Energy Machines ApS

Nicolai Eigtveds Gade 26, 5.
1402 København K

CVR no. 38 19 21 91

Annual report 2023

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

on 2 May 2024

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Jenny Marie Helbrink Gann
Chairman of the annual general meeting

Contents

Statement by the Executive Board

The Executive Board and Board of Directors have today discussed and approved the annual report of Energy Machines ApS for the financial year 1 January – 31 December 2023.

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 2023 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 2023.

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, 2 May 2024
Executive Board:

Nicolas Michael Kastbjerg

Board of Directors:

Johan Harald Gedda	Jenny Marie Helbrink Gann	Nicolas Michael Kastbjerg

Independent auditor's report

To the shareholders of Energy Machines ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Energy Machines ApS for the financial year 1 January – 31 December 2023, 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, except for the possible effect on comparative figures of the matter described in the "Basis for qualified opinion" section of our report, 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 2023 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 2023 in accordance with the Danish Financial Statements Act.

Basis for qualified opinion

We were unable to participate in the inventory count made by the company in a significant subsidiary at the financial year end 2022 for inventories amounting to DKK 6,881 thousand.
We have not, by other means, been able to obtain appropriate audit evidence about the existence and completeness of ’inventories at the financial year end 31 December 2022.
Accordingly, we have been unable to determine whether changes to inventory as of 31. December 2022 or to the income statement for the years 2022 or 2023 might have been necessary.

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.

Other matters regarding the scope of the audit

This is the first year for which consolidated financial statements were prepared and thus no auditor’s report on consolidated financial statements was issued for the financial year 2022. Comparative figures were audited in the context of the group audit of the ultimate parent entity of the Company.

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, 2 May 2024
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
Nicolai Eigtveds Gade 26, 5.
1402 København K

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

Executive Board

Nicolas Michael Kastbjerg

Board of directors

Johan Harald Gedda (Chairman)
Jenny Marie Helbrink Gann
Nicolas Michael Kastbjerg

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 2 May 2024.

Management's review

Financial highlights for the Group

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DKK'000	2023	2022
Gross profit	17,924	15,203
Operating profit/loss	-58.004	-53,818
Profit/loss from financial income and expenses	553	-7.284
Profit/loss for the year	-43,939	-57.213
Total assets	193,900	156,075
Investments in property, plant and equipment	6.578	0
Equity	34,861	42,715
Cash flows from operating activities	-71,269	-44,140
Cash flows from investing activities	-7,908	-6,585
Cash flows from financing activities	79,109	61,209
Total cash flows	-69	10,484
Gross margin	14%	18%
Operating margin	-44%	-65%
Return on invested capital	-36%	-47%
Current ratio	116%	116%
Return on equity	-113%	-134%
Solvency ratio	17%	27%
Average number of full-time employees	104	93

According to Danish Financial Statements Act §128, no. 4, the comparable figures for 2019-2021 have not been included.

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	$\frac{\text{Operating profit x 100}}{\text{Average invested capital}}$
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	$\frac{\text{Equity ex. non-controlling interests at year-end x 100}}{\text{Total equity and liabilities at year-end}}$

Management's review

Operating review

Energy Machines is a leading energy infrastructure company specializing in software-based energy solutions. Our focus is on designing, implementing, and operating fully electric integrated energy systems that enable buildings, campuses, and smaller cities to decarbonize.

By combining proven best-of-breed low-carbon energy technologies with flexible digital platforms, we turn buildings into “energy machines” capable of generating, storing, and reusing their own energy with unparalleled efficiency. The result: market-leading reductions in energy usage, operating costs, and carbon footprint.

Energy Machines also offers an "Energy as a Service” model where Energy Machines owns the system incl. installation and operation and ultimately sells energy, providing our clients with flexible and cost-effective energy solutions.

Energy Machines is headquartered in Copenhagen and has seven additional offices across Denmark, Sweden, Finland, and New York. With a team of over 100 energy rebels (employees), we are dedicated to driving change within the energy sector.

Development in activities and financial position

The consolidated revenue of the Energy Machines’ Group (including foreign subsidiaries) has increased significantly during the past three years, with an increase of 59 % from 2022 -2023 for the group and 111 % from 2022 – 2023 for the parent company. The growth is mainly driven from the operations on the Danish and the US market.

As planned, the investment in our continued growth has led to group losses of; 2022 DKK 57 million, 2023 DKK 44 million. The equity on the Groups’ balance sheet decreased from DKK 43 million on December 31, 2022, to DKK 35 million on December 31, 2023.

End of 2023 Energy Machines brought on a new CEO for the Energy Machines group. Energy Machines is confident that the new addition to the management group will contribute greatly to realizing our overall objectives.

The net operating losses of the group are mainly driven by continued investment in R&D and in expanding the business and Energy Machines ‘portfolio. In 2023, the Group invested DKK 28 million in R&D, including the recruitment of additional employees, development of new software and hardware prototypes, and overall positioning of the organization for the anticipated surge in demand for the Company´s products and services in the coming years. The company follows a policy of expensing these costs instead of capitalizing development expenses before final confirmation of commercial viability. Another reason for the big operating loss in 2023 is the DKK 23 million write downs of investments in daughter companies until proven commercially successful.

Energy Machines commissioned their first project in the U.S. market in 2023 and are seeing a significant growth potential within this market. The R&D team has as part of their efforts prioritized to develop lines of heat pumps tailored to meet the specific requirements of the U.S. market. This strategic initiative allows Energy Machines to significantly expand the Company’s reach and capitalize on the opportunities available within the U.S market.

Management's review

Development in activities and financial position (continued)

In June 2023, Trimatic Automation ApS was added to the Energy Machines' Group portfolio. Energy Machines ApS acquired the majority stake of the company, to secure part of the supply chain.

Energy Machines are progressing as planned on their growth path and the Management is confident that Energy Machines is on track to realize their long – term strategy of creating a profitable company with a real impact on the transformation to "green" energy.

Outlook

Management anticipates group revenues to fall in the range between of DKK 175 million and 190 million in 2024, depending on primarily municipal processes for already secured projects. The Company's core energy system business, which constitutes the majority of its revenues, is expected to maintain a positive net margin and further improve as project processes are standardized and automated. The increased revenue together with more standardized execution of projects, as well as organizational changes to increase efficiency within the R&D department for Software, all contribute to an expected positive EBITDA in 2024. Looking ahead, The Energy Machines group expects to secure more business from existing customers with a global presence. We have strengthened our partnership with Danfoss through the development of a new line of heat pumps featuring virtually maintenance-free Turbocor compressors. Deliveries of Turbocor heat pumps are already in place for several ongoing projects, including DSV's logistics center in Horsens, Denmark.

Regarding our commercial activities, the Energy as a Service (EaaS) offers a model where Energy Machines owns and operates the energy systems and sells energy (i.e. heating, cooling, and domestic hot water) to building owners, tenants or district heating companies. EaaS by Energy Machines combines the contractual conditions and pricing structures of established utility companies with commercial leasing terms, creating a dynamic model that outperforms traditional energy suppliers in terms of efficiency, sustainability, and cost-effectiveness. By adopting EaaS, asset owners can immediately enhance the capital value of individual assets or portfolios, district heating companies can transform their heating and cooling supply to fossil free energy, both without requiring their own investment or impacting their clients financially. With EaaS, asset owners and district heating companies are empowered to embrace sustainability, maximize value, and accelerate our collective shift toward a net-zero future. This initiative establishes a business for the Company, generating more stable recurring revenues compared to the project-based business model. Energy Machines, expects to have a minimum of 3 EaaS contracts by the end of 2024.

Furthermore, Energy Machines´ energy production and trading business, HydroMachines™, completed its second full year of operations under our ownership and increased the production by 57 % compared to the previous year. This segment involves the generation and trading of renewable electricity from our eight small-scale hydropower dams located in Småland, Sweden.

The existing ownership raised additional DKK 35 million end of 2023 to continue to support the company's growth strategy.

Management's review

Uncertainty regarding recognition and measurement

The Parent Company currently holds a deferred tax asset that has not been recognized due to uncertainty surrounding the application of tax losses. However, a portion of the loss that can be utilized under joint taxation has been capitalized. The total not capitalized deferred tax hold by the Parent Company as per 31 December 2023 is DKK 6,867 thousand.

Events after the balance sheet date

The Company has issued warrants in the subsequent period, which has not affected the financial statement 2023.

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

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

Income statement

		Group		Parent Company	
DKK'000	Note	2023	2022	2023	2022
Gross profit/loss		17,924	15,203	-15,900	-5,196
Staff costs	2	-62,232	-57,188	-26,298	-31,936
Depreciation, amortisation and impairment losses		-13,696	-11,833	-167	-90
Profit/loss before financial income and expenses		-58,004	-53,818	-42,365	-37,222
Other financial income	3	4,289	5,142	5,550	6,223
Write-down of financial assets	9	0	0	-22.433	-1,821
Other financial expenses	4	-3,736	-12,426	-3,328	-11,951
Profit/loss before tax		-57,451	-61.102	-62,576	-44,771
Tax on profit/loss for the year	5	13,511	3.889	13,542	4,057
Profit/loss for the year	6	-43,939	-57.213	-49,034	-40,714

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

Balance sheet

DKK'000	Note	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
ASSETS					
Fixed assets					
Intangible assets	7				
Patents, licences and trademarks		1,031	1,020	217	48
Goodwill		20,315	26,403	0	0
Co2 rights		7,244	6,663	7,244	6,663
		28,590	34,086	7,461	6,711
Property, plant and equipment	8				
Plant and machinery		30,554	35,817	0	0
Plant and machinery under construction		8,577	3,650	0	0
Fixtures and fittings, tools and equipment		848	967	393	499
		39,979	40,434	393	499
Investments	9				
Equity investments in Group entities		0	0	42.250	45,957
Receivables from group entities		0	0	27,357	17,388
Deposits		219	112	54	32
		219	112	69,661	63,377
Total fixed assets		68,788	74,632	77,515	70,587

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

Balance sheet

		Group		Parent Company	
DKK'000	Note	2023	2022	2023	2022
ASSETS (continued)					
Current assets					
Inventories					
Finished goods and goods for resale		13,586	8,173	0	0
		13,586	8,173	0	0
Receivables					
Trade receivables		26,616	8,840	10,076	3,958
Work in progress	10	9,834	5,707	1,726	1,569
Receivables from Group entities		2,400	1,573	26,976	38,961
Other receivables		3,421	2,046	797	7
Tax receivables		966	433	544	251
Prepayments	11	856	1,046	165	208
Deferred tax asset	12	13,876	0	13,345	0
		57,969	19,645	53,629	44,954
Securities and equity investments		5,624	38,373	5,624	38,373
Cash at bank and in hand		47,933	15,252	38,684	4,008
Total current assets		125,112	81,443	97,937	87,335
TOTAL ASSETS		193,900	156,075	175,452	157,922

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

Balance sheet

		Group		Parent Company	
DKK'000	Note	2023	2022	2023	2022
EQUITY AND LIABILITIES					
Equity					
Contributed capital	13	3,570	2,644	3,570	2,644
Retained earnings		29,891	39,323	41,528	56,463
Non-controlling interests		1,400	748	0	0
Total equity		34,861	42,715	45,099	59,108
Other provisions	14	1,589	0	1,589	0
Non-current liabilities other than provisions	15				
Payables to group entities		103,263	62,681	109,585	61,268
Other payables		5,000	7,500	5,000	7,500
		108,263	70,181	114,585	68,768
Current liabilities other than provisions					
Credit institutions		8,115	686	126	0
Payables to Group entities		3,391	3,069	4,734	3,976
Trade payables		15,054	6,198	4,301	2,960
Other payables, including taxes payable		18,426	16,380	5,018	7,707
Deferred income	10,16	4,201	16,846	0	15,403
		49,187	43,179	14,179	30,046
Total liabilities other than provisions		157,450	113,360	128,764	98,977
TOTAL EQUITY AND LIABILITIES		193,900	156,075	175.452	157,922

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 2023	2,644	195	39,127	41,967	748	42,715
Transferred over the profit appropriation	0	0	-42,579	-42,579	-1,360	-43,939
Transfer from acquisition of subsidiary	0	0	1.073	1.073	0	1,073
Capital contribution	926	0	32,087	33,013	2.012	35,024
Exchange rate adjustment, foreign subsidiary	0	-12	0	-12	0	-12
Equity at 31 December 2023	3,570	183	29,708	33,462	1,400	34,861

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 2023	2,644	56,463	59,108
Cash capital increase	926	34,099	35,024
Transferred over the profit appropriation	0	-49,034	-49,034
Equity at 31 December 2023	3,570	41,528	45,099

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

Cash flow statement

		Group	
DKK'000	Note	2023	2022
Profit/loss for the year		-43,939	-57,213
Depreciation, amortisation and impairment losses		13,696	11,833
Other adjustments	17	-12,856	8,088
Cash generated from operations before changes in working capital		-43,099	-37,292
Changes in working capital	18	-28,889	-3,453
Cash generated from operations		-71,988	-40,745
Interest income		4,289	5,142
Interest expense		-3,736	-12,426
Corporation tax paid		166	3,889
Cash flows from operating activities		-71,269	-44,140
Acquisition of intangible assets	8	-2,108	-6,585
Acquisition of property, plant and equipment	9	-6,578	0
Disposal of property, plant and equipment	9	777	0
Cash flows from investing activities		-7,908	-6,585
Increase of mortgage debt		7,429	686
Increase of debt to group entities and associates		35,583	9,523
Increase of capital		36,097	51,000
Cash flows from financing activities		79,109	61,209
Cash flows for the year		-69	10,484
Cash and cash equivalents at the beginning of the year		53,625	43,141
Cash and cash equivalents at year end	20	53,556	53,625

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

Notes

1 Accounting policies

The annual report of Energy Machines ApS for 2023 has been prepared in accordance with the provisions applying to reporting class C medium 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. However, due to the fact it is the first year a group consolidated financial statement is prepared some minor clarifications have been made.

Energy Machines ApS is part of the consolidated financial statement for Kapitalen ApS.

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, Energy Machines ApS, and subsidiaries in which Energy Machines 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.

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

Notes

1 Accounting policies (continued)

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 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 from sale of produced electricity is measured at the fair value of the electricity prices from a regulated market excluding VAT and taxes charged on behalf of third parties.

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 income from EU projects.

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.

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.

Other intangible assets

Other intangible assets relates to CO_2 rights that is measured at cost and not depreciated as they are not used. They are held for sale and is impaired if any indication hereof.

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

Notes

1 Accounting policies (continued)

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 5 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 red 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:

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.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their disclosed value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

On acquisition of enterprises and investments in group enterprises, provisions are made for costs relating to restructuring in the acquired enterprise that were decided and published at the acquisition date at the latest.

Once is it probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

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.

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

Notes

2 Staff costs

	Group		Parent Company	
DKK'000	2023	2022	2023	2022
Wages and salaries	50,182	47,063	23,789	28,888
Pensions	4,844	4,143	1,886	1,974
Other social security costs	7,206	5,982	623	1,074
	62,232	57,188	26,298	31,936
Average number of full-time employees	104	93	36	44

Staff costs includes remuneration to the Executive board and Board of Directors for DKK 162,847 in 2023. In accordance with section 98b 3.2 of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed for 2022 as Johan Gedda did not receive remuneration for this work. There are no management fee for work performed by Johan Gedda and work as board member is limited.

3 Financial income

Interest income from Group entities	0	0	1,477	1,304
Fair value adjustments of financial instruments	2,207	3,975	2,159	3,975
Foreign exchange gains	0	0	0	0
Other interest income	226	231	66	0
Other financial income	1,856	936	1,848	944
	4,289	5,142	5,550	6,223

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

Notes

		Group		Parent Company	
	DKK'000	2023	2022	2023	2022
4	**Financial expenses**				
	Interest expense to Group entities	2,338	2,059	2,338	2,059
	Fair value adjustments of financial instruments	661	9,773	657	9,757
	Foreign exchange losses	50	101	0	11
	Other interest expenses	547	124	230	0
	Other financial expenses	140	369	103	124
		3,736	12,426	3,328	11,951
5	**Tax on profit/loss for the year**				
	Current tax for the year	0	3,889	0	4,057
	Deferred tax adjustment for the year	13,345	0	13,345	0
	Adjustment of tax for previous years	166	0	197	0
		13,511	3,889	13,542	4,057
6	**Proposed profit appropriation/distribution of loss**				
	Retained earnings	-42,579	-54,975	-49,034	-40,714
	Non-controlling interests' share of subsidiaries' profit/loss	-1,360	-2,238	0	0
		-43,939	-57,213	-49,034	--40,714

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

Notes

7 Intangible assets

	Group			
DKK'000	Patents, licences and trade-marks	Goodwill	Co2 rights	Total
Cost at 1 January 2023	2,803	34,126	6,663	43,592
Additions	604	923	581	2,108
Cost at 31 December 2023	3,407	35,049	7,244	45,700
Amortisation and impairment losses at 1 January 2023	-1,866	-7,724	0	-9,590
Amortisation	-510	-7,010	0	-7,520
Amortisation and impairment losses at 31 December 2023	-2,376	-14,734	0	-17,110
Carrying amount at 31 December 2023	1,031	20,315	7,244	28,590

Co2 rights

Management has made an impairment of the Rights and there are no indications of write-down. The fair value was higher than cost price at 31 December 2023. The fair value of the Rights has decreased in 2024, but is a subsequent event.

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

Notes

7 Intangible assets (Continued)

	Parent		
DKK'000	Patents, licences and trade-marks	Co2 rights	Total
Cost at 1 January 2023	91	6,663	6,754
Additions	229	581	810
Cost at 31 December 2023	320	7,244	7,567
Amortisation and impairment losses at 1 January 2023	-43	0	-43
Amortisation	-60	0	-60
Amortisation and impairment losses at 31 December 2023	-103	0	-103
Carrying amount at 31 December 2023	217	7,244	7,461

Co2 rights

Management has made an impairment of the Rights and there are no indications of write-down. The fair value was higher than cost price at 31 December 2023. The fair value of the Rights has decreased in 2024, but is a subsequent event.

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

Notes

8 Property, plant and equipment

	Group			
DKK'000	Plant and machi- nery	Plant and Machinery under construction	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2023	66,111	3,650	1,910	71,671
Foreign exchange adjustments in foreign entities	163	16	0	179
Additions	773	5,688	117	6,578
Disposals	0	-777	0	-777
Cost at 31 December 2023	67,047	8,577	2,027	77,655
Depreciation and impairment losses at 1 January 2023	-30,294	0	-943	-31,237
Foreign exchange adjustments in foreign entities	0	0	33	33
Depreciation	-6,199	0	-273	-6,472
Depreciation and impairment losses at 31 December 2023	-36,493	0	-1,179	-37,676
Carrying amount at 31 December 2023	30,554	8,577	848	39,979

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

Notes

8 Property, plant and equipment (continued)

	Parent Company	
DKK'000	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2023	688	688
Cost at 31 December 2023	688	688
Depreciation and impairment losses at 1 January 2023	-188	-188
Depreciation	-107	-107
Depreciation and impairment losses at 31 December 2023	-295	-295
Carrying amount at 31 December 2023	393	393

9 Investments

	Group Company	
DKK'000	Deposits	Total
Cost at 1 January	112	112
Additions	107	107
Cost at 31 December	219	219
Impairment losses at 1 January	0	0
Impairment losses for the year	0	0
Impairment losses at 31 December	0	0
Carrying amount at 31 December	219	219

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

Notes

9 Investments (continued)

	Parent Company			
DKK'000	Equity investments in group entities	Receivables from group entities	Deposits	Total
Cost at 1 January	75,950	17,388	32	93,450
Additions	18,726	9,969	22	28,717
Cost at 31 December	94,676	27,357	54	122,167
Impairment losses at 1 January	-29,993	0	0	-29,993
Impairment losses for the year	-22,433	0	0	-22,433
Impairment losses at 31 December	-52,426	0	0	-54,426
Carrying amount at 31 December	42,250	27,357	54	65,661

The above impairment losses for the year is considered as a special item.

BSTConsolidated financial statements and parent company financial statements 1 January – 31 December

Notes

9 Investments (continued)

Name/legal form	Registered office	Equity interest
Subsidiaries:		
Energy Machines Sweden AB	Malmö, Sweden	100.0%
Climate Machines FF AB	Malmö, Sweden	100.0%
Energy Machines Inc.	New York, USA	100,0%
EKP Cool OY	Porvoo, Finland	100.0%
Vertical Wind AB	Upsala, Sweden	97.53%
Enopsol ApS	Copenhagen, Denmark	100.0%
Hydro Machines Sweden AB	Malmö, Sweden	100.0%
Trimatic Automation A/S	Sønderborg, Denmark	60.0%

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

Notes

10 Work in progress (Construction contracts)

	Group		Parent	
DKK'000	2023	2022	2023	2022
Selling price of work performed	88,038	34,814	57,311	11,203
Progress billing	82,405	45,953	55,585	-25,037
	5,633	-11,139	1,726	-13,834
Work in progress for third parties (asset)	9,834	5,707	1,726	1,569
Work in progress for third parties (liabilities)	-4,201	-16,846	0	-15,403
	5,633	-11,139	1,726	-13,834

11 Prepayments

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

12 Deferred tax

	Group		Parent Company	
DKK'000	2023	2022	2023	2022
Deferred tax at 1 January	0	0	0	0
Opening adjustment / reclassification	531	0	0	0
Deferred tax adjustment for the year in the income statement	13,345	0	13,345	0
	13,876	0	13,345	0
Presented as:				
Deferred tax asset	13,876	0	13,345	0
Deferred tax provision	0	0	0	0
	13,876	0	13,345	0

The capitalised deferred 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

13 Contributed capital

The contributed capital consists of 3,569,743 shares of nom. DKK 1 each. The share capital has changed as follows:

	2019	2020	2021	2022	2023
1 January	131,340	302,387	1,644,254	1,644,254	2,644,254
Movement	171,047	1,341,867	0	1,000,000	925,489
31 December	302,387	1,644,254	1,644,254	2,644,254	3,569,743

All shares rank equally.

14 Other provisions

	Group		Parent Company	
DKK'000	2023	2022	2023	2022
Provision for lossmaking projects	1,589	0	1,589	0
	1,589	0	1,589	0

15 Non-current liabilities other than provisions

Non-current liabilities other than provisions can be specified as follows:

DKK'000	2023	2022
Payables to group entities:		
0-1 years	-3,391	-3,069
1-5 years	-103,263	-62,681
	-106,654	-65,750
Other payables:		
0-1 years	-18,426	-16,380
1-5 years	-5,000	-7,500
	-23,426	-23,880
Total non-current liabilities other than provisions	-130,080	-89,630

16 Deferred income

Deferred income of DKK 4,201 thousand (2022: DKK 16,846 thousand) comprises payments received from customers that cannot be recognised until the subsequent financial year.

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

Notes

DKK'000	Group 2023	Group 2022
17 Other adjustments		
Other financial income	4,289	5,142
Finance costs	-3,736	-12,426
Tax	166	3,889
Deferred tax	12,287	-4,655
Currency adjustment	-150	-38
	12,856	-8,088

DKK'000	Group 2023	Group 2022
18 Changes in working capital		
Change in inventories	-5,413	-7,098
Change in receivables	-24,556	419
Change in trade and other payables	1,080	3,226
	-28,889	-3,453

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

Notes

19 Acquisition of subsidiaries and activities

Intangible assets	2,227
Property, plant and equipment	181
Inventory	2,569
Receivables	5,566
Work in progress	2,942
Payables	-9,342
	4,143
Goodwill	922
Cost	2,532
Portion relating to cash at bank and in hand	77
Cash cost	2,609

20 Cash and cash equivalents at year end

	Group	
DKK'000	2023	2022
Cash and cash equivalents at 31 December comprise:		
Securities and equity investments	5,624	38,373
Cash at bank and in hand	47,933	15,252
Cash and cash equivalents at 31 December	53,556	53,625

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

Notes

21 Contractual obligations, contingencies, etc.

Contingent assets

The tax value of the Company's unutilised tax losses and deferred tax on other items, calculated with a tax rate of 22%, is approximately DKK 6.9 million.

Contingent liabilities

The parent Company has issued a guarantee of DKK 5,000 thousand to maintain a credit limit.

The parent Company has issued a guarantee for capital cover of DKK 4,020 thousand to a subsidiary.

The parent Company has issued a credit limit for subsidiaries of a total of DKK 4,000 thousand.

The Group has issued a guarantee of DKK 5,000 thousand to maintain a credit limit.

The Group has issued a guarantee for capital cover of DKK 4,020 thousand to a subsidiary.

The Group has issued a credit limit for subsidiaries of a total of DKK 4,000 thousand.

The Group’s Danish entities 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 50 months and an average monthly lease payment of DKK 3,5 thousand, totalling DKK 174 thousand.

The Group has entered into operating leases with a remaining term of 50 months and an average monthly lease payment of DKK 3,5 thousand, totalling DKK 174 thousand.

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

Notes

21 Related parties

Energy Machines ApS' related parties comprise the following:

Kapitalen ApS

Grundtvighus PropCo ApS

Maskincentralen PropCo ApS

Trimatic Automation A/S

Numerous ApS

Energy Machines Sweden AB

Climate Machines FF AB

Energy Machines Inc.

Fibe El & Styr AB

Energy Machines OY

Vertical Wind AB

Enopsol ApS

Hydro Machines Sweden AB

Teracloud ApS

Teracloud AB

Teracloud LLC

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

Notes

Related party transactions

Parent Company	
Sale of services to a subsidiary and re-invoicing of costs	11,531
Purchase of goods from a subsidiary	-18,298
Subsidiaries	
Sale of goods and services between subsidiaries	12,177
Purchase of goods and services between subsidiaries	-12,177

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

Financial income and expenses is disclosed in note 4 and 5.

Receivables and payables to group entities are disclosed in the assets and liabilities.