

Patentselskabet af 30. november 2014 ApS

Kanalen 1, 6700 Esbjerg

Annual report

2022

Company reg. no. 36 49 42 71

The annual report was submitted and approved by the general meeting on the 22 May 2023.

Hannes Reuter
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Patentselskabet af 30. november 2014 ApS for the financial year 2022.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Esbjerg, 21 April 2023

Managing Director

Martin Nissen Dahl

Board of directors

Martin Nissen Dahl

Lars Wigant

Michael Smedegaard

Independent auditor's report

To the Shareholders of Patentselskabet af 30. november 2014 ApS

Opinion

We have audited the financial statements of Patentselskabet af 30. november 2014 ApS for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the 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 Responsibilities 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 as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the 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 about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 Management's Review

Management is responsible for Management's Review.

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

Independent auditor's report

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

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

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Esbjerg, 21 April 2023

Martinsen

State Authorised Public Accountants
Company reg. no. 32 28 52 01

Alexander Hardy Josef Müller
Rasmussen
State Authorised Public Accountant
mne24721

Company information

The company	Patentselskabet af 30. november 2014 ApS Kanalen 1 6700 Esbjerg
	Company reg. no. 36 49 42 71 Established: 7 January 2015 Domicile: Esbjerg Financial year: 1 January - 31 December
Board of directors	Martin Nissen Dahl Lars Wigant Michael Smedegaard
Managing Director	Martin Nissen Dahl
Auditors	Martinsen Statsautoriseret Revisionspartnerselskab Edison Park 4 6715 Esbjerg N
Parent company	Exowave ApS

Management´s review

The principal activities of the company

Patentselskabet af 30. november 2014 Aps was established for the purpose of owning concessions, patents, licenses, trademarks and similar rights.

The company is owned 100 percent by Exowave Aps.

The intellectual property is the legal foundation of continuously developing the WEC-platform that harvests sustainable energy in the oceans into mass pressure. This platform enables development of several different applications such as Wave-to-Energy (electricity), Wave-to-Water (desalinated freshwater) and Power-to-X (purified water for Hydrogen production by electrolysis).

The company has acquired rights and patents for the continued development, demonstration, and commercialization of its Wave Energy Converter.

Development in activities and financial matters

The Company has in the reporting period had a result of DKK -192.956 against DKK -116.246 last year.

The result reflects the planned activities. The result is considered by the management to be in accordance with expectations.

The parent company has written a letter of support for the company, ensuring the required financial support for the coming year.

In 2022 the Company have applied for further three patents strengthening the Exowave technology in respect of lowering CAPEX, OPEX and improving the LCOE.

Events occurring after the end of the financial year

There have been no events after the balance sheet date, which would influence the company's financial position in any significant way.

Accounting policies

The annual report for Patentselskabet af 30. november 2014 ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Income statement

Gross loss

Gross loss comprises the direct costs and external costs.

Cost of sales comprises costs concerning patents.

Other external costs comprise costs incurred for administration.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost with deduction of accrued amortisation. Patents are amortised on a straight-line basis over 5 years.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

Accounting policies

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Pre-tax net profit or loss	-192.956	-116.246
Tax on ordinary results	<u>0</u>	<u>0</u>
Net profit or loss for the year	<u>-192.956</u>	<u>-116.246</u>
Proposed distribution of net profit:		
Allocated from retained earnings	<u>-192.956</u>	<u>-116.246</u>
Total allocations and transfers	<u>-192.956</u>	<u>-116.246</u>

Balance sheet at 31 December

All amounts in DKK.

Assets		<u>2022</u>	<u>2021</u>
<u>Note</u>			
Non-current assets			
1	Concessions, patents, licenses, trademarks, and similar rights acquired	<u>0</u>	<u>0</u>
	Total intangible assets	<u>0</u>	<u>0</u>
	Total non-current assets	<u>0</u>	<u>0</u>
	Total assets	<u>0</u>	<u>0</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2022</u>	<u>2021</u>
Equity			
2	Contributed capital	50.000	50.000
3	Retained earnings	-58.067	-57.111
	Total equity	<u>-8.067</u>	<u>-7.111</u>
Long term liabilities other than provisions			
	Trade payables	6.500	6.500
	Payables to group enterprises	1.567	611
	Total short term liabilities other than provisions	<u>8.067</u>	<u>7.111</u>
	Total liabilities other than provisions	<u>8.067</u>	<u>7.111</u>
	Total equity and liabilities	<u>0</u>	<u>0</u>
4	Charges and security		
5	Contingencies		

Notes

All amounts in DKK.

	<u>31/12 2022</u>	<u>31/12 2021</u>
1. Concessions, patents, licenses, trademarks, and similar rights acquired		
Cost 1 January 2022	979.923	979.923
Cost 31 December 2022	979.923	979.923
Amortisation and writedown 1 January 2022	-979.923	-979.923
Amortisation and writedown 31 December 2022	-979.923	-979.923
Carrying amount, 31 December 2022	0	0
2. Contributed capital		
Contributed capital 1 January 2022	50.000	50.000
	50.000	50.000
3. Retained earnings		
Retained earnings 1 January 2022	-57.111	-134.865
Profit or loss for the year brought forward	-192.956	-116.246
Subsidy	192.000	194.000
	-58.067	-57.111
4. Charges and security		
None.		
5. Contingencies		
Joint taxation		
With Exowave ApS, company reg. no 36477865 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.		

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Notes

All amounts in DKK.

5. Contingencies (continued)

Joint taxation (continued)

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.