000
Share capital		1.000	1.000	1.000	1.000
Reserve for hedging transactions		1.456	-1.015	0	0
Reserve for currency conversion		1.961	37	0	0
Reserve for net revaluation under the equity method		0	0	15.898	0
Retained earnings		21.438	-806	8.957	-1.784
Total equity	15	25.855	-784	25.855	-784
Deficit, subsidiaries		0	0	0	482
Provision for deferred tax	13	29	0	0	0
Provisions		29	0	0	482
Credit institutions	16	99.679	127.517	0	0
Payables to group enterprises		22.583	0	22.583	0
Long-term debt		122.262	127.517	22.583	0
Current portion of long-term debt	16	113.181	91.082	0	0
Credit institutions		5	0	0	0
Trade payables		29.959	15.085	0	0
Payables to group enterprises		7.178	0	2.650	0
Deferred income		1.616	0	0	0
Corporation tax		2.143	0	117	0
Other payables		8.744	5.831	73	1.371
Short-term debt		162.826	111.998	2.840	1.371
Debt		285.088	239.515	25.423	1.371
Liabilities and equity		310.972	238.731	51.278	1.069

Balance Sheet 31 December 2021

	<u>Note</u>
Fee to auditors appointed at the general meeting	2
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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 2021	1.000	-1.015	37	-806	-784
Exchange adjustments	0	0	1.924	0	1.924
Fair value adjustment of hedging instruments	0	3.168	0	0	3.168
Tax on equity adjustments	0	-697	0	0	-697
Net profit/loss for the year	0	0	0	22.244	22.244
Equity at 31 December 2021	1.000	1.456	1.961	21.438	25.855

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 2021	1.000	0	-1.784	-784
Exchange adjustments	0	1.924	0	1.924
Adjustments in subsidiaries	0	-8.653	8.653	0
Net profit/loss for the year	0	22.627	2.088	24.715
Equity at 31 December 2021	1.000	15.898	8.957	25.855

Notes to the Annual Report

	Group		Parent Company	
	2021	2020	2021	2020
	DKK '000	DKK '000	DKK '000	DKK '000
1 Revenue				
Geographical segments				
Europe	73.400	28	0	0
Outside Europe	479.715	310.678	0	0
	553.115	310.706	0	0
Activity segments				
Project sales	581	0	0	0
Aftersales	552.534	310.706	0	0
	553.115	310.706	0	0
2 Fee to auditors appointed at the general meeting				
PricewaterhouseCoopers				
Audit fee	156	15	16	15
Non-audit services	0	1.017	0	0
Other audit companies				
Audit fee and non-audit services	745	242	0	0
	901	1.274	16	15
3 Staff				
Wages and salaries	58.240	33.790	0	0
Pensions	564	0	0	0
Other social security expenses	6.835	4.123	0	0
	65.639	37.913	0	0
The Executive Board and Supervisory Board do not receive remuneration in the Group or in the Company.				
Average number of employees	131	68	0	0

Notes to the Annual Report

		Parent Company	
		2021	2020
		DKK '000	DKK '000
4	Income from investments in subsidiaries after tax		
	Share of earnings of subsidiaries after tax	26.830	-519
	Amortisation of goodwill	-2.713	0
		24.117	-519
		Group	
		2021	2020
		DKK '000	DKK '000
5	Financial income		
	Interest received from group enterprises	11	35
	Exchange adjustments	213	0
	Other financial income	364	63
		588	98
		Parent Company	
		2021	2020
		DKK '000	DKK '000
	Interest expenses to group enterprises	4.944	2.693
	Bank charges	191	0
	Exchange adjustments	155	0
	Other financial expenses	4.830	3.562
		10.120	6.255
6	Financial expenses		
	Interest expenses to group enterprises	1.301	0
	Bank charges	14	408
	Exchange adjustments	0	9
	Other financial expenses	161	1.302
		1.476	1.719
7	Tax on profit/loss for the year		
	Current tax for the year	8.438	1.587
	Deferred tax for the year	714	-1.836
	Total tax for the year	9.152	-249
which breaks down as follows:			
	Tax on profit/loss for the year	8.455	37
	Tax on changes in equity	697	-286
		9.152	-249

Notes to the Annual Report

	Group		Parent Company	
	2021	2020	2021	2020
	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	22.627	0
Retained earnings	22.244	-806	2.088	-1.821
	22.244	-806	24.715	-1.821

9 Intangible assets

Group	Goodwill	Brand	Customer relations	Order backlog
	DKK '000	DKK '000	DKK '000	DKK '000
Cost at 1 January 2021	47.278	39.416	20.297	3.403
Exchange adjustments	3.930	3.277	1.687	283
Additions for the year	9.165	0	0	0
Cost at 31 December 2021	60.373	42.693	21.984	3.686
Amortisation at 1 January 2021	2.356	1.478	1.522	3.403
Exchange adjustments	305	216	222	283
Amortisation for the year	5.131	2.042	2.103	0
Amortisation at 31 December 2021	7.792	3.736	3.847	3.686
Carrying amount at 31 December 2021	52.581	38.957	18.137	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				9.276
				9.276

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	fixtures and fittings, tools and equipment	Leasehold improve- ments
	DKK '000	DKK '000	DKK '000	DKK '000
Cost at 1 January 2021	0	0	248	0
Exchange adjustments	161	73	187	0
Additions for the year	71	0	207	0
Additions from acquired companies	2.106	960	2.897	287
Disposals for the year	0	0	-243	0
Cost at 31 December 2021	<u>2.338</u>	<u>1.033</u>	<u>3.296</u>	<u>287</u>
Impairment losses and depreciation at 1 January 2021	0	0	55	0
Exchange adjustments	132	63	144	0
Additions from acquired companies	1.748	822	2.355	133
Depreciation for the year	6	26	468	29
Reversal of impairment and depreciation of sold assets	0	0	-242	0
Impairment losses and depreciation at 31 December 2021	<u>1.886</u>	<u>911</u>	<u>2.780</u>	<u>162</u>
Carrying amount at 31 December 2021	<u>452</u>	<u>122</u>	<u>516</u>	<u>125</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

	2021
	DKK '000
Distribution expenses	371
Administrative expenses	158
	<u>529</u>

Notes to the Annual Report

11 Fixed assets investments

Group	Investment s in associates	Deposits
	DKK '000	DKK '000
Cost at 1 January 2021	0	108
Exchange adjustments	0	8
Additions for the year	1.008	21
Disposals for the year	0	-1
Cost at 31 December 2021	1.008	136
Value adjustment at 1 January 2021	0	0
Impairment	-1.008	0
Value adjustments at 31 December 2021	-1.008	0
Carrying amount at 31 December 2021	0	136

Parent Company	s in subsidiarie s	Investment s in associates
	DKK '000	DKK '000
Cost at 1 January 2021	0	0
Additions for the year	31.233	1.008
Cost at 31 December 2021	31.233	1.008
Value adjustment at 1 January 2021	-482	0
Exchange adjustments	1.924	0
Net profit/loss for the year	24.117	0
Impairment	0	-1.008
Dividend to the Parent Company	-8.653	0
Value adjustment at 31 December 2021	16.906	-1.008
Carrying amount at 31 December 2021	48.139	0

Notes to the Annual Report

11 Fixed assets investments (continued)

Of this amount, goodwill amounts to 109.675

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%
Birodan A/S	Denmark	kDKK 500	100%
KC ProSupply 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.(dormant)	UK	kGBP 0,1	100%
Consórcio Português Intercontinental S.A.	Portugal	kEUR 200	100%
Associates:			
Suncil Technology ApS	Denmark	kDKK 8310	24%

12 Inventories

	Group		Parent Company	
	2021	2020	2021	2020
	DKK '000	DKK '000	DKK '000	DKK '000
Raw materials and consumables	90.604	68.731	0	0
	90.604	68.731	0	0

Notes to the Annual Report

	Group		Parent Company	
	2021	2020	2021	2020
	DKK '000	DKK '000	DKK '000	DKK '000
13 Provision for deferred tax				
Fixed assets	19	0	0	0
Current assets	10	0	0	0
	29	0	0	0
Provision for deferred tax at 1. January	0	0	0	0
Amounts recognised in the income statement for the year	29	0	0	0
Provision for deferred tax at 31. December	29	0	0	0
Deferred tax asset				
Fixed assets	1.025	1.123	0	0
Current assets	0	211	0	90
Debt	0	376	0	0
Tax loss carry-forward	0	0	0	246
	1.025	1.710	0	336
Deferred tax asset at 1. January	1.710	0	336	0
Amounts recognised in the income statement for the year	12	1.424	-336	336
Amounts recognised in equity for the year	-697	286	0	0
Deferred tax asset at 31. December	1.025	1.710	0	336
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	7.852	7.791	0	0
	7.852	7.791	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 two past years is specified as follows:

	2021	2020
	DKK '000	DKK '000
Share capital	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	
	2021	2020	2021	2020
	DKK '000	DKK '000	DKK '000	DKK '000
Credit institutions				
After 5 years	6.561	29.553	0	0
Between 1 and 5 years	93.118	97.964	0	0
Long-term part	99.679	127.517	0	0
Within 1 year	0	24.438	0	0
	99.679	151.955	0	0
Loans from group enterprises				
Between 1 and 5 years	22.583	0	22.583	0
Long-term part	22.583	0	22.583	0
Within 1 year	113.181	66.634	0	0
	135.764	66.634	22.583	0

Notes to the Annual Report

17 Contingent assets, liabilities and other financial obligations

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

No later than 1 year	3.663	2.550	0	0
Later than 1 year and no later than 5 years	6.781	1.951	0	0
Later than 5 years	537	0	0	0
	<u>10.981</u>	<u>4.501</u>	<u>0</u>	<u>0</u>

Group

The Group's banks have at 31 December 2021 issued bank guarantees totalling DKK 177k towards the Group's customers and banks.

The Group has issued a surety guarantee for Makeen Energy A/S, Makeen Power A/S, House of Makeen Energy A/S and Makeen Prosupply ApS' engagement with banks for a total of DKK

Parent Company

The Company has issued a surety guarantee for Makeen Energy A/S, Makeen Power A/S, House of Makeen Energy A/S and Makeen Prosupply ApS' engagement with banks for a total of DKK

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 2021, the Company has acquired the shares of Birodan A/S, KC ProSupply UK Ltd. and Consórcio Português Intercontinental S.A. from the sistercompany Kosan Crisplant a/s at equity

Besides the shares acquired from Kosan Crisplant a/s 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

19 Derivative financial instruments

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

	Group		Parent Company	
	2021	2020	2021	2020
	DKK '000	DKK '000	DKK '000	DKK '000
Interest rate swaps	1.866	-1.302	1.866	-1.302
	<u>1.866</u>	<u>-1.302</u>	<u>1.866</u>	<u>-1.302</u>
Cash Flow hedges	1.866	-1.302	0	0
	<u>1.866</u>	<u>-1.302</u>	<u>0</u>	<u>0</u>
Assets/Liabilities	1.866	-1.302	1.866	-1.302
	<u>1.866</u>	<u>-1.302</u>	<u>1.866</u>	<u>-1.302</u>

Notes to the Annual Report

20 Subsequent events

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