Energy Machines ApS

Bryghuspladsen 8, 4. 402
1473 København K
Denmark

CVR no. 38 19 21 91

Annual report 2021

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

24 June 2022

Johan Harald Gedda
Chairman of the annual general meeting

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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 Energy Machines 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 financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations 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 Company's activities and financial matters, of the results for the year and of the Company's financial position.

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

København, 24 June 2022
Executive Board:

Johan Harald Gedda
CEO

Board of Directors:

Jenny Marie Helbrink Gann Chairman	Johan Harald Gedda	Jens Olle Petter Termén

Independent auditor's report

To the shareholders of Energy Machines ApS

Opinion

We have audited the financial statements of Energy Machines 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. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations 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 financial statements" section of our report.

We are independent of the Company 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 financial statements

Management is responsible for the preparation of 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements 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 users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

— identify and assess the risks of material misstatement of the 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.

Independent auditor's report

— obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

— evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

— conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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 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 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 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 financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

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

Jesper Bo Pedersen
State Authorised
Public Accountant
mne42778

Management's review

Company details

Energy Machines ApS
Bryghuspladsen 8, 4. 402
1473 København K
Denmark

CVR no.:	38 19 21 91
Established:	18 November 2016
Registered office:	København
Financial year:	1 January – 31 December

Board of Directors

Jenny Marie Helbrink Gann, Chairman
Johan Harald Gedda
Jens Olle Petter Termén

Executive Board

Johan Harald Gedda, CEO

Auditor

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

Management's review

Financial highlights

DKK	2021	2020	2019	2018	2017
Key figures					
Gross profit/loss	-10,183,133	-7,977,844	-6,898,146	-2,198,378	-2,393,400
Ordinary operating profit/loss	-26,802,919	-48,827,992	-17,712,594	-9,869,893	-5,735,007
Profit/loss from financial income and expenses	-8,561,628	-12,831,923	-47,407	-782,018	-2,701,406
Profit/loss for the year	-30,710,751	-57,689,064	-13,849,146	-8,457,376	-7,130,402
Total assets	153,040,385	92,148,313	68,276,236	53,277,567	48,099,081
Equity	49,821,775	80,532,526	63,221,590	37,071,936	45,529,132
Investment in property, plant and equipment	0	33,418	49,473	0	71,414
Ratios					
Return on equity	-56.27%	-80.26%	-27.62%	-20.48%	-31.26%
Equity ratio	32.55%	87.39%	92.60%	69.58%	94.66%
Average number of full-time employees	25	11	6	4	3

Financial ratios are calculated in accordance with the guidelines "Recommendations and Ratios" issued by the Danish Society of Financial Analysts. The financial ratios have been calculated as follows:

Return on equity	Profit/loss from ordinary activities after tax x 100 / Average equity
Equity ratio	Equity x 100 / Total assets

Management's review

Operating review

Principal activities

Energy Machines' vision is to turn every building into an "energy machine", a building that generates, stores and reuses its own energy. Over time, these "energy machines" will be connected to each other to form resilient networks, creating neighbourhoods that become "energy machines".

Eventually, "energy machine" neighbourhoods will link up to turn entire communities or cities into sustainable "energy machines" (we will refer to them as EnergyMachinesTM, or as an EnergyMachineTM for a single system). An EnergyMachineTM is a software driven concept, and the Company's principal activity is to develop the software platforms that enable buildings, and collection of buildings to become EnergyMachinesTM.

In addition, the company designs, builds and services integrated software-driven energy systems for buildings.

The company has subsidiaries in Denmark, Sweden, Finland and the USA and a significant part of its activities and production are derived from these subsidiaries.

Development in activities and financial position

The Company's income statement for 2021 shows a profit of DKK -30,710,751 as against DKK -57,689,064 in 2020. Equity in the Company's balance sheet at 31 December 2021 stood at DKK 49,821,775 as against DKK 80,532,526 at 31 December 2020.

Covid-19 continued to delay projects in 2021 but this is expected to improve in the current year.

The company's operating losses are mainly due to the costs of running the software R&D department, which continue to be expensed as part of the company's conservative policy of writing-down intangible assets before commercial viability is proven (DKK 27,053,992 of the Company's intangible fixed assets in 2020).

Management considers the net loss for the year unsatisfactory.

Outlook

After Covid 19, which delayed buyer decision making and slowed down the completion of contracted projects, the Company will return to solid revenue growth in 2022 and beyond. Delayed projects will complete in 2022, impacting revenue, and new projects will ramp up more quickly, allowing for more timely recognition of revenue. The conflict in Ukraine, with its impact on natural gas prices, has dramatically increased demand for the Company's solutions both domestically and abroad. Management expects revenues to exceed DKK 100 million in 2022. The Company's net margin for its core energy system business, the bulk of its revenues, will be positive and continue to improve as project processes are standardized and automated. Overall margins are expected to be negative as the Company continues to invest in, a) building out its capability to manage additional large projects, including in the USA, and b) in product research and development, primarily software. On January 6, 2022 the Company was announced as a winner of the Empire Building Challenge by NYSERDA for its energy system design for 345 Hudson Street, a million sq. ft property on Manhattan, whose HVAC (Heating, Ventilation, and Air-Conditioning) systems will be entirely electrified (eliminating fossil fuels) as part of a major refurbishment.

The Company plans to raise additional equity from its majority shareholder in 2022.

Events after the balance sheet date

No events have occured after the balance sheet date which could significantly affect the Company's financial position.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2021	2020
Gross loss		-10,183,133	-7,977,844
Staff costs	2	-16,579,589	-6,854,575
Depreciation, amortisation and impairment losses	3	-40,197	-33,995,573
Loss before financial income and expenses		-26,802,919	-48,827,992
Income from equity investments in group entities		-13,311,039	-13,505,538
Other financial income	4	5,723,928	729,953
Other financial expenses	5	-975,518	-56,338
Loss before tax		-35,365,548	-61,659,915
Tax on loss for the year	6	4,654,797	3,970,851
Loss for the year	7	-30,710,751	-57,689,064

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2021	31/12 2020
ASSETS			
Fixed assets			
Intangible assets	8		
Completed development projects		0	0
Acquired patents		77,896	0
		77,896	0
Property, plant and equipment	9		
Fixtures and fittings, tools and equipment		26,545	54,178
Investments	10		
Investments in group entities		46,595,044	4,141,631
Deposits		126,083	4,577
		46,721,127	4,146,208
Total fixed assets		46,825,568	4,200,386
Current assets			
Receivables			
Trade receivables		164,206	284,926
Receivables from group entities		66,475,818	13,971,130
Other receivables		433,587	56,167
Corporation tax		287,263	1,769,247
Prepayments	11	304,487	25,253
		67,665,361	16,106,723
Securities and equity investments		38,407,751	0
Cash at bank and in hand		141,705	71,841,204
Total current assets		106,214,817	87,947,927
TOTAL ASSETS		153,040,385	92,148,313

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2021	31/12 2020
EQUITY AND LIABILITIES			
Equity			
Contributed capital		1,644,254	1,644,254
Retained earnings		48,177,521	78,888,272
Total equity		49,821,775	80,532,526
Liabilities			
Non-current liabilities	12		
Payables to group entities		71,621,796	0
Other payables		12,500,000	0
		84,121,796	0
Current liabilities			
Banks, current liabilities		6,532,738	0
Trade payables		5,746,830	1,641,395
Payables to group entities		4,278,748	8,231,241
Other payables		2,538,498	1,743,151
		19,096,814	11,615,787
Total liabilities		103,218,610	11,615,787
TOTAL EQUITY AND LIABILITIES		153,040,385	92,148,313
Contractual obligations, contingencies, etc.	13		
Related party disclosures	14		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 January 2021	1,644,254	78,888,272	80,532,526
Transferred over the distribution of loss	0	-30,710,751	-30,710,751
Equity at 31 December 2021	1,644,254	48,177,521	49,821,775

The mothercompany Kapitalen ApS has issued a letter of support to cover the financial situation for 2022. The letter of support is valid to the AGM for FY22 in 2023.

Financial statements 1 January – 31 December

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1 Accounting policies

The annual report of Energy Machines ApS for 2021 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

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

Omission of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of Energy Machines ApS and group entities are included in the consolidated financial statements of Kapitalen ApS, Bryghuspladsen 8, 4. 402, CVR no. 34883459.

Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Kapitalen ApS.

Change in accounting class

The annual report of Energy Machines ApS for 2021 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act. The transistion compared to the previous financial year from the provisions applying to reporting class B entities under the Danish Financial Statements Acts has not resulted in changes to recognition and measurement.

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 associates that 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. 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.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Upon recognition of foreign subsidiaries that 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.

Income statement

Gross loss

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross loss.

Revenue

Revenue from sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc. to the Company's employees, excluding reimbursements from public authorities.

Financial expenses

Financial expenses comprise interest expense and transactions denominated in foreign currencies, as well as surcharges under the on-account tax scheme, etc.

Dividends from equity investments in group entities measured at cost are recognised as income in the Parent Company's income statement in the financial year when the dividends are declared.

Tax on loss for the year

The Parent Company is subject to 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.

Financial statements 1 January – 31 December

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1 **Accounting policies (continued)**

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 corporation 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, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Intangible assets

Development projects

Development costs comprise costs, wages, salaries and amortisation directly and indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are evidenced, and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses as well development costs. Other development costs are recognised in the income statement as incurred.

Development projects are written down to the recoverable amount if this is lower than the carrying amount

Development costs recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Upon completion of development work, development costs are amortised on a straight-line basis over the estimated useful lives. The amortisation period is usually 5 years.

Patents, licences and trademarks

Rights acquired are measured at cost less accumulated amortisaton and impairment losses. The rights are amortised over the contractul period.

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 10 years.

Patent of software rights	10 years

Acquired rights, etc. are written down to the recoverable amount if this is lower than the carrying amount based on the use of assets and expectation of budgets.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Property, plant and equipment

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:

Fixtures and fittings, tools and equipment	3 years

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

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 and are written down to the lower of recoverable amount an carrying amount.

Deposits are measured 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 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.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

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.

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 based on the planned use of the asset or settlement of the liability. 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.

Prepayments

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

Securities and equity investments

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.

Cash at bank and in hand

Cash comprises bank deposits.

Liabilities

Other liabilities are measured at amortised cost.

Financial statements 1 January – 31 December

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2 Staff costs

Wages and salaries	15,017,580	6,366,232
Pensions	1,069,772	283,675
Other social security costs	492,237	204,668
	16,579,589	6,854,575

Average number of full-time employees	25	11

The company has not paid any remuneration to the executive board or board of directors in 2021 and 2020.

3 Special items

Due to uncertainties about the value of intangible fixed assets, Management has chosen to write them down in 2020. There is uncertainty about whether the projects will be completed.

4 Financial income

Interest income from group entities	257,842	368,650
Other financial income	5,466,086	92
Exchange gains	0	361,211
	5,723,928	729,953

5 Financial expenses

Interest expense to group entities	273,332	48,764
Other financial costs	702,186	7,574
	975,518	56,338

6 Tax on loss for the year

Current tax for the year	-4,654,797	0
Adjustment of deferred tax concerning previous years	0	-3,970,851
	-4,654,797	-3,970,851

7 Proposed distribution of loss

Retained earnings	-30,710,751	-57,689,064
	-30,710,751	-57,689,064

Financial statements 1 January – 31 December

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8 Intangible assets

DKK	Completed development projects	Acquired patents	Total
Cost at 1 January 2021	20,822,546	27,498,581	48,321,127
Additions for the year	0	90,460	90,460
Cost at 31 December 2021	20,822,546	27,589,041	48,411,587
Amortisation and impairment losses at 1 January 2021	-20,822,546	-27,498,581	-48,321,127
Impairment losses for the year	0	-12,564	-12,564
Amortisation and impairment losses at 31 December 2021	-20,822,546	-27,511,145	-48,333,691
Carrying amount at 31 December 2021	0	77,896	77,896

9 Property, plant and equipment

DKK	Fixtures and fittings, tools and equipment
Cost at 1 January 2021	154,305
Cost at 31 December 2021	154,305
Depreciation and impairment losses at 1 January 2021	-100,127
Depreciation for the year	-27,633
Depreciation and impairment losses at 31 December 2021	-127,760
Carrying amount at 31 December 2021	26,545

10 Investments

DKK	Equity investments in group entities
Cost at 1 January 2021	20,823,922
Additions for the year	55,764,452
Cost at 31 December 2021	76,588,374
Revaluations at 1 January 2021	-16,682,291
Impairment losses and depreciation	-13,311,039
Revaluations 31 December 2021	-29,993,330
Carrying amount at 31 December 2021	46,595,044

Financial statements 1 January – 31 December

Notes

Name/legal form	Registered office	Voting rights and ownership interest	Equity	Profit/loss for the year
Subsidiaries:			DKK	DKK
Energy Machines AB	Sweden, Malmö	100%	566,799	-2,602,196
EKP Cool OY	Finland, Provoo	100%	585,756	-2,146,765
Climate Machines FF AB	Sweden, Malmö	100%	1,056,759	-5,937,693
HydroMachines Sweden AB	Sweden, Malmö	100%	14,794,396	10,007,547
Vertical Wind AB	Malmö, Sweden	91%	-414,847	-2,774,547
Enopsol ApS	Fredensborg, Danmark	100%	1,266,726	146,825

Enopsol ApS has not reported an financiel statement for 2021, so the data is from 2020.

11 Prepayments

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

12 Non-current liabilities

Liabilities can be specified as follows:

DKK	31/12 2021	31/12 2020
Payables to group enterprises		
1-5 years	71,621,796	0
	71,621,796	0
Other payables		
1-5 years	12,500,000	0

13 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company participates in a Danish joint taxation arrangement with Kapitalen ApS. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes, etc. for the jointly taxed companies.

Operating lease obligations

The Company has entered into operating leases with a remaining term of 0-12 months, totalling DKK 95 thousand.

Financial statements 1 January – 31 December

Notes

14 Related party disclosures

Energy Machines ApS' related parties comprise the following:

Control

Kapitalen ApS holds the majority of the contributed capital in the Company.

Energy Machines ApS is part of the consolidated financial statements of Kapitalen ApS, Bryghuspladsen 8, 4. 402, 1473 København K, which is the smallest and largest group in which the Company is included as a subsidiary.

The consolidated financial statements of Kapitalen ApS can be obtained by contacting the Company at the address above.

Related party transactions

DKK	2021
Sales	2,051,698
Purchase	510,629
Interest expense	273,332
Interest income	257,842

Receivables from group entities and payables to group entities are disclosed in the balance sheet.