Kapitalen ApS

Bryghuspladsen 8, 4. 402
1473 København K

CVR no. 34 88 34 59

Annual report 2021

The annual report was presented and approved at the Company's annual general meeting

on 24 June 2022

Jenny Helbrink

Chairman of the annual general meeting

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Kapitalen ApS for the financial year 1 January – 31 December 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated financial statements and the Parent Company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's activities and financial matters, of the results for the year and of the Group's and the Parent Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 24 June 2022
Executive Board:

Johan Harald Gedda

Independent auditor's report

To the shareholders of Kapitalen ApS

Opinion

We have audited the Consolidated financial statements and the Parent Company financial statements of Kapitalen ApS for the financial year 1 January – 31 December 2021, comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the Parent Company and a cash flow statement for the Group. The Consolidated financial statements and Parent Company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated financial statements and the Parent Company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

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 Consolidated financial statements and the Parent Company 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.

Management's responsibility for the Consolidated financial statements and the Parent Company 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 that Management determines is necessary to enable the preparation of Consolidated financial statements and Parent Company financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditor's report

In preparing the Consolidated financial statements and the Parent Company 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 Consolidated financial statements and the Parent Company financial statements, unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Consolidated financial statements and the Parent Company financial statements

Our objectives are to obtain reasonable assurance as to whether the Consolidated financial statements and the Parent Company 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these Consolidated financial statements and Parent Company 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 Consolidated financial statements and the Parent Company 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 Consolidated financial statements and the Parent Company 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 Consolidated financial statements and the Parent Company 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 Company to cease to continue as a going concern.

— evaluate the overall presentation, structure and contents of the Consolidated financial statements and the Parent Company financial statements, including the disclosures, and whether the Consolidated financial statements and the Parent Company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

— 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the Consolidated financial statements and the Parent Company financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements and the Parent Company financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the Consolidated financial statements or the Parent Company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 Independent auditor's report Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 24 June 2022
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Jesper Bo Pedersen State Authorised Public Accountant mne42778	Christian Friis Engelbrecht State Authorised Public Accountant mne44180

Management's review

Company details

Kapitalen ApS
Bryghuspladsen 8, 4. 402
1473 København K

CVR no.	34 88 34 59
Established:	10 December 2012
Registered office:	København
Financial year:	1 January – 31 December

Executive Board

Johan Harald Gedda

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
CVR no. 25 57 81 98

Annual general meeting

The annual general meeting will be held on 24 June 2022.

Management's review

Financial highlights for the Group

DKK'000	2021	2020	2019	2018	2017
Revenue	434,060	395,096	n.a.	n.a.	n.a.
Gross margin	224,249	182,069	138,459	94,755	61,171
Operating profit/loss	-28,380	-79,743	-44,591	-31,290	-21,263
Profit/loss from financial income and expenses	160,210	-130,883	107,263	285,646	-7,171
Profit/loss for the year	121,637	-209,133	41,438	255,409	-27,267
Total assets	2,352,142	2,069,754	1,863,852	1,673,085	1,566,322
Investments in property, plant and equipment	61,479	357,896	24,325	720	3,527
Equity	1,245,575	1,116,938	1,522,809	1,568,505	1,369,572
Cash flows from operating activities	81,672	301,095	164,643	-29,561	-21,531
Cash flows from investing activities	-284,855	-590,189	-94,032	1,158,036	-140,280
pCash flows from financing activities	256,877	218,808	52,896	-183,108	113,130
Total cash flows	53,694	-70,286	123,507	945,367	-48,681
Gross margin	52%	56%	n.a	n.a	n.a
Operating margin	-7%	-25%	n.a	n.a	n.a
Return on invested capital	-2%	-6%	-3%	-2%	-2%
Current ratio	3.64	7.53	42.26	66.98	20.31
Return on equity	11%	-16%	3%	17%	-2%
Solvency ratio	43%	42%	57%	62%	51%
Average number of full-time employees	268	239	179	123	97

The financial ratios have been calculated as follows:

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Operating margin	$\frac{\text{Operating profit x 100}}{\text{Revenue}}$
Return on invested capital	$\frac{\text{Operating profit x 100}}{\text{Average invested capital}}$
Invested capital	Operational intangible assets and property, plant and equipment as well as net working capital
Current ratio	$\frac{\text{Current assets x 100}}{\text{Long-term debt}}$
Return on equity	$\frac{\text{Profit from ordinary activities after tax x 100}}{\text{Average equity}}$
Solvency ratio	$\frac{\text{Equity ex. non-controlling interests at year-end x 100}}{\text{Total equity and liabilities at year-end}}$
Results for analytical purposes	Profit/loss from ordinary activities after tax less non-controlling interests' share thereof

Management's review

Operating review

The Group's principal activities

The Company's primary activity consists of (a) investing its financial resources in appropriate financial securities and asset management products and (b) supporting the growth and development of the operating subsidiaries involved in software development and clean technology ("clean technology" is any process, product or service that reduces negative environmental impacts through significant energy efficiency improvements).

Development in activities and financial position

Business combinations

In 2021, the Company merged with the 100%-owned Gedda Invest ApS, with Kapitalen ApS as the continuing company. Due to the ownership, the merger has been treated under the "consolidation method". Comparative figures have been restated as well as cash flow and financial highlights.

Profit for the year

The Parent Company made a profit of DKK 114,039 thousand for the year, and the Group shows a profit of DKK 121,637 thousand for the year. The development, which is in line with last year's announced expectations, is primarily related to positive development in securities; the US Dollar has increased compared to DKK.

Capital resources

At 31 December 2021, the Parent Company's equity amounted to DKK 1,244,370 thousand, compared to last year's equity of DKK 1,130,331 thousand. At Group level, the total equity including minorities is DKK 1,245,575 thousand, compared to DKK 1,116,938 thousand in 2020. Management considers the current capital resources satisfactory.

Outlook

Financial markets have experienced considerable volatility in 2022, and the valuations of financial assets have come down. The Company's portfolio has held up well, but uncertainty in the financial markets will continue into the second half of the year, and the focus is now on protecting wealth, not on generating trading income. Consequently, expectations have been set on achieving break-even (the Company expects a net profit of approximately DKK 0 for 2022).

Software: The Group's software business remains strong and growing. Partnerships with OEM's IBM and HPE continue to drive business with many of the world's largest IT users, including large financial institutions, manufacturers, and retail businesses. The Company's software subsidiaries spend more than 50% of revenue on product development, and new product introductions will drive substantial revenue growth in the years ahead. The Company acquired the VSE operating system from IBM in 2021 and has set up an R&D organisation in Stuttgart, Germany (40 employees), close to IBM's facility that previously maintained the acquired asset. The Company's own branded version VSEn has been released in 2022. This was the 5th major OEM divestiture the Company has completed.

Clean technology: The Company's main clean technology subsidiary, Energy Machines ApS (www.energymachines.com), is well positioned to benefit from an expected surge in demand for its solutions that aim to completely decarbonise the real estate sector of the economy (buildings).

Management's review

Outlook (continued)

The conflict in Ukraine has focused attention on the pressing need for society to eliminate fossil fuels from the heating and cooling of the world's building stock. Energy Machines ApS will be able to double in size every year for the foreseeable future. In 2021, the Company acquired eight small-scale hydroelectric power plants from a Swedish district heating utility in order to extend its software platforms to include electric power production functionality. The Company will continue to make additional equity investments in its clean technology portfolio in 2022.

Real Estate: The Company has acquired three properties by the end of 2021, each with a strategical location and with the opportunity to complement the core operating subsidiaries. The properties are under development and will be applying for the relevant building and energy system permits over the coming two years. Yet another property was acquired in Q2 2022.

Investments: The Company invests its liquid assets for long-term financial gain and to look for strategic synergies with its core operating activities. The investment portfolio is conservatively positioned, including over DKK 250 million in cash, and the Company has the flexibility to participate in the expected financial market recovery in due course.

The Company expects a net profit of approximately DKK 0 for 2022. The main driver for this is related to the uncertainty on the capital markets at the beginning of 2022 as well as the increased inflation world-wide.

Intellectual capital

At Kapitalen, we believe all employees should be treated fairly and with respect at all times. Respect is one of our core business values and is demonstrated through business activity and dialogue, not only within Kapitalen's workforce, but also through our interaction with suppliers and customers.

Particular risks

The Company's operating activities in software and in clean technologies are spread across multiple products and customers and are not at risk of materially influencing the Company's financial situation. The most important activities are based on activities that are settled in foreign currency. The Company therefore has risks associated with the development of exchange rates, particularly on USD, SEK and EUR. The Company monitors the development on an ongoing basis and regularly assesses whether there is a need for hedging of the currency risk.

Operating risks

The Company's operating activities in software and in clean technologies are spread across multiple products and customers and are not at risk of materially influencing the Company's financial situation.

Currency and financial risks

The most important activities are based on activities that are settled in foreign currency. The Company therefore has risks associated with the development of exchange rates, particularly on USD, SEK and EUR. The Company monitors the development on an ongoing basis and regularly assesses whether there is a need for hedging of the currency risk.

The Company has significant investments in stocks and bonds. If the market changes significantly, this will affect the result of the Company and Group.

Management's review

Environmental matters

One of Kapitalen's business lines is to provide energy-optimised heating and cooling solutions that decrease energy consumption in the property segment of the economy. We design, build and commission sustainable energy systems to lower the environmental impact of properties for customers like IKEA, Sandvik, Wallenstam and others. Reducing the carbon footprint of customers' operations is at the core of what we do, and we apply the same sustainable thinking to our own operations. As an organisation, Kapitalen works hard to manage our own impact on the environment. Apart from legal obligations, our Company will proactively strive to protect the environment in all our operating activities.

Research and development activities

A significant part of current and expected future earnings comes from the technology sector of the economy, with a focus on software development and the design and development of energy-efficient solutions for the real estate markets. The Company makes major investments annually in the continued development of the technology for these business areas.

Uncertainty regarding recognition and measurement

There have been no material uncertainties or material unusual matters affecting recognition.

Unusual circumstances

There have not been any unusual circumstances during the year.

Events after the balance sheet date

The Group has acquired a new property for approximately DKK 100 million. Further, the stock market has decreased significantly due to global inflation and the war in Ukraine. The events have not had an effect on the balance at 31 December 2021. Besides this, no events have occurred after the balance sheet date that have materially affected the assessment of the annual report.

Corporate social responsibility

Kapitalen ApS creates value in society by performing long-term investments in sustainable business models and taking active part in the business to develop and enhance the strategy.

In accordance with section 99a of the Danish Financial Statements Act, the Company has a duty to consider its responsibility to society under the following five areas:

1 Employees

2 Social responsibilities

3 Climate and environment

4 Human rights

5 Anti-corruption and anti-money laundering.

The Executive Board has elected not to prepare its own policies on the subjects, but to follow the extensive guidelines available in the public domain. The Executive Board will on a recurring basis evaluate the need to instate policies and follows the development of "best practice" in the area.

Management's review

Corporate social responsibility (continued)

The activities of the Parent Company are solely focused on investments and active ownership. The activities of the Group are quite focused on software development and cleantech – solutions. The geographical spread of the segments in the Group is mainly focused on North America and Scandinavia, respectively. In addition, each of the subsidiary groups have their own Management, who ensures that the day-to-day operations are carried out in accordance with the strategy.

The mentioned characteristics are contributing to reduce the direct involvement Kapitalen ApS has in the subsidiaries and its effect on the societal impact of the subsidiaries. The Company has not identified any significant risks relating to the above-mentioned five areas.

The biggest possible societal impact that Kapitalen ApS holds is related to the investments made and the strategic line being set. The reach and relevance of this is limited by (1) that this is dependent on the local Management's participation, and (2) that the focus of the subsidiaries primarily relates to specific segments, geographical areas and is dependent on the intellectual capital of its employees.

Kapitalen ApS considers in its investment decisions whether the target companies act with integrity, responsibility, trust and transparency. It is the Company's experience that these overall considerations characterise companies with a high growth rate and thus constitute attractive investments.

Goals and policies for the underrepresented gender

Kapitalen ApS does not have a Board of Directors.

Kapitalen ApS' goals and policy for diversity in the Company's Management levels are based on an objective that at least 1/3 of the Management must be of the under-represented gender.

At the end of 2021, the Company's Executive Board consists of one member. In the subgroups, the daily Management consists of four persons, where 50% of the Management positions were held by women and 50% by men.

Kapitalen ApS has not established policies for diversity in the Executive Board of the Parent Company or subgroups, as the overall Executive Board only consists of one person. Policies are expected to be implemented in 2022.

Reporting on data ethics

Kapitalen ApS does not collect and use personal data other than a few relevant key data concerning the Company's employees. The Company's website does not collect data or use cookies. The Company's investment decisions are based on publicly available data.

The Executive Board has not assessed that the Company's handling of sensitive data has a scope that makes it relevant for the Company to formulate specific policies in the area. The Board of Directors continuously monitors developments and continuously assesses the need.

Consolidated financial statements and Parent Company financial statements 1 January – 31 December

Income statement

		Group		Parent Company	
DKK'000	Note	2021	2020	2021	2020
Revenue	2	434,060	395,096	16,308	8,369
Cost of goods		-102,763	-117,264	0	0
Other external costs		-107,048	-95,763	-8,626	-3,498
Gross profit/loss		**224,249**	**182,069**	**7,682**	**4,871**
Staff costs	3	-197,788	-162,701	-8	-102
Depreciation, amortisation and impairment losses		-54,841	-99,111	-287	-295
Profit/loss before financial income and expenses		**-28,380**	**-79,743**	**7,387**	**4,474**
Income from equity investments in Group entities		0	0	-25,182	-38,438
Other financial income	5	177,243	41,804	173,166	27,156
Write-down of financial assets		-7,332	0	-7,332	0
Other financial expenses	6	-9,701	-172,687	-10,869	-173,336
Profit/loss before tax		131,830	-210,626	137,170	-180,144
Tax on profit/loss for the year	7	-10,193	1,493	-23,131	-375
Profit/loss for the year	8	121,637	-209,133	114,039	-180,519

Consolidated financial statements and Parent Company financial statements 1 January – 31 December

Balance sheet

		Group		Parent Company	
DKK'000	Note	2021	2020	2021	2020
ASSETS					
Fixed assets					
Intangible assets	9				
Completed development projects		0	0	0	0
Patents, licences and trademarks		93,641	129,133	0	0
Goodwill		38,194	8,995	0	0
Development projects in progress		62,918	0	0	0
		194,753	138,128	0	0
Property, plant and equipment	10				
Land and buildings		397,928	388,919	16,343	0
Plant and machinery		35,155	0	0	0
Plant and machinery under construction		5,347	0	0	0
Fixtures and fittings, tools and equipment		9,795	11,323	811	1,055
		448,225	400,242	17,154	1,055
Investments	11				
Equity investments in Group entities		0	0	876,444	848,781
Participating interests		112,500	0	112,500	0
Other securities and equity investments		65,781	60,019	65,781	60,019
Deposits		538	663	412	404
		178,819	60,682	1,055,137	909,204
Total fixed assets		821,797	599,052	1,072,291	910,259

Consolidated financial statements and Parent Company financial statements 1 January – 31 December

Balance sheet

		Group		Parent Company	
DKK'000	Note	2021	2020	2021	2020
ASSETS (continued)					
Current assets					
Inventories					
Finished goods and goods for resale		4,364	4,703	0	0
		4,364	4,703	0	0
Receivables					
Trade receivables		64,684	41,016	2,103	606
Receivables from Group entities		0	0	104,984	54,762
Other receivables		13,471	46,632	5,039	43,132
Tax receivables		0	1,669	0	2,219
Prepayments	12	12,962	5,298	1,192	0
Deferred tax asset	14	12,750	2,964	0	0
		103,867	97,579	113,318	100,719
Securities and equity investments	20	1,205,265	1,152,960	1,166,858	1,152,960
Cash at bank and in hand	20	216,849	215,460	15,681	29,239
Total current assets		1,530,345	1,470,702	1,295,857	1,282,918
TOTAL ASSETS		2,352,142	2,069,754	2,368,148	2,193,177

Consolidated financial statements and Parent Company financial statements 1 January – 31 December

Balance sheet

		Group		Parent Company	
DKK'000	Note	2021	2020	2021	2020
EQUITY AND LIABILITIES					
Equity					
Contributed capital	13	500	500	500	500
Reserve for currency revaluation		1,360	0	0	0
Retained earnings		999,248	873,246	1,243,870	1,129,831
Shareholders' share of equity		1,001,108	873,746	1,244,370	1,130,331
Non-controlling interests		244,467	243,192	0	0
Total equity		1,245,575	1,116,938	1,244,370	1,130,331
Provisions					
Provisions for deferred tax	14	0	0	37	37
Total provisions		0	0	37	37
Liabilities other than provisions					
Non-current liabilities other than provisions	15				
Mortgage debt		199,320	0	0	0
Deferred income		46,985	22,599	0	0
Payables to Management		171,700	170,000	171,700	170,000
Other payables		0	2,818	0	0
		418,005	195,417	171,700	170,000
Current liabilities other than provisions					
Credit institutions		473,889	416,332	473,889	416,332
Payables to Group entities		0	0	462,550	476,130
Trade payables		13,769	13,497	1,210	347
Other payables, including taxes payable		78,559	245,067	14,392	0
Deferred income	16	122,345	82,503	0	0
		688,562	757,399	952,041	892,809
Total liabilities other than provisions		1,106,567	952,816	1,123,741	1,062,809
TOTAL EQUITY AND LIABILITIES		2,352,142	2,069,754	2,368,148	2,193,177

Consolidated financial statements and Parent Company financial statements 1 January – 31 December

Statement of changes in equity

	Group					
DKK'000	Contribu-ted capital	Reserve for currency	Retained earnings	Total	Non-con-trolling interests	Total equity
Equity at 1 January 2021	500	0	873,246	873,746	243,192	1,116,938
Transferred over the profit appropriation	0	0	120,362	120,362	1,275	121,637
Other adjustment	0	0	5,640	5,640	0	5,640
Exchange rate adjustment, foreign subsidiary	0	1,360	0	1,360	0	1,360
Equity at 31 December 2021	500	1,360	999,248	1,001,108	244,467	1,245,575

Consolidated financial statements and Parent Company financial statements 1 January – 31 December

Statement of changes in equity

	Parent Company		
DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2021	500	1,128,919	1,129,419
Adjustments to opening equity (merger)	0	912	912
Adjusted equity at 1 January 2021	500	1,129,831	1,130,331
Transferred over the profit appropriation	0	114,039	114,039
Equity at 31 December 2021	500	1,243,870	1,244,370

Consolidated financial statements and Parent Company financial statements 1 January – 31 December

Cash flow statement

		Group	
DKK'000	Note	2021	2020
Profit/loss for the year		121,637	-209,133
Depreciation, amortisation and impairment losses		54,481	99,111
Other adjustments	17	-167,742	120,714
Cash generated from operations before changes in working capital		8,376	10,692
Changes in working capital	18	-99,164	419,792
Cash generated from operations		-90,788	430,484
Interest income		177,243	41,804
Interest expense		-4,784	-172,687
Corporation tax paid		0	1,494
Cash flows from operating activities		81,671	301,095
Acquisition of intangible assets	9	-97,930	-13,186
Disposal of intangible assets	9	135	17,587
Acquisition of property, plant and equipment	10	-61,479	-357,896
Disposal of property, plant and equipment	10	13	518
Acquisition of subsidiaries and activities	19	0	-187,051
Acquisition of participating interests (including associates)	11	-75,000	0
Acquisition of securities		-50,594	-52,230
Disposal of securities		0	2,069
Cash flows from investing activities		-284,855	-590,189
Loans raised		256,877	218,808
Cash flows from financing activities		256,877	218,808
Cash flows for the year		53,694	-70,286
Cash and cash equivalents at the beginning of the year		1,368,420	1,438,706
Cash and cash equivalents at year end	20	1,422,114	1,368,420

Consolidated financial statements and Parent Company financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Kapitalen ApS for 2021 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

In 2021, the Company merged with the 100%-owned Gedda Invest ApS, with Kapitalen ApS as the continuing company. Due to the ownership, the merger has been treated under the "koncernmetoden". Comparative figures have been restated as well as cash flow and financial highlights.

The accounting policies used in the preparation of the Consolidated financial statements and the Parent Company financial statements are consistent with those of last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Company, and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The Consolidated financial statements comprise the Parent Company, Kapitalen ApS, and subsidiaries in which Kapitalen ApS directly or indirectly holds more than 50% of the votes or in some other way exercises control over. Entities in which the Group holds 20% or more of the votes and exercises significant influence but not control are considered participating interests. Entities for which the objective of the holding is to promote the Group's own activities through a permanent affiliation with the other entity and where the equity interest represents at least 20% of equity in the other entity are considered participating interests.

On consolidation, intra-Group income and expenses, shareholdings, intra-Group balances and dividends, and realised and unrealised gains and losses on intra-Group transactions are eliminated.

Equity investments in subsidiaries are set off against the proportionate share of subsidiaries' fair value of net assets and liabilities at the date of acquisition.

Non-controlling interests

Items of subsidiaries are fully recognised in the Consolidated financial statements. The non-controlling interests' proportionate share of the subsidiaries' profit and of equity is included as part of the Group's profit and equity, respectively, but is presented separately.

Consolidated financial statements and Parent Company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Business combinations

When acquiring new entities, the acquisition method is applied under which identifiable assets and liabilities are measured at fair value at the date of acquisition. Restructuring costs recognised in the acquiree at the acquisition date that are not initiated as a part of the acquisition are included in the pre-acquisition balance sheet and thus the calculation of goodwill.

Restructuring that is initiated by the acquirer is recognised in the acquirer's income statement. Deferred tax is recognised to the extent that temporary differences arise from the revaluations.

Positive differences (goodwill) between cost and the fair value of identifiable assets and liabilities acquired, including restructuring provisions, are recognised as intangible assets and amortised systematically in the income statement based on an individual assessment of the useful life. Negative goodwill is recognised as income in the income statement at the acquisition date when the usual conditions for recognition of income are met.

Goodwill and negative goodwill from acquired entities may be adjusted until 12 months after the acquisition date.

Newly acquired or newly established entities are recognised in the Consolidated financial statements at the date of acquisition or establishment. Divested or wound-up entities are recognised in the consolidated income statement up to the date of divestment or winding-up. Comparative figures are not restated to reflect acquisitions, divestments or winding-ups.

With regard to step acquisitions, the acquirer must remeasure its previous equity investment in the acquiree at the fair value at the acquisition date. The difference between the carrying amount of the former equity instrument and fair value is recognised in the income statement.

In 2021, the Company merged with the 100%-owned Gedda Invest ApS, with Kapitalen ApS as the continuing company. Due to the ownership, the merger has been treated under the "koncernmetoden". Comparative figures have been restated as well as cash flow and financial highlights.

Gains or losses on the divestment of subsidiaries and participating interests (including associates) are calculated as the difference between the sales amount and the carrying amount of net assets at the date of disposal, including non-amortised goodwill and projected costs of divestment or winding-up.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Upon recognition of foreign subsidiaries and participating interests (including associates) which are independent entities, the income statements are translated into Danish kroner at average exchange rates for the month, and balance sheet items are translated at the exchange rates at the balance sheet date.

Consolidated financial statements and Parent Company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Foreign currency translation (continued)

Foreign exchange differences arising upon translation of foreign subsidiaries' opening equity and results at the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of balances with independent foreign subsidiaries considered part of the total investment in the subsidiary are recognised directly in equity. Similarly, foreign exchange gains and losses on loans and derivative financial instruments taken out for the purpose of hedging investments in foreign subsidiaries are recognised directly in equity.

Upon recognition of foreign subsidiaries which are integrated entities, monetary items are translated at the exchange rates at the balance sheet date. Non-monetary items are translated at the exchange rates at the date of acquisition or the date of subsequent revaluations of the asset. Income statement items are translated at the exchange rates at the transaction date, whereas items derived from non-monetary items are translated at historical exchange rates for the non-monetary item.

Changes in the fair value of derivative financial instruments designated as or qualifying for recognition as a hedge of future transactions are recognised as other receivables or other payables and in equity until the realisation of the hedged transactions. If the future transaction results in the recognition of assets or liabilities, amounts that were previously recognised in equity are transferred to the cost of the assets or liabilities. If the future transaction results in income or costs, amounts that were previously recognised in equity are transferred to the income statement for the period when the hedged item affects the income statement.

For derivative financial instruments not qualifying for treatment as hedging instruments, changes in fair value are recognised in the income statement on an ongoing basis.

Changes in the fair value of derivative financial instruments used for hedging of net investments in separate foreign subsidiaries or participating interests (including associates) are recognised directly in equity.

Income statement

Revenue

Revenue from contracts with customers is recognised when a written contract exists and the contract is committed, the rights of the parties, including the payment terms, are identified, the contract has commercial substance and consideration is probable of collection. Revenue is recognised when, or as, control of a promised product or service is transferred to the customer in an amount that reflects the consideration agreed in exchange for the products or services (its transaction price). Estimates of variable consideration and the determination of whether to include estimated amounts in the transaction price are based on readily available information, which may include historical, current and forecast information, taking into consideration the type of customer, the type of transaction and the specific facts and circumstances of each agreement.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

Consolidated financial statements and Parent Company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Other external costs

Other external costs comprise costs for distribution and sales costs, costs for advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, excluding reimbursements from public authorities.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing.

Income from other investments and securities

Income from other fixed asset investments comprises gains in the form of interest, dividends, etc., on fixed asset investments, which are not investments in group entities or participating interests.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividends from equity investments in Group entities and participating interests (including associates) measured at cost are recognised as income in the Parent Company income statement in the financial year when the dividends are declared.

In case of indication of impairment, an impairment test is conducted. Indication of impairment exists if distributed dividends exceed profit for the year or if the carrying amount of equity investments exceeds the consolidated carrying amounts of the net assets in the subsidiary.

Tax on profit/loss for the year

The Parent Company is comprised by the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the Consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Consolidated financial statements and Parent Company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Tax on profit/loss for the year (continued)

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Balance sheet

Intangible assets

General

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively

Development projects

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives, which are determined based on a specific assessment of each development project. If the useful life cannot be reliably estimated, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum amortisation period is the remaining duration of the relevant rights. The amortisation periods used are 7 years.

Patents, licences and trademarks

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining life of the patent, and licences are amortised over the contract period, however, not exceeding 7 years.

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life determined on the basis of Management's experience within the individual business areas. The maximum amortisation period is between 5 and 25 years and longest for strategically acquired entities with a strong market position and long-term earnings profile. If it is not possible to estimate the useful life reliably, it is set at 10 years. Useful lives are reassessed on an annual basis.

Consolidated financial statements and Parent Company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost, less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	50 years
Plant and machinery	5-40 years
Fixtures and fittings, tools and equipment	3-5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Investments

Equity investments in Group entities are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value.

Other securities and equity investments comprise listed securities which are measured at fair value (market price) at the balance sheet date and unlisted equity instruments measured at cost. Unlisted equity instruments are written down to any lower net realisable value. The recoverable amount of unlisted equity instruments is calculated annually based on EBITDA price multiples for comparable companies as well as expectations for the participating interests' earnings.

Other receivables and deposits are recognised at amortised cost.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in Group entities and participating interests (including associates) is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Consolidated financial statements and Parent Company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Impairment of fixed assets (continued)

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised write-downs are reversed when the basis for the write-down no longer exists. Write-down of goodwill is not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Securities and equity investments

Other securities and equity investments included in investment comprise unlisted shares that Management considers investment securities. The equity investments are measured at cost.

Other securities and equity investments recognised as current assets comprise listed securities measured at fair value at the balance sheet date, corresponding to market value.

Consolidated financial statements and Parent Company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Equity

Currency reserve

The foreign currency translation reserve comprises the portion of exchange differences arising on the accounts of entities with a functional currency other than Danish kroner, foreign currency translation adjustments relating to assets and liabilities that form part of the entity's net investment in such entities, and foreign currency translation adjustments relating to hedging transactions that hedge the entity's net investment in such entities. The reserve is released on disposal of foreign entities or if the conditions for effective hedging are no longer met. When investments in participating interests, joint ventures and interests in the Parent entity's financial statements are included in the equity reserve for net revaluation using the equity method, foreign currency translation adjustments are included in this equity reserve instead.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income comprises payments received regarding income in subsequent years.

Consolidated financial statements and Parent Company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Cash flow statement

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

The cash flow effect of acquisitions and divestment of entities is shown separately in cash flows from investing activities. Cash flows relating to acquired entities are recognised in the cash flow statement from the date of acquisition, and cash flows relating to divested entities are recognised up to the date of divestment.

Cash flows from operating activities

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities, intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in size or composition of the Company's contributed capital and costs in this respect as well as raising of loans, instalments on interest-bearing debt and distribution of dividends to owners.

Cash and cash equivalents

Cash and cash equivalents comprise cash.

Segment information

Segment information is provided on business segments and geographical markets. The segment information is in line with the Group's accounting policies, risks and internal financial management.

The Group sales related to Energy/Greentech are primarily in Scandianavia. The sales of Software relate to the entire world and are not with focus on a specific part of the world.

Consolidated financial statements and Parent Company financial statements 1 January – 31 December

Notes

2 Segment information

Activities – primary segment

	Group			
DKK'000	Energy/Greentech	Software	Other	Total
2021				
Revenue	49,706	376,834	7,520	434,060
2020				
Revenue	66,899	314,116	14,081	395,096

Geographical – secondary segment

	Group		
DKK'000	Scandinavia	Rest of the world	Total
2021			
Revenue	57,226	376,834	434,060
2020			
Revenue	80,980	314,116	395,096

Consolidated financial statements and Parent Company financial statements 1 January – 31 December

Notes

3 Staff costs

	Group		Parent Company	
DKK'000	2021	2020	2021	2020
Wages and salaries	179,502	144,494	8	102
Pensions	8,220	10,879	0	0
Other social security costs	10,066	7,328	0	0
	197,788	162,701	8	102
Average number of full-time employees	268	239	1	1

In accordance with section 98b 3.2 of the Danish Financial Statements Act, renumeration to the Executive Board has not been disclosed due to only one person receiving renumeration.

	Group		Parent Company	
DKK'000	2021	2020	2021	2020
4 Fees to auditor appointed at the general meeting				
Statutory audit	975	994	92	92
Tax assistance	90	44	16	16
Other assurance engagements	240	78	0	0
Non-audit services	774	704	225	396
Total fees to KPMG	2,079	1,820	333	504
5 Financial income				
Interest income from Group entities	0	0	980	1,145
Capital gains on securities measured at fair value	129,488	0	125,955	0
Foreign exchange gains	12,571	10,042	11,048	0
Other interest income	21,061	29,357	21,061	23,606
Other financial income	14,123	2,405	14,122	2,405
	177,243	41,804	173,166	27,156

Consolidated financial statements and Parent Company financial statements 1 January – 31 December

Notes

		Group		Parent Company	
	DKK'000	2021	2020	2021	2020
6	**Financial expenses**				
	Interest expense to Group entities	0	0	-6,284	-9,422
	Capital loss on securities measured at fair value	0	-88,514	0	-88,514
	Foreign exchange losses	-6,214	-119	0	-119
	Other interest expense	-3,487	-2,940	-3,487	-2,940
	Other financial expenses	0	-81,114	-1,098	-72,341
		-9,701	-172,687	-10,869	-173,336
7	**Tax on profit/loss for the year**				
	Current tax for the year	-13,424	-2,105	-15,685	0
	Deferred tax adjustment for the year	9,524	3,971	0	0
	Adjustment of tax for previous years	-6,293	-373	-7,446	-375
		-10,193	1,493	-23,131	-375
8	**Proposed profit appropriation /distribution of loss**				
	Retained earnings	120,362	-212,205	114,039	-180,519
	Non-controlling interests' share of subsidiaries' profit/loss	1,275	3,072	0	0
		121,637	-209,133	114,039	-180,519

Consolidated financial statements and Parent Company financial statements 1 January – 31 December

Notes

9 Intangible assets

	Group			
DKK'000	Patents, licences and trade-marks	Goodwill	Develop-ment pro-jects in progress	Total
Cost at 1 January 2021	267,267	10,574	0	277,841
Foreign exchange adjustments in foreign entities opening	21,013	145	0	21,158
Additions on acquisition of subsidiary	795	34,126	0	34,921
Additions	90	0	62,918	63,008
Disposals	-135	0	0	-135
Cost at 31 December 2021	289,030	44,845	62,918	396,793
Amortisation and impairment losses at 1 January 2021	-138,134	-1,579	0	-139,713
Foreign exchange adjustments in foreign entities	-21,030	0	0	-21,030
Amortisation	-36,225	-5,072	0	-41,297
Amortisation and impairment losses at 31 December 2021	-195,389	-6,651	0	-202,040
Carrying amount at 31 December 2021	93,641	38,194	62,918	194,753

Development projects in progress

Development projects in progress comprise further development of an acquired right/license in 2021. The project is expected to be completed in 2022/23, where considerable economic benefits are expected.

Consolidated financial statements and Parent Company financial statements 1 January – 31 December

Notes

10 Property, plant and equipment

	Group				
DKK'000	Land and buildings	Plant and machi-nery	Plant and Machinery under construction	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2021	400,516	0	0	33,407	433,923
Foreign exchange adjustments in foreign entities	-141	0	0	1,803	1,662
Additions on acquisition of subsidiary	0	35,311	5,347	7	40,665
Additions	17,209	0	0	3,605	20,814
Disposals	0	0	0	-13	-13
Cost at 31 December 2021	417,584	35,311	5,347	38,809	497,051
Depreciation and impairment losses at 1 January 2021	-11,596	0	0	-22,084	-33,680
Foreign exchange adjustments in foreign entities	0	0	0	-1,602	-1,602
Depreciation	-8,060	-156	0	-5,328	-13,544
Depreciation and impairment losses at 31 December 2021	-19,656	-156	0	-29,014	-48,826
Carrying amount at 31 December 2021	397,928	35,155	5,347	9,795	448,225

Consolidated financial statements and Parent Company financial statements 1 January – 31 December

Notes

10 Property, plant and equipment (continued)

	Parent Company		
DKK'000	Land and buildings	Property, plant and equipment under construction	Total
Cost at 1 January 2021	0	1,511	1,511
Additions	16,343	44	16,387
Cost at 31 December 2021	16,343	1,555	17,898
Depreciation and impairment losses at 1 January 2021	0	-457	-457
Depreciation	0	-287	-287
Depreciation and impairment losses at 31 December 2021	0	-744	-744
Carrying amount at 31 December 2021	16,343	811	17,154

11 Investments

DKK'000	Equity investments in subsidiaries	Participating interests	Other securities and equity investments
Cost at 1 January	1,116,112	0	60,019
Disposal due to merger	-178,774	0	0
Adjusted cost at 1 January	937,338	0	60,019
Transfer	0	37,500	-19,602
Additions	62,973	75,000	36,434
Disposal	-10,128	0	-3,738
Cost at 31 December	990,183	112,500	73,113
Impairment losses at 1 January	-88,557	0	0
Impairment losses for the year	-25,182	0	-7,332
Disposal for the year	0	0	0
Impairment losses at 31 December	-113,739	0	-7,332
Carrying amount at 31 December	876,444	112,500	65,781

Consolidated financial statements and Parent Company financial statements 1 January – 31 December

Notes

11 Investments (continued)

Name/legal form	Registered office	Equity interest	Equity**	Profit/loss for the year**
Subsidiaries:				
Gedda Holding	Copenhagen, Denmark	100.0%		
Gedda Income	Copenhagen, Denmark	46.4%*		
Grundtvighus PropCo ApS	Copenhagen, Denmark	100.0%		
Energy Machines ApS	Copenhagen, Denmark	99.0%		
Energy Machines AB	Malmö, Sweden	100.0%		
Climate Machines FF AB	Malmö, Sweden	100.0%		
Fibe EL AB	Sollentuna, Sweden	100.0%		
EKP Cool OY	Porvoo, Finland	100.0%		
Vertical Wind AB	Upsala, Sweden	90.55%		
Sigtuna Vallstanäs AB	Malmö, Sweden	100.0%		
Enopsol ApS	Copenhagen, Denmark	100.0%		
Hydro Machines AB	Malmö, Sweden	100.0%		
21st Century Software	Wayne Pennsylvania, USA	100.0%		
VMS Software	Bolton, Massachussetts, USA	100.0%		
TeraCloud SA	Luxembourg	100.0%		
TeraCloud AB	Malmö, Sweden	100.0%		
TeraCloud Pty	Perth, Australia	100.0%		
TeraCloud Inc.	Russia	100.0%		
TeraCloud GmbH	Erkelenz, Germany	100.0%		
TeraCloud Ltd.	London, United Kingdom	100.0%		
TeraCloud LLC	Armenia	100.0%		
Participating interests:				
Blast ApS	Copenhagen	24.78%	42,734	-85,597
			42,734	-85,597

*) *100% votes*

**) *Disclosed figures relate to financial year 2020, as the Company has not yet filed its annual report for 2021.*

Consolidated financial statements and Parent Company financial statements 1 January – 31 December

Notes

12 Prepayments

Prepayments consist of prepaid expenses, such as rent, insurance, etc.

13 Contributed capital

The contributed capital consists of 500,000 shares of nom. DKK 1 each. There have been no changes to the contributed capital since inception.

All shares rank equally.

14 Deferred tax

	Group		Parent Company	
DKK'000	2021	2020	2021	2020
Deferred tax at 1 January	2,964	-2,844	-37	-37
Opening adjustment / reclassification	262	1,837	0	0
Deferred tax adjustment for the year in the income statement	9,524	3,971	0	0
	12,750	2,964	-37	-37

Provisions for deferred tax relate to:

Intangible assets	5,839	3,520	0	0
Property, plant and equipment	221	101	-37	-37
Current assets	991	437	0	0
Provisions	-10,225	-8,350	0	0
Liabilities other than provisions	353	265	0	0
Tax loss carryforwards	15,571	6,991	0	0
	12,750	2,964	-37	-37

Consolidated financial statements and Parent Company financial statements 1 January – 31 December

Notes

15 Non-current liabilities other than provisions

Liabilities other than provisions can be specified as follows:

DKK'000	2021	2020
Mortgage credit institutions:		
0-1 years	473,889	416,332
1-5 years	199,320	0
>5 years	0	0
	673,209	416,332
Other payables, including taxes payable:		
0-1 years	214,673	341,067
1-5 years	46,985	25,417
>5 years	171,700	170,000
	433,358	536,484
Total liabilities other than provisions	1,106,567	952,816

Total liabilities other than provisions are recognised in the balance sheet as follows:

Non-current liabilities other than provisions	418,005	195,417
Current liabilities other than provisions	688,562	757,399
	1,106,567	952,816

Collateral is disclosed in note 22.

16 Deferred income

Deferred income of DKK 169,330 thousand (2020: DKK 105,102 thousand) comprises payments received from customers that cannot be recognised until the subsequent financial year.

Consolidated financial statements and Parent Company financial statements 1 January – 31 December

Notes

DKK'000	Group 2021	Group 2020
17 Other adjustments		
Other financial income	177,243	41,804
Finance costs	-9,701	-172,687
Tax on profit/loss for the year	10,193	1,493
Deferred tax	9,786	5,778
Other	7,700	-6,789
Currency adjustment	-12,243	9,687
Transfer from securities	-15,236	0
	167,742	-120,714

DKK'000	Group 2021	Group 2020
18 Changes in working capital		
Change in inventories	339	2,774
Change in receivables	3,623	22,586
Change in trade and other payables	-103,126	394,432
	-99,164	419,792

DKK'000	Group 2021
19 Acquisition of subsidiaries and activities	
Intangible assets	795
Property, plant and equipment	39,021
Receivables	2,149
Payables	-35,250
	6,715
Goodwill	34,126
Cost	40,841
Portion relating to cash at bank and in hand	3,545
Cash cost	44,386

Consolidated financial statements and Parent Company financial statements 1 January – 31 December

Notes

20 Cash and cash equivalents

	Group	
DKK'000	2021	2020
Cash and cash equivalents at 31 December comprise:		
Securities and equity investments	1,205,265	1,152,960
Cash at bank and in hand	216,849	215,460
Cash and cash equivalents at 31 December	1,422,114	1,368,420

21 Contractual obligations, contingencies, etc.

Contingent assets

The tax value of the Company's unutilised tax losses and deferred tax on other items, calculated with a tax rate of 22%, is approximately DKK 6,951 thousand.

Contingent liabilities

The Company has issued a letter of support to the subsidiaries Gedda Holding ApS, Energy Machines ApS and Grundtvighus Propco ApS. At the balance sheet date, all companies have positive equity.

The Company has undertaken to contribute capital for investments in securities in the amount of DKK 15,755 thousand.

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes, such as dividend tax and royalty tax, as well as for the joint registration for VAT. The jointly taxed entities' total net liability to SKAT amounted to DKK 12,272 thousand at 31 December 2021. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc. may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties.

The Group's Danish entities are jointly and severally liable for the joint registration concerning VAT.

Operating lease obligations

The Company has entered into operating leases with a remaining term of 3 months and an average monthly lease payment of DKK 220 thousand, totalling DKK 661 thousand.

The Group has entered into operating leases with a remaining term of 71 months and an average monthly lease payment of DKK 441 thousand, totalling DKK 31,308 thousand.

Consolidated financial statements and Parent Company financial statements 1 January – 31 December

Notes

22 Mortgages and collateral

	Group		Parent Company	
DKK'000	2021	2020	2021	2020
The following assets have been provided as collateral for debt to banks, DKK 199 million:				
Land and buildings with a carrying amount of	200,000	0	200,000	0
The following assets have been provided as collateral for debt to credit institutions, DKK 474 million:				
Securities and other equity investments	1,030,994	1,049,177	1,030,994	1,049,177

Consolidated financial statements and Parent Company financial statements 1 January – 31 December

Notes

23 Related parties

Kapitalen ApS' related parties comprise the following:

Gedda Holding ApS

Gedda Income ApS

Grundtvighus Propco ApS

Energy Machines ApS

Energy Machines AB

Climate Machines AB

Fibe El AB

EKP Cool OY

Vertical Wind AB

Sigtuna Vallstanäs AB

Enopsol ApS

Hydro Machines AB

21st Century Software

VMS Software

TeraCloud SA

TeraCloud AB

TeraCloud Pty

TeraCloud RU

TeraCloud GmbH

TeraCloud Ltd.

TeraCloud LLC

Consolidated financial statements and Parent Company financial statements 1 January – 31 December

Notes

Related party transactions

DKK'000	2021
Group	
Sale of services to participating interests	3,404
Purchase of services from participating interests	0
	3,404
Parent Company	
Sale of services to a subsidiary	16,126
Investment in subsidiary	62,973
	79,099

Remuneration to the Parent Company's Executive Board and Board of Directors is disclosed in note 3.

Payables to subsidiaries are disclosed in the balance sheet, and expensed interest is disclosed in notes 5 and 6.