# Kapitalen ApS

Bryghuspladsen 8, 4. 402
1473 København K

CVR no. 34 88 34 59

## Annual report 2022

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

on 5 July 2023

________________________________________
Chairman of the annual general meeting
Jenny Marie Helbrink Gann

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# Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Kapitalen ApS for the financial year 1 January – 31 December 2022.

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 2022 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 2022.

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, 5 July 2023
Executive Board:

| | |
|---|---|
| Johan Harald Gedda | Jenny Marie Helbrink Gann |

# 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 2022, 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 2022 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 2022 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, 5 July 2023
**KPMG**
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Jesper Bo Pedersen
State Authorised
Public Accountant
mne42778

# 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
Jenny Marie Helbrink Gann

### 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 5 July 2023.

# Management's review

## Financial highlights for the Group

| DKK'000 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| Revenue | 540,562 | 426,540 | 395,096 | n.a. | n.a. |
| Gross margin | 345,862 | 224,249 | 182,069 | 138,459 | 94,755 |
| Operating profit/loss | 35,808 | -28,380 | -79,743 | -44,591 | -31,290 |
| Profit/loss from financial income and expenses | -161,267 | 160,210 | -130,883 | 107,263 | 285,646 |
| Profit/loss for the year | -116,379 | 121,637 | -209,133 | 41,438 | 255,409 |
| Total assets | 2,498,292 | 2,352,142 | 2,069,754 | 1,863,852 | 1,673,085 |
| Investments in property, plant and equipment | 113,136 | 61,479 | 357,896 | 24,325 | 720 |
| Equity | 1,135,989 | 1,245,575 | 1,116,938 | 1,522,809 | 1,568,505 |
| Cash flows from operating activities | -84,807 | 81,672 | 301,095 | 164,643 | -29,561 |
| Cash flows from investing activities | -157,881 | -284,855 | -590,189 | -94,032 | 1,158,036 |
| Cash flows from financing activities | 133,644 | 256,877 | 218,808 | 52,896 | -183,108 |
| Total cash flows | -109,044 | 53,694 | -70,286 | 123,507 | 945,367 |
| Gross margin | 64% | 53% | 56% | n.a | n.a |
| Operating margin | 7% | -7% | -25% | n.a | n.a |
| Return on invested capital | 2% | -2% | -6% | -3% | -2% |
| Current ratio | 3.16 | 3.66 | 7.53 | 42.26 | 66.98 |
| Return on equity | -10% | 11% | -16% | 3% | 17% |
| Solvency ratio | 35% | 43% | 42% | 57% | 62% |
| Average number of full-time employees | 352 | 268 | 239 | 179 | 123 |

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 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

#### *Profit for the year*

The Parent Company made a loss of DKK 172,625 thousand for the year, and the Group shows a loss of DKK 116,379 thousand for the year. The development, which is in line with last year's announced expectations, is primarily related to negative development in securities; and the management is not satisfied.

#### *Capital resources*

At 31 December 2022, the Parent Company's equity amounted to DKK 1,071,745 thousand, compared to last year's equity of DKK 1,244,370 thousand. At Group level, the total equity including minorities is DKK 1,135,989 thousand, compared to DKK 1,245,575 thousand in 2021. Management considers the current capital resources satisfactory.

## Outlook

Financial markets have stabilized in 2023, and the valuations of financial assets are expected to begin to recover . The Company's portfolio has gained modestly, but uncertainty in the financial markets will continue into the second half of the year as participants weigh the probabilities of an economic slowdown. Consequently, expectations have been set on achieving better than break-even investment results in 2023. The Companies operating subsidiaries achieved profitability in 2022, in aggregate, for the first time, and this trend will continue in 2023.

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 at year end 2022), close to IBM's facility that previously maintained the acquired asset. The Company's own branded version VSEn has been released in 2022 and expect to grow in 2023. This was the 5th major OEM divestiture the Company has completed. In 2023 the Company closed the acquisition of IBM Streams, a multimedia data asset from IBM, and hired a number of key technical resources from IBM's research facility in Rochester, MN, USA.

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 our building stock. Energy Machines ApS more than doubled in size in 2022 and we expect that the Company 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. This subsidiary had a record year in 2022. The Company will continue to make additional equity investments in its clean technology portfolio in 2023.

Real Estate: The Company’s properties, each with a strategical location have the ability to complement the core operating subsidiaries. The properties are under development and applications for the relevant building and energy system permits are under way.

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 166 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 for 2023 between DKK 0-15 million. The main driver for this is related to the expectation that the capital markets will recover modestly in 2023 as a result of diminished inflation world-wide.

## 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.

## *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

The energy business units in Kapitalen Group, provides energy-optimised heating and cooling solutions that decrease energy consumption in the real estate sector of the economy. Reducing the carbon footprint of customers' operations is the core purpose. As an organisation, Kapitalen works hard to manage our own impact on the environment. Reducing carbon footprint and measuring Kapitalens own impact on the environment are addressed in the upcoming policies, that has been approved late 2022 for implementation in 2023 (see below in the section corporate social responsibility).

Apart from legal obligations, our Company proactively strives 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

As a consequence of the uncertain financial markets in 2021-2023, it is uncertain when the company can use its full tax losses carried forward. Therefore only a part of the deferred tax assets have been recognized in the balance, with reference to note 21. Besides this consideration, 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

No events have occurred after the balance sheet date that have materially affected the assessment of the annual report.

# Management's review

## Corporate social responsibility

The activities of the Group are quite focused on software development and energy machines. The geographical spread of the segments in the Group is mainly focused on North America, Europe, and Scandinavia. 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 company's business model is to create value in society by performing long-term investments in business' 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 either of the five areas listed above. The reasons are listed below:

*Employees:*

After internal considerations on the need for implementing an employee policy and continuously following strongly imposed regulations in Denmark, we have assessed that there is no need to implement an individual company specific policy for employees. Consequently, at the current stage no official policy has been developed regarding employees.

*Climate, environment, and social responsibilities:*

The company's software business unit places limited burden on the environment or pose limited risks to it. Similarly, the company's significant subcontractors ensure that their work for the company has limited effects on the environment.

After internal considerations on the necessity of implementing a policy concerning climate, environment, and social responsibilities, and in strict compliance with regulations imposed in Denmark, we have determined that there is no immediate need to establish a specific company policy addressing climate, environment, and social responsibilities for this subgroup. As a result, no official policy has been developed regarding climate, environment, and social responsibilities for the software business.

The company's energy business unit provides energy-optimized heating and cooling solutions that decrease energy consumption in the real estate segment of the economy with the mission to build energy systems that reduce the carbon footprint of customers' operation. The business unit strives to only use sub providers that can improve the system and products that minimize the Co2 effect.

The CSR policy received management approval in December 2022, and its implementation will be reflected in the 2023 annual report, documenting our actions and achievements. While the Energy business currently has no direct impact on social responsibilities, we remain dedicted to regularly reassessing our influence and taking proactive measures to ensure that our impact remains netural or positive.

# Management's review

## Corporate social responsibility (continued)

*Human Rights:*

The company accepts internationally accepted human rights, including the right to a healthy and safe workplace. After internal considerations on the need for implementing a human rights policy and continuously following strongly imposed regulations in Denmark, we have assessed that there is no need to implement

an individual company specific policy on human rights. Consequently, at the current stage no official policy has been developed regarding human rights.

*Anti-corruption and anti-money laundering:*

The company comply with the applicable legislations and acts with caution. After internal considerations on the need for implementing an anti-corruption and anti-money laundering policy and continuously following strongly imposed regulations in Denmark, we have assessed that there is no need to implement an individual company specific policy on the area. Consequently, at the current stage no official policy has been developed regarding anti-corruption and anti-money laundering.

The Company has not identified any significant risks relating to the above-mentioned five areas, and Management expects to formalize policies to all the above areas over the coming year.

## Goals and policies for the underrepresented gender

As Kapitalen ApS does not have a Board of Directors and the executive board only consists of 2 people, one man and one woman, the company believe it has a fair and proper representation of gender.

The Company’s policy is to promote a diverse workplace and work to promote the number of the underrepresented gender in senior positions. We want to ensure that all our employees can make the best use of their skills, regardless of gender, ethnicity, religion, political opinion, age, disability, sexual orientation. We want to maintain a working environment that is free from harassment and discrimination and respects diversity.

In The group, there is defined initiatives for the retention and development of female employees at middle management level. This is done by offering training and provide advice to leaders and employees regarding competence development. Furthermore, in connection with new hires, the group consider all qualified applicants for a given position regardless of gender, ethnicity, religion, political opinion, age, disability, sexual orientation, etc.

This is initiatives that the group will enforce going forward.

At the end of 2022, the Company's Executive Board consists of one member. On other management levels, the daily Management consists of four persons, where 50% of the Management positions were held by women and 50% by men. As 50% of the daily management consists of women, equal distribution has been achieved in other management layers.

## 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 | 2022 | 2021 | 2022 | 2021 |
| **Revenue** | 2 | 540,562 | 426,540 | 28,089 | 16,308 |
| Other income | | 2,710 | 7,520 | 0 | 0 |
| Cost of goods | | -78,500 | -102,763 | 0 | 0 |
| Other external costs | | -118,910 | -107,048 | -9,127 | -8,626 |
| **Gross profit/loss** | | **345,862** | **224,249** | **18,962** | **7,682** |
| Staff costs | 3 | -273,374 | -197,788 | 0 | -8 |
| Depreciation, amortisation and impairment losses | | -36,680 | -54,841 | -340 | -287 |
| **Profit/loss before financial income and expenses** | | **35,808** | **-28,380** | **18,622** | **7,387** |
| Income from equity investments in Group entities | | 0 | 0 | 0 | -25,182 |
| Other financial income | 5 | 33,216 | 177,243 | 26,600 | 172,123 |
| Write-down of financial assets | | -14,594 | -7,332 | -14,594 | -7,332 |
| Other financial expenses | 6 | -179,889 | -9,701 | -207,055 | -9,862 |
| **Profit/loss before tax** | | -125,459 | 131,830 | -176,427 | 137,134 |
| Tax on profit/loss for the year | 7 | 9,080 | -10,193 | 3,802 | -23,095 |
| **Profit/loss for the year** | 8 | -116,379 | 121,637 | -172,625 | 114,039 |

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Balance sheet

| DKK'000 | Note | Group 2022 | Group 2021 | Parent Company 2022 | Parent Company 2021 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Fixed assets** | | | | | |
| **Intangible assets** | 9 | | | | |
| Other intangible assets | | 6,663 | 0 | 0 | 0 |
| Patents, licences and trademarks | | 162,071 | 93,641 | 0 | 0 |
| Goodwill | | 26,403 | 38,194 | 0 | 0 |
| Development projects in progress | | 0 | 62,918 | 0 | 0 |
| | | 195,137 | 194,753 | 0 | 0 |
| **Property, plant and equipment** | 10 | | | | |
| Land and buildings | | 491,549 | 397,928 | 11,220 | 16,343 |
| Plant and machinery | | 35,046 | 35,155 | 0 | 0 |
| Plant and machinery under construction | | 3,650 | 5,347 | 0 | 0 |
| Fixtures and fittings, tools and equipment | | 6,641 | 9,795 | 793 | 811 |
| | | 536,886 | 448,225 | 12,013 | 17,154 |
| **Investments** | 11 | | | | |
| Equity investments in Group entities | | 0 | 0 | 965,225 | 876,444 |
| Participating interests | | 112,500 | 112,500 | 112,500 | 112,500 |
| Other securities and equity investments | | 77,332 | 65,781 | 77,332 | 65,781 |
| Deposits | | 532 | 538 | 420 | 412 |
| | | 190,364 | 178,819 | 1,155,477 | 1,055,137 |
| **Total fixed assets** | | 922,387 | 821,797 | 1,167,490 | 1,072,291 |

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Balance sheet

| | | Group | | Parent Company | |
|---|---|---|---|---|---|
| DKK'000 | Note | 2022 | 2021 | 2022 | 2021 |
| **ASSETS (continued)** | | | | | |
| **Current assets** | | | | | |
| **Inventories** | | | | | |
| Finished goods and goods for resale | | 8,173 | 4,364 | 0 | 0 |
| | | 8,173 | 4,364 | 0 | 0 |
| **Receivables** | | | | | |
| Trade receivables | | 102,525 | 64,684 | 0 | 2,103 |
| Work in progress | 12 | 5,707 | 0 | 0 | 0 |
| Receivables from Group entities | | 0 | 0 | 87,956 | 104,984 |
| Receivables from participating interests | | 77,085 | 0 | 0 | 0 |
| Other receivables | | 34,543 | 13,471 | 17,029 | 5,039 |
| Tax receivables | | 4,060 | 0 | 3,627 | 0 |
| Prepayments | 13 | 5,883 | 12,962 | 2,603 | 1,192 |
| Deferred tax asset | 15 | 24,859 | 12,750 | 0 | 0 |
| | | 254,662 | 103,867 | 111,215 | 113,318 |
| **Securities and equity investments** | 20 | 1,147,110 | 1,205,265, | 970,181 | 1,166,858 |
| **Cash at bank and in hand** | 20 | 165,960 | 216,849 | 24,783 | 15,681 |
| **Total current assets** | | 1,575,905 | 1,530,345 | 1,106,179 | 1,295,857 |
| **TOTAL ASSETS** | | 2,498,292 | 2,352,142 | 2,273,669 | 2,368,148 |

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Balance sheet

| | | Group | | Parent Company | |
|---|---|---|---|---|---|
| DKK'000 | Note | 2022 | 2021 | 2022 | 2021 |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| Contributed capital | 14 | 500 | 500 | 500 | 500 |
| Reserve for currency revaluation | | 6,256 | 1,360 | 0 | 0 |
| Retained earnings | | 877,942 | 999,248 | 1,071,245 | 1,243,870 |
| Shareholders' share of equity | | 884,698 | 1,001,108 | 1,071,745 | 1,244,370 |
| Non-controlling interests | | 251,291 | 244,467 | 0 | 0 |
| **Total equity** | | 1,135,989 | 1,245,575 | 1,071,745 | 1,244,370 |
| **Provisions** | | | | | |
| Provisions for deferred tax | 15 | 2,667 | 0 | 0 | 37 |
| **Total provisions** | | 2,667 | 0 | 0 | 37 |
| **Liabilities other than provisions** | | | | | |
| **Non-current liabilities other than provisions** | 16 | | | | |
| Mortgage debt | | 253,499 | 199,320 | 0 | 0 |
| Deferred income | | 93,347 | 46,985 | 0 | 0 |
| Payables to Management | | 140,054 | 171,700 | 140,054 | 171,700 |
| Other payables | | 12,500 | 0 | 0 | 0 |
| | | 499,400 | 418,005 | 140,054 | 171,700 |
| **Current liabilities other than provisions** | | | | | |
| Credit institutions | | 628,542 | 473,889 | 557,875 | 473,889 |
| Payables to Group entities | | 0 | 0 | 474,215 | 462,550 |
| Trade payables | | 36,407 | 13,769 | 2,798 | 1,210 |
| Work in progress | 12 | 16,846 | 0 | 0 | 0 |
| Other payables, including taxes payable | | 60,697 | 78,559 | 13,038 | 14,392 |
| Deferred income | 17 | 117,744 | 122,345 | 13,944 | 0 |
| | | 860,236 | 688,562 | 1,061,870 | 952,041 |
| **Total liabilities other than provisions** | | 1,359,636 | 1,106,567 | 1,201,924 | 1,123,741 |
| **TOTAL EQUITY AND LIABILITIES** | | 2,498,292 | 2,352,142 | 2,273,669 | 2,368,148 |

# 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 2022** | 500 | 1,360 | 999,248 | 1,001,108 | 244,467 | 1,245,575 |
| Transferred over the profit appropriation | 0 | 0 | -121,944 | -121,944 | 5,565 | -116,379 |
| Other adjustment | 0 | 0 | 638 | 638 | 0 | 638 |
| Capital contribution | 0 | 0 | 0 | 0 | 1,259 | 1,259 |
| Exchange rate adjustment, foreign subsidiary | 0 | 4,896 | 0 | 4,896 | 0 | 4,896 |
| **Equity at 31 December 2022** | 500 | 6,256 | 877,942 | 884,698 | 251,291 | 1,135,989 |

# 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 2022** | 500 | 1,243,870 | 1,244,370 |
| Transferred over the profit appropriation | 0 | -172,625 | -172,625 |
| **Equity at 31 December 2022** | 500 | 1,071,245 | 1,071,745 |

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Cash flow statement

| | | Group | |
|---|---|---|---|
| DKK'000 | Note | 2022 | 2021 |
| Profit/loss for the year | | -116,379 | 121,637 |
| Depreciation, amortisation and impairment losses | | 36,680 | 54,481 |
| Other adjustments | 18 | 127,164 | -167,742 |
| Cash generated from operations before changes in working capital | | 47,465 | 8,376 |
| Changes in working capital | 19 | -21,165 | -99,164 |
| Cash generated from operations | | 26,300 | -90,788 |
| Interest income | | 33,216 | 177,243 |
| Interest expense | | -128,853 | -4,784 |
| Corporation tax paid | | -18,314 | 0 |
| **Cash flows from operating activities** | | -87,651 | 81,671 |
| Acquisition of intangible assets | 9 | -20,912 | -97,930 |
| Disposal of intangible assets | 9 | 0 | 135 |
| Acquisition of property, plant and equipment | 10 | -113,136 | -61,479 |
| Disposal of property, plant and equipment | 10 | 5,157 | 13 |
| Acquisition of participating interests (including associates) | 11 | 0 | -75,000 |
| Acquisition of securities | | -30,672 | -50,594 |
| Disposal of securities | | 4,527 | 0 |
| **Cash flows from investing activities** | | -155,036 | -284,855 |
| Loans raised | | 208,832 | 256,877 |
| Loans to participating interests (including associates) | | -77,085 | 0 |
| Increase of capital | | 1,896 | 0 |
| **Cash flows from financing activities** | | 133,643 | 256,877 |
| **Cash flows for the year** | | -109,044 | 53,694 |
| Cash and cash equivalents at the beginning of the year | | 1,422,114 | 1,368,420 |
| **Cash and cash equivalents at year end** | 20 | 1,313,070 | 1,422,114 |

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

### 1 Accounting policies

The annual report of Kapitalen ApS for 2022 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

Minor reclassifications have been made to comparative figures but no consequences to total assets, equity and result for the year.

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 associates. 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.

The uniting-of-interests method is applied to business combinations such as the acquisition and disposal of equity investments, mergers, demergers, contribution of assets, share exchanges, etc., between entities controlled by the Parent Company. The uniting-of-interests is considered to have been completed at the date of the merger without restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquired entity are recognised in equity.

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

IFRS15 is the overall method as in former years.

<u>Software:</u>

*License*

The Company's licenses grant the customer a right to use the intellectual property (IP) and as the Company does not undertake activities that substantively change the IP to which the customer has rights during the license period, revenue is according to IFRS 15 satisfied at a point in time. Revenue is recognised at the point in time when the software license key is delivered to the customer, and the customer may use and benefit from the software license.

*Maintenance and support*

The Company's maintenance and support is made up of technical support, bug fixes, and when-and-if available unspecified software upgrades. Maintenance and support revenue are recognised over time measured based on the percentage of completion relative to the term of the maintenance and support contract. Maintenance and support contracts are invoiced upon execution of the contract or annually over the term of the contract.

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

### 1 Accounting policies (continued)

#### Revenue (continued)

*Professional Services*

The Company's professional services primarily include consulting services associated with the implementation of software licenses. Professional services are distinct performance obligations, and the related revenue is recognised at the point in time when the customer can benefit from the services. The Company applies the practical expedient of recognising revenue upon invoicing for time and materials-based arrangements as the invoiced amount corresponds to the value of the professional services provided.

*Royalties and Service Fees*

The Company derives royalty revenues in connection with three supplier relationship agreements with International Business Machine Corporation (IBM). Under these agreements with IBM, the total royalty due associated with the sale of a software license is received via a one-time payment after the software license key is delivered to the end customer. Royalty revenue for software licenses is recognised at a point in time upon delivery of the software license key. The total royalty or service fee due associated with the sale of maintenance and support is recognised pro rata on an over time basis on a quarterly basis over the term of the underlying contract with the end customer.

Energy Machines

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 from construction contracts involving a high degree of customisation is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the market value of the contract work performed during the year (percentage-of-completion method). This method is used where the total revenue and expenses and the degree of completion of the contract can be measured reliably. Where revenue from a construction contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

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.

Revenue in Parent Company

Revenue in Parent Company relates to management fee to subsidiaries and 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.

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

### 1 Accounting policies (continued)

#### 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.

#### 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.

#### Other income

Other income relates to rent.

#### 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 associates.

#### 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.

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

### 1 Accounting policies (continued)

#### 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.

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.

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

### 1 Accounting policies (continued)

*Other intangible assets*

Other intangible assets relates to CO2 rigths that is measuered at cost and not depreciated as they are not used. They are held for sale and is impaired if any indication hereof.

*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.

#### 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.

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

### 1 Accounting policies (continued)

### Investments (Fixed assets)

Equity investments in Group entities and participating interest 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 non-listed securities which 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 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.

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.

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

### 1 Accounting policies (continued)

#### Contract work in progress

Contract work in progress is measured at the selling price of the work performed less progress billings and expected losses. The selling price is measured on the basis of the stage of completion at the balance sheet date and the projected income from the individual contract work in progress. The stage of completion is stated as the share of costs incurred in proportion to estimated total costs relating to contract work in progress.

When the selling price of contract work in progress cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

Contract work in progress is recognised in the balance sheet as receivables or payables, respectively. Net assets comprise the total of contract work in progress where the selling price of the work performed exceeds progress billings. Net liabilities comprise the total of contract work in progress where progress billings exceed the selling price.

Costs arising from sales work and contracting are recognised in the income statement as incurred.

#### Prepayments

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

#### Securities and equity investments (Current assets)

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.

#### 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 associates, 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.

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

### 1 Accounting policies (continued)

#### 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’s sales related to Energy Machines are primarily in Scandianavia. The sales of Teracloud relate to the entire world and are not with focus on a specific part of the world.

Revenue in the Parent Company is only internal revenue within the group and with no need of segment information explained.

# 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 | Total |
| **2022** | | | |
| Revenue | 82,810 | 457,752 | 540,562 |
| **2021** | | | |
| Revenue | 49,706 | 376,834 | 426,540 |

#### Geographical – secondary segment

| | Group | | |
|---|---|---|---|
| DKK'000 | Scandinavia | Rest of the world | Total |
| **2022** | | | |
| Revenue | 110,064 | 430,498 | 540,562 |
| **2021** | | | |
| Revenue | 49,706 | 376,834 | 426,540 |

The significant increase in revenue in Scandinavian is due to to the fact that Teracloud SA was moved from Luxemburg to Denmark in January 2022 under the name Teracloud ApS.

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

### 3 Staff costs

| | Group | | Parent Company | |
|---|---|---|---|---|
| DKK'000 | 2022 | 2021 | 2022 | 2021 |
| Wages and salaries | 248,550 | 179,502 | 0 | 8 |
| Pensions | 12,387 | 8,220 | 0 | 0 |
| Other social security costs | 12,437 | 10,066 | 0 | 0 |
| | 273,374 | 197,788 | 0 | 8 |
| Average number of full-time employees | 352 | 268 | 1 | 1 |

In accordance with section 98b 3.2 of the Danish Financial Statements Act, renumeration to the Executive Board has not been disclosed as Johan Gedda does not receive remuneration for his work and Jenny Helbrink receiving payroll in a subsidiary to Kapitalen ApS and not for her work in Kapitalen. There are no management fee for work performed by Jenny Helbrink and Jenny Helbrink's work as board member is limited.

### 4 Fees to auditor appointed at the general meeting

| | | | | |
|---|---|---|---|---|
| Statutory audit | 2,365 | 792 | 327 | 92 |
| Tax assistance | 1,056 | 1,200 | 170 | 16 |
| Other assurance engagements | 20 | 34 | 20 | 0 |
| Non-audit services | 1,085 | 792 | 486 | 202 |
| Total fees to KPMG | 4,526 | 2,818 | 1,003 | 310 |

### 5 Financial income

| | | | | |
|---|---|---|---|---|
| Interest income from Group entities | 0 | 0 | 3,967 | 980 |
| Capital gains on securities measured at fair value | 0 | 129,488 | 0 | 124,912 |
| Foreign exchange gains | 0 | 12,571 | 0 | 11,048 |
| Other interest income | 18,365 | 21,061 | 15,527 | 21,061 |
| Other financial income | 14,851 | 14,123 | 7,106 | 14,122 |
| | 33,216 | 177,243 | 26,600 | 172,123 |

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

| | Group | | Parent Company | |
|---|---|---|---|---|
| DKK'000 | 2022 | 2021 | 2022 | 2021 |
| **6 Financial expenses** | | | | |
| Interest expense to Group entities | 0 | 0 | -13,814 | -5,277 |
| Capital loss on securities measured at fair value | -142,126 | 0 | -125,085 | 0 |
| Foreign exchange losses | -11,910 | -6,214 | -11,963 | 0 |
| Other interest expense | -20,909 | -3,487 | -13,353 | -3,487 |
| Other financial expenses | -4,944 | 0 | -2,370 | -1,098 |
| Write-down of intercompany receivables | 0 | 0 | -40,470 | 0 |
| | -179,889 | -9,701 | -207,055 | -9,862 |

| | Group | | Parent Company | |
|---|---|---|---|---|
| DKK'000 | 2022 | 2021 | 2022 | 2021 |
| **7 Tax on profit/loss for the year** | | | | |
| Current tax for the year | -2,474 | -13,424 | 3,839 | -15,650 |
| Deferred tax adjustment for the year | 9,001 | 9,524 | -37 | 0 |
| Adjustment of tax for previous years | 2,553 | -6,293 | 0 | -7,445 |
| | 9,080 | -10,193 | 3,802 | -23,095 |

| | Group | | Parent Company | |
|---|---|---|---|---|
| DKK'000 | 2022 | 2021 | 2022 | 2021 |
| **8 Proposed profit appropriation/distribution of loss** | | | | |
| Retained earnings | -121,944 | 120,362 | -172,625 | 114,039 |
| Non-controlling interests' share of subsidiaries' profit/loss | 5,565 | 1,275 | 0 | 0 |
| | -116,379 | 121,637 | -172,625 | 114,039 |

# 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 | Other intangible assets | Total |
| Cost at 1 January 2022 | 289,030 | 44,845 | 62,918 | 0 | 396,793 |
| Foreign exchange adjustments in foreign entities opening | 17,376 | 319 | 0 | 0 | 17,695 |
| Additions | 14,248 | 0 | 0 | 6,663 | 20,911 |
| Transfer | 63,168 | 0 | -62,918 | 0 | 250 |
| Cost at 31 December 2022 | 383,822 | 45,164 | 62,918 | 6,663 | 435,649 |
| Amortisation and impairment losses at 1 January 2022 | -195,389 | -6,651 | 0 | 0 | -202,040 |
| Foreign exchange adjustments in foreign entities | -17,477 | 0 | 0 | 0 | -17,477 |
| Amortisation | -40,315 | -12,110 | 0 | 0 | -52,425 |
| Reversal of impairment | 31,430 | 0 | 0 | 0 | 31,430 |
| Amortisation and impairment losses at 31 December 2022 | -221,751 | -18,761 | 0 | 0 | -240,512 |
| **Carrying amount at 31 December 2022** | 162,071 | 26,403 | 0 | 6,663 | 195,137 |

# 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 2022 | 417,584 | 35,311 | 5,347 | 38,808 | 497,050 |
| Foreign exchange adjustments in foreign entities | -626 | -2,623 | -398 | 1,063 | -2,584 |
| Additions | 106,169 | 4,764 | 0 | 2,203 | 113,136 |
| Disposals | -5,146 | 0 | 0 | -24 | -5,170 |
| Transfer | 0 | 1,299 | -1,299 | -1,918 | -1,918 |
| Cost at 31 December 2022 | 517,981 | 38,751 | 3,650 | 40,132 | 600,514 |
| Depreciation and impairment losses at 1 January 2022 | -19,657 | -156 | 0 | -29,013 | -48,826 |
| Foreign exchange adjustments in foreign entities | | 172 | 0 | -972 | -800 |
| Depreciation | -6,775 | -3,721 | 0 | -5,189 | -15,685 |
| Depreciation on disposal | 0 | 0 | 0 | 14 | 14 |
| Depreciation on transfer | 0 | 0 | 0 | 1,669 | 1,669 |
| Depreciation and impairment losses at 31 December 2022 | -26,432 | -3,705 | 0 | -33,491 | -63,628 |
| **Carrying amount at 31 December 2022** | 491,549 | 35,046 | 3,650 | 6,641 | 536,886 |

# 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 2022 | 16,343 | 1,555 | 17,898 |
| Additions | 23 | 321 | 344 |
| Disposal | -5,146 | -4 | -5,150 |
| Cost at 31 December 2022 | 11,220 | 1,872 | 13,092 |
| Depreciation and impairment losses at 1 January 2022 | 0 | -743 | -743 |
| Depreciation | 0 | -340 | -340 |
| Depreciation on disposal | 0 | 4 | 4 |
| Depreciation and impairment losses at 31 December 2022 | 0 | -1,079 | -1,079 |
| **Carrying amount at 31 December 2022** | 11,220 | 793 | 12,013 |

### 11 Investments

| DKK'000 | Equity investments in subsidiaries | Participating interests | Other securities and equity investments |
|---|---|---|---|
| Cost at 1 January | 990,183 | 112,500 | 73,113 |
| Additions | 88,781 | 0 | 30,672 |
| Disposals | 0 | 0 | -4,527 |
| Cost at 31 December | 1,078,964 | 112,500 | 99,258 |
| Impairment losses at 1 January | -113,739 | 0 | -7,332 |
| Impairment losses for the year | 0 | 0 | -14,594 |
| Impairment losses at 31 December | -113,739 | 0 | -21,926 |
| **Carrying amount at 31 December** | 965,225 | 112,500 | 77,332 |

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

### 11 Investments (continued)

| Name/legal form | Registered office | Equity interest |
|---|---|---|
| *Subsidiaries:* | | |
| Gedda Holding ApS | Copenhagen, Denmark | 100.0% |
| Gedda Income ApS | Copenhagen, Denmark | 46.4%* |
| Grundtvighus PropCo ApS | Copenhagen, Denmark | 100.0% |
| Maskincentralen PropCo ApS | Copenhagen, Denmark | 100,0% |
| Energy Machines ApS | Copenhagen, Denmark | 97.0% |
| Energy Machines Sweden AB | Malmö, Sweden | 97.0% |
| Climate Machines FF AB | Malmö, Sweden | 97.0% |
| Energy Machines Inc. | New York, USA | 97,0% |
| Fibe El & Styr AB | Sollentuna, Sweden | 97.0% |
| EKP Cool OY | Porvoo, Finland | 97.0% |
| Vertical Wind AB | Upsala, Sweden | 88,0% |
| Sigtuna Vallstanäs 2:4-1 AB | Malmö, Sweden | 100.0% |
| Enopsol ApS | Copenhagen, Denmark | 100.0% |
| Hydro Machines Sweden AB | Malmö, Sweden | 100.0% |
| 21st Century Software Inc. | Wayne Pennsylvania, USA | 100.0% |
| VMS Software Inc. | Bolton, Massachussetts, USA | 100.0% |
| Teracloud ApS | Copenhagen, Denmark | 100,0% |
| Teracloud AB | Malmö, Sweden | 100.0% |
| Teracloud Pty | Perth, Australia | 100.0% |
| Teracloud Russia | Russia | 100.0% |
| Teracloud GmbH | Erkelenz, Germany | 100.0% |
| Teracloud Ltd. | London, United Kingdom | 100.0% |
| Teracloud LLC | Armenia | 100.0% |

| DKK'000 | | | Equity | Profit/loss for the year |
|---|---|---|---|---|
| Participating interests: | | | | |
| Blast ApS** | Copenhagen | 24.78% | 64,336 | 13,813 |
| | | | 64,336 | 13,813 |

Operations in Teracloud Russia ceased in early 2022.

*) *100% votes*

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

### 12 Work in progress (Construction contracts)

| | Group | |
|---|---|---|
| DKK'000 | 2022 | 2021 |
| Selling price of work performed | 15,341 | 0 |
| Progress billing | -26,480 | 0 |
| | -11,139 | 0 |
| | | |
| Work in progress for third parties (asset) | 5,707 | 0 |
| Work in progress for third parties (liabilities) | -16,846 | 0 |
| | -11,139 | 0 |

### 13 Prepayments

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

### 14 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.

### 15 Deferred tax

| | Group | | Parent Company | |
|---|---|---|---|---|
| DKK'000 | 2022 | 2021 | 2022 | 2021 |
| Deferred tax at 1 January | 12,750 | 2,964 | -37 | -37 |
| Opening adjustment / reclassification | 441 | 262 | 0 | 0 |
| Deferred tax adjustment for the year in the income statement | 9,001 | 9,524 | 37 | 0 |
| | 22,192 | 12,750 | 0 | -37 |
| | | | | |
| Presented as: | | | | |
| Deferred tax asset | 24,859 | 12,750 | 0 | 0 |
| Deferred tax provision | -2,667 | 0 | 0 | -37 |
| | 22,192 | 12,750 | 0 | -37 |

The capitalised deffered tax asset primarily relates to intangible assets, Property, Plant and Equipment, other provisions and tax loss carryforwards.

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

### 16 Non-current liabilities other than provisions

Liabilities other than provisions can be specified as follows:

| DKK'000 | 2022 | 2021 |
|---|---|---|
| Mortgage and credit institutions: | | |
| 0-1 years | 628,542 | 473,889 |
| 1-5 years | 40,250 | 199,320 |
| >5 years | 213,249 | 0 |
| | 882,041 | 673,209 |
| Current liabilities, including taxes payable: | | |
| 0-1 years | 231,695 | 214,673 |
| 1-5 years | 245,900 | 46,985 |
| >5 years | 0 | 171,700 |
| | 477,595 | 433,358 |
| **Total liabilities other than provisions** | 1,359,636 | 1,106,567 |

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

| | 2022 | 2021 |
|---|---|---|
| Non-current liabilities other than provisions | 499,400 | 418,005 |
| Current liabilities other than provisions | 860,236 | 688,562 |
| | 1,359,636 | 1,106,567 |

Collateral is disclosed in note 22.

### 17 Deferred income

Deferred income of DKK 211,091 thousand (2021: DKK 169,330 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

| | | Group | |
|---|---|---|---|
| | DKK'000 | 2022 | 2021 |
| **18** | **Other adjustments** | | |
| | Other financial income | 33,216 | 177,243 |
| | Finance costs | -179,889 | -9,701 |
| | Tax | -9,080 | 10,193 |
| | Deferred tax | 9,442 | 9,786 |
| | Other | 14,594 | 7,700 |
| | Currency adjustment | 4,553 | -12,243 |
| | Transfer from securities | 0 | -15,236 |
| | | -127,164 | 167,742 |

| | | | |
|---|---|---|---|
| **19** | **Changes in working capital** | | |
| | Change in inventories | -3,809 | 339 |
| | Change in receivables | -61,595 | 3,623 |
| | Change in trade and other payables | 44,239 | -103,126 |
| | | -21,165 | -99,164 |

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

### 20 Cash and cash equivalents

| | Group | |
|---|---|---|
| DKK'000 | 2022 | 2021 |
| Cash and cash equivalents at 31 December comprise: | | |
| Securities and equity investments | 1,147,110 | 1,205,265 |
| Cash at bank and in hand | 165,960 | 216,849 |
| **Cash and cash equivalents at 31 December** | 1,313,070 | 1,422,114 |

### 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 22,8 million.

#### Contingent liabilities

The Company has issued a letter of support to the subsidiaries Gedda Holding ApS, Energy Machines ApS, Maskincentralen Propco ApS and Grundtvighus Propco ApS. At the balance sheet date, all companies have positive equity besides Grundtvighus Propco ApS and therefore the intercompany at the end of 2022 was impaired.

The Company has undertaken to contribute capital for investments in securities in the amount of DKK 93,892 thousand if needed in the future.

The Group has issued a guarantee of DKK 800 thousand for work in progress related contract.

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 0 thousand at 31 December 2022. 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.

#### 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 131 thousand, totalling DKK 392 thousand.

The Group has entered into operating leases with a remaining term of 60 months and an average monthly lease payment of DKK 415 thousand, totalling DKK 24,909 thousand.

### 22 Mortgages and collateral

All current securities and equity investments have been provided as security for debt to credit institutions in the Parent Company and Group.

All group level land and buildings with a value of DKK 327,528 thousand have been provided as collateral for debt to mortgage debt.

# 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

Maskincentralen PropCo ApS

Energy Machines ApS

Energy Machines Sweden AB

Climate Machines FF AB

Energy Machines Inc.

Fibe El & Styr AB

EKP Cool OY

Vertical Wind AB

Sigtuna Vallstanäs 2:4-1 AB

Enopsol ApS

Hydro Machines Sweden AB

21st Century Software Inc.

VMS Software Inc.

Teracloud ApS

Teracloud AB

Teracloud Pty

Teracloud Russia

Teracloud GmbH

Teracloud Ltd.

Teracloud LLC

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

### Related party transactions

| DKK'000 | 2022 |
|---|---|
| **Group** | |
| Sale of services to associates | 7,237 |
| Purchase of services from associates | 0 |
| | 7,237 |
| **Parent Company** | |
| Sale of services to a subsidiary and re-invoicing of costs | 27,687 |
| Purchase of goods from a subsidiary | -80 |
| | 27,607 |

The Company has issued a loan of 10,1 mDKK to Bettina Gedda ApS which is presented as other receivables.

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

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