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# ***Greenwave Denmark Holding ApS***

Bryggervangen 55, 4, DK-2100 København Ø

## **Annual Report for 1 January - 31 December 2020**

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CVR No 38 21 90 81

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
26/07 2021

Sune Wendelboe  
Spiegelhauer  
Chairman of the General  
Meeting



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## **Management's Statement**

The Executive Board has today considered and adopted the Annual Report of Greenwave Denmark Holding ApS for the financial year 1 January - 31 December 2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2020.

In my opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 26 July 2021

### **Executive Board**

Sune Wendelboe Spiegelhauer

# Independent Auditor's Report

To the Shareholder of Greenwave Denmark Holding ApS

## Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2020 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Greenwave Denmark Holding ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

## 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 Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## 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.

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 Financials Statements Act.

Based on the work we have performed, in our view, 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 Financial Statements Act. We did not identify any material misstatement in Management's Review.

# Independent Auditor's Report

## Management's responsibilities for the 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 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 Group's and 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 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 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.

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 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 and the Group'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 Group's and 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

## Independent Auditor's Report

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 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.
- 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.

Hellerup, 26 July 2021

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Flemming Eghoff  
State Authorised Public Accountant  
mne30221

Claus Damhave  
State Authorised Public Accountant  
mne34166

## **Company Information**

### **The Company**

Greenwave Denmark Holding ApS  
Bryggervangen 55, 4  
DK-2100 København Ø

CVR No: 38 21 90 81  
Financial period: 1 January - 31 December  
Municipality of reg. office: København

### **Executive Board**

Sune Wendelboe Spiegelhauer

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

# Financial Highlights

Seen over a three-year period, the development of the Group is described by the following financial highlights:

	<b>Group</b>		
	2020	2019	2018
	TUSD	TUSD	TUSD
<b>Key figures</b>			
<b>Profit/loss</b>			
Gross profit/loss	1.622	3.620	1.320
Profit/loss before financial income and expenses	-296	-1.555	-8.765
Net financials	-128	1.703	-2.914
Profit/loss from discontinuing activities	-3.269	0	0
Net profit/loss for the year	-3.693	191	-11.692
<b>Balance sheet</b>			
Balance sheet total	3.065	9.477	8.043
Equity	-37.755	-77.428	-77.327
<b>Cash flows</b>			
Cash flows from:			
- operating activities	5.177	-3.560	8.006
- investing activities	-2.551	-82	2
- financing activities	-2.464	2.969	-8.434
Change in cash and cash equivalents for the year	163	-673	-426
Number of employees	17	60	109
<b>Ratios</b>			
Return on assets	-9,7%	-16,4%	-109,0%
Solvency ratio	-1.231,8%	-817,0%	-961,4%



# Management's Review

## **Key activities**

The main activity of the Group is to operate with development, production and distribution of technology solutions, as well as other related activities.

## **Development in the year**

The income statement of the Group for 2020 shows a loss of USD 3,693,110, and at 31 December 2020 the balance sheet of the Group shows negative equity of USD 37,754,631.

Management is not satisfied with the development and the financial results of the Group in 2020.

## **Capital resources**

We draw attention to the information in note 1.

## ***Foreign exchange risks***

The Financial Statements are presented in USD and the Group is exposed to the development in SGD and DKK.

## ***Interest rate risks***

The Group's income and operating cash flows are substantially independent of changes in market interest rates.

## ***Credit risks***

Credit risk refers to the risk that a counterpart will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group are bank deposits, receivables from group enterprises and other receivables.

For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

## **Targets and expectations for the year ahead**

The Group expects an ebitda in 2021 in the range of USD 0 - 1 million, based on acquiring 100% of the shares in Greenwave Mobile IoT ApS in 2020.

## **Research and development**

Due to uncertainty about the future earnings of projects, research and development costs are recognised as an expense in the income statement when incurred.

# **Management's Review**

## **Unusual events**

The financial position at 31 December 2020 of the Group and the results of the activities and cash flows of the Group for the financial year for 2020 have not been affected by any unusual events.

## **Subsequent events**

In January 2021, the Company has sold all its shares in the subsidiary Greenwave Systems Pte Ltd. The sale is expected to have limited impact on the net profit for 2021. Besides this no other events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

## Income Statement 1 January - 31 December

	Note	Group		Parent company	
		2020 USD	2019 USD	2020 USD	2019 USD
<b>Gross profit/loss</b>		<b>1.621.604</b>	<b>3.619.975</b>	<b>-130.463</b>	<b>-107.216</b>
Staff expenses	3	-1.777.544	-4.986.481	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-140.305	-188.692	0	0
<b>Profit/loss before financial income and expenses</b>		<b>-296.245</b>	<b>-1.555.198</b>	<b>-130.463</b>	<b>-107.216</b>
Income from investments in subsidiaries	4	0	0	6.690.000	1.600.000
Financial income	5	15.719	2.908.282	14.401	2.790
Financial expenses	6	-143.891	-1.205.082	-62.234	-648.728
<b>Profit/loss before tax</b>		<b>-424.417</b>	<b>148.002</b>	<b>6.511.704</b>	<b>846.846</b>
Tax on profit/loss for the year	7	0	42.953	0	27.947
<b>Profit/loss from continuing activities</b>		<b>-424.417</b>	<b>190.955</b>	<b>6.511.704</b>	<b>874.793</b>
Profit/loss from discontinuing activities	8	-3.268.693	0	0	0
<b>Net profit/loss for the year</b>		<b>-3.693.110</b>	<b>190.955</b>	<b>6.511.704</b>	<b>874.793</b>

# Balance Sheet 31 December

## Assets

	Note	Group		Parent company	
		2020 USD	2019 USD	2020 USD	2019 USD
Software		2.475	11.898	0	0
Goodwill		2.359.642	0	0	0
<b>Intangible assets</b>	9	<b>2.362.117</b>	<b>11.898</b>	<b>0</b>	<b>0</b>
Other fixtures and fittings, tools and equipment		132.026	102.835	0	0
<b>Property, plant and equipment</b>	10	<b>132.026</b>	<b>102.835</b>	<b>0</b>	<b>0</b>
Investments in subsidiaries	11	0	0	12.890.000	6.200.000
Other receivables	12	27.785	24.766	0	0
<b>Fixed asset investments</b>		<b>27.785</b>	<b>24.766</b>	<b>12.890.000</b>	<b>6.200.000</b>
<b>Fixed assets</b>		<b>2.521.928</b>	<b>139.499</b>	<b>12.890.000</b>	<b>6.200.000</b>
<b>Inventories</b>		<b>1.327</b>	<b>0</b>	<b>0</b>	<b>0</b>
Trade receivables		37.692	507.843	0	0
Receivables from group enterprises		0	8.563.948	16.181	1.275
Other receivables		113.572	167.071	0	0
Corporation tax receivable from group enterprises		0	0	152.868	139.663
Prepayments	13	60.821	59.815	0	7.586
<b>Receivables</b>		<b>212.085</b>	<b>9.298.677</b>	<b>169.049</b>	<b>148.524</b>
<b>Cash at bank and in hand</b>		<b>196.486</b>	<b>38.376</b>	<b>0</b>	<b>0</b>
<b>Assets relating to discontinued activities</b>	8	<b>133.496</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Currents assets</b>		<b>543.394</b>	<b>9.337.053</b>	<b>169.049</b>	<b>148.524</b>
<b>Assets</b>		<b>3.065.322</b>	<b>9.476.552</b>	<b>13.059.049</b>	<b>6.348.524</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	Group		Parent company	
		2020 USD	2019 USD	2020 USD	2019 USD
Share capital		35.649	35.649	35.649	35.649
Retained earnings		-37.790.280	-77.463.632	-28.191.232	-34.702.936
<b>Equity</b>		<b>-37.754.631</b>	<b>-77.427.983</b>	<b>-28.155.583</b>	<b>-34.667.287</b>
Other payables		204.515	62.049	0	0
<b>Long-term debt</b>	15	<b>204.515</b>	<b>62.049</b>	<b>0</b>	<b>0</b>
Credit institutions		1.109	0	0	0
Trade payables		274.182	414.302	36.826	27.522
Payables to group enterprises		39.488.951	85.837.201	41.136.830	40.904.654
Payables to owners and Management		126.333	104.452	0	0
Other payables	15	416.344	477.993	40.976	83.635
Deferred income	16	0	8.538	0	0
Liabilities relating to discontinued activities	8	308.519	0	0	0
<b>Short-term debt</b>		<b>40.615.438</b>	<b>86.842.486</b>	<b>41.214.632</b>	<b>41.015.811</b>
<b>Debt</b>		<b>40.819.953</b>	<b>86.904.535</b>	<b>41.214.632</b>	<b>41.015.811</b>
<b>Liabilities and equity</b>		<b>3.065.322</b>	<b>9.476.552</b>	<b>13.059.049</b>	<b>6.348.524</b>
Going concern	1				
Subsequent events	2				
Distribution of profit	14				
Contingent assets, liabilities and other financial obligations	19				
Related parties	20				
Accounting Policies	21				

## Statement of Changes in Equity

### Group

	Share capital USD	Retained earnings USD	Total USD
<b>2020</b>			
Equity at 1 January	35.649	-77.463.632	-77.427.983
Exchange adjustments	0	-516.809	-516.809
Contribution from group	0	43.883.271	43.883.271
Net profit/loss for the year	0	-3.693.110	-3.693.110
<b>Equity at 31 December</b>	<b>35.649</b>	<b>-37.790.280</b>	<b>-37.754.631</b>

### Group

<b>2019</b>			
Equity 1. januar	35.649	-77.362.937	-77.327.288
Exchange adjustments	0	-291.650	-291.650
Net profit/loss for the year	0	190.955	190.955
<b>Equity at 31 December</b>	<b>35.649</b>	<b>-77.463.632</b>	<b>-77.427.983</b>

### Parent company

<b>2020</b>			
Equity at 1 January	35.649	-34.702.936	-34.667.287
Net profit/loss for the year	0	6.511.704	6.511.704
<b>Equity at 31 December</b>	<b>35.649</b>	<b>-28.191.232</b>	<b>-28.155.583</b>

### Parent company

<b>2019</b>			
Equity 1. januar	35.649	-35.577.729	-35.542.080
Net profit/loss for the year	0	874.793	874.793
<b>Equity at 31 December</b>	<b>35.649</b>	<b>-34.702.936</b>	<b>-34.667.287</b>

## Cash Flow Statement 1 January - 31 December

	Note	Group	
		2020 USD	2019 USD
Net profit/loss for the year		-3.693.110	190.955
Adjustments	17	-380.472	-1.557.461
Change in working capital	18	9.236.442	-3.641.895
<b>Cash flows from operating activities before financial income and expenses</b>		<b>5.162.860</b>	<b>-5.008.401</b>
Financial income		156.278	2.653.756
Financial expenses		-141.785	-1.205.081
<b>Cash flows from operating activities</b>		<b>5.177.353</b>	<b>-3.559.726</b>
Purchase of property, plant and equipment		-47.751	-113.263
Fixed asset investments made etc		-3.019	0
Deposits received		0	31.183
Business acquisition		-2.500.000	0
<b>Cash flows from investing activities</b>		<b>-2.550.770</b>	<b>-82.080</b>
Repayment of payables to group enterprises		-2.464.980	0
Raising of loans from credit institutions		1.109	0
Raising of loans from group enterprises		0	2.969.065
<b>Cash flows from financing activities</b>		<b>-2.463.871</b>	<b>2.969.065</b>
<b>Change in cash and cash equivalents</b>		<b>162.712</b>	<b>-672.741</b>
Cash and cash equivalents at 1 January		38.376	711.117
<b>Cash and cash equivalents at 31 December</b>		<b>201.088</b>	<b>38.376</b>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		201.088	38.376
<b>Cash and cash equivalents at 31 December</b>		<b>201.088</b>	<b>38.376</b>

# Notes to the Financial Statements

## 1 Going concern

As at 31 December 2020 the Company's equity is negative with USD 28.2 million, and due to the loss of more than 50% of the share capital the Company is subject to section 119 of the Danish Companies Act.

At the same time, the Danish Group has a negative equity of USD 37.8 million as of 31 December 2020 and most of the Danish Group's balance sheet items are payables to group enterprises. At the moment, the Danish Group will not be able to repay its payables, and therefore the Danish Group is dependent on the generation of sufficient liquidity in the Parent Company in the US. The Company, Greenwave Denmark Holding ApS, has received a letter of subordination from the Parent Company in the US that any current and future payables to group enterprises will not be called unless the liquidity position of the Company justify repayments.

The Group has had a significant decline in revenue since 2017 due to the loss of contracts with a large customer. During 2018 to 2020 the Group significantly reduced the operating expenses to bring them in line with revenue expectation going forward.

As of the issuance date of these Financial Statements, the Parent Company in the US has forecasted that the Group will have sufficient with cash until Q2 2022. The forecast is based on current sales agreement, but also projected sales, where agreements have not been signed yet. At the same time the Group will in Q3 and Q4 2021 enter into negotiations with the Group's current investors and potential new investors about contribution of capital, making financing available for the continued operations of the Group. No binding capital or financing agreements have been entered into at this point.

Based on the above it is Management's expectation that the Parent Company will have sufficient with cash to operate for the remaining of 2021 and resume negotiations with current and potential investors. Management therefore submits and approve the annual report for 2020 on assumption of going concern.

## 2 Subsequent events

In January 2021, the Company has sold all its shares in the subsidiary Greenwave Systems Pte Ltd. The sale is expected to have limited impact on the net profit for 2021. Besides this no other events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.



## Notes to the Financial Statements

	Group		Parent company	
	2020	2019	2020	2019
	USD	USD	USD	USD
<b>3 Staff expenses</b>				
Wages and salaries	1.732.426	4.883.943	0	0
Pensions	0	2.797	0	0
Other social security expenses	11.794	34.956	0	0
Other staff expenses	33.324	64.785	0	0
	<b>1.777.544</b>	<b>4.986.481</b>	<b>0</b>	<b>0</b>
<b>Average number of employees</b>	<b>17</b>	<b>60</b>	<b>0</b>	<b>0</b>
Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.				
<b>4 Income from investments in subsidiaries</b>				
Reversal of prior year impairment			6.690.000	1.600.000
			<b>6.690.000</b>	<b>1.600.000</b>
<b>5 Financial income</b>				
Other financial income	15.719	2.196.467	14.401	1.177
Exchange adjustments, income	0	711.815	0	1.613
	<b>15.719</b>	<b>2.908.282</b>	<b>14.401</b>	<b>2.790</b>
<b>6 Financial expenses</b>				
Interest paid to group enterprises	131.401	1.180.040	62.213	648.130
Other financial expenses	12.490	25.042	21	598
	<b>143.891</b>	<b>1.205.082</b>	<b>62.234</b>	<b>648.728</b>

## Notes to the Financial Statements

	Group		Parent company	
	2020	2019	2020	2019
	USD	USD	USD	USD
<b>7 Tax on profit/loss for the year</b>				
Current tax for the year	0	-3.164	0	-40.050
Adjustment of tax concerning previous years	0	-39.789	0	12.103
	<b>0</b>	<b>-42.953</b>	<b>0</b>	<b>-27.947</b>
<b>8 Discontinuing activities</b>				
<b>Gross profit/loss</b>	<b>-1.547.084</b>	<b>0</b>	<b>0</b>	<b>0</b>
Staff expenses	-2.370.566	0	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	-19.253	0	0	0
<b>Profit/loss before financial income and expenses</b>	<b>-3.936.903</b>	<b>0</b>	<b>0</b>	<b>0</b>
Financial income	818.240	0	0	0
Financial expenses	-150.030	0	0	0
<b>Profit/loss before tax</b>	<b>-3.268.693</b>	<b>0</b>	<b>0</b>	<b>0</b>
Tax on profit/loss for the year	0	0	0	0
<b>Profit/loss from discontinuing activities</b>	<b>-3.268.693</b>	<b>0</b>	<b>0</b>	<b>0</b>
Property, plant and equipment	17.513	0	0	0
<b>Fixed assets</b>	<b>17.513</b>	<b>0</b>	<b>0</b>	<b>0</b>
Receivables	111.381	0	0	0
Cash at bank and in hand	4.602	0	0	0
<b>Currents assets</b>	<b>115.983</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Assets relating to discontinued activities</b>	<b>133.496</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Notes to the Financial Statements

	<b>Group</b>		<b>Parent company</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	USD	USD	USD	USD
<b>8 Discontinuing activities</b> (continued)				
Trade payables	98.517	0	0	0
Other payables	<u>210.002</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Liabilities relating to discontinued activities</b>	<b><u>308.519</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>9 Intangible assets</b>				
<b>Group</b>			<u>Software</u>	<u>Goodwill</u>
			USD	USD
Cost at 1 January			337.148	0
Additions for the year			<u>1.618</u>	<u>2.435.878</u>
Cost at 31 December			<u>338.766</u>	<u>2.435.878</u>
Impairment losses and amortisation at 1 January			325.650	0
Amortisation for the year			<u>10.641</u>	<u>76.236</u>
Impairment losses and amortisation at 31 December			<u>336.291</u>	<u>76.236</u>
<b>Carrying amount at 31 December</b>			<b><u>2.475</u></b>	<b><u>2.359.642</u></b>
Amortised over			<u>1-5 years</u>	<u>4-10 years</u>

# Notes to the Financial Statements

## 10 Property, plant and equipment

### Group

	Other fixtures and fittings, tools and equipment
	<u>USD</u>
Cost at 1 January	894.523
Additions for the year	119.385
Transfers for the year	<u>-17.513</u>
Cost at 31 December	<u>996.395</u>
Impairment losses and depreciation at 1 January	791.688
Depreciation for the year	<u>72.681</u>
Impairment losses and depreciation at 31 December	<u>864.369</u>
<b>Carrying amount at 31 December</b>	<b><u>132.026</u></b>
Depreciated over	<u>3-5 years</u>

## Notes to the Financial Statements

	<b>Parent company</b>	
	2020	2019
	USD	USD
<b>11 Investments in subsidiaries</b>		
Cost at 1 January	66.100.000	66.100.000
Additions for the year	<u>0</u>	<u>0</u>
Cost at 31 December	<u>66.100.000</u>	<u>66.100.000</u>
Value adjustments at 1 January	-59.900.000	-61.500.000
Reversals for the year of revaluations in previous years	<u>6.690.000</u>	<u>1.600.000</u>
Value adjustments at 31 December	<u>-53.210.000</u>	<u>-59.900.000</u>
<b>Carrying amount at 31 December</b>	<b><u>12.890.000</u></b>	<b><u>6.200.000</u></b>

### 12 Other fixed asset investments

	<b>Group</b>
	Other receiv- ables
	USD
Cost at 1 January	24.766
Additions for the year	<u>3.019</u>
Cost at 31 December	<u>27.785</u>
<b>Carrying amount at 31 December</b>	<b><u>27.785</u></b>

### 13 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

	<b>Group</b>		<b>Parent company</b>	
	2020	2019	2020	2019
	USD	USD	USD	USD
<b>14 Distribution of profit</b>				
Retained earnings	-3.693.110	190.955	6.511.704	874.793
	<b><u>-3.693.110</u></b>	<b><u>190.955</u></b>	<b><u>6.511.704</u></b>	<b><u>874.793</u></b>

## Notes to the Financial Statements

### 15 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group		Parent company	
	2020 USD	2019 USD	2020 USD	2019 USD
<b>Other payables</b>				
After 5 years	204.515	62.049	0	0
Long-term part	204.515	62.049	0	0
Other short-term payables	416.344	477.993	40.976	83.635
	<b>620.859</b>	<b>540.042</b>	<b>40.976</b>	<b>83.635</b>

### 16 Deferred income

Deferred income consists of accrued revenue based on contracts and service agreements.

## Notes to the Financial Statements

	<b>Group</b>	
	<u>2020</u>	<u>2019</u>
	USD	USD
<b>17 Cash flow statement - adjustments</b>		
Financial income	-681.815	-2.946.444
Financial expenses	141.785	1.243.244
Depreciation, amortisation and impairment losses, including losses and gains on sales	159.558	188.692
Tax on profit/loss for the year	<u>0</u>	<u>-42.953</u>
	<b><u>-380.472</u></b>	<b><u>-1.557.461</u></b>
<b>18 Cash flow statement - change in working capital</b>		
Change in inventories	-1.327	0
Change in receivables	8.975.211	-2.210.032
Change in trade payables, etc	<u>262.558</u>	<u>-1.431.863</u>
	<b><u>9.236.442</u></b>	<b><u>-3.641.895</u></b>

# Notes to the Financial Statements

	Group		Parent company	
	2020	2019	2020	2019
	USD	USD	USD	USD

## 19 Contingent assets, liabilities and other financial obligations

### Charges and security

The following assets have been placed as security with mortgage credit institutes:

The Group has DKK 100,000 fixed in a security account at its bank as security for a credit facility.

### Rental and lease obligations

Lease obligations	212.774	287.988	0	0
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### Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

## 20 Related parties

### Basis

#### Controlling interest

Greenwave Holdings Inc.	Ultimate Parent Company
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#### Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

All transactions have been made on an arm's length basis.



# Notes to the Financial Statements

## 21 Accounting Policies

The Annual Report of Greenwave Denmark Holding ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2020 are presented in USD.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Greenwave Denmark Holding ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

# Notes to the Financial Statements

## 21 Accounting Policies (continued)

### Business combinations

#### *Business acquisitions carried through on or after 1 July 2018*

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Amortisation of goodwill is allocated in the Consolidated Financial Statements to the operations to which goodwill is related. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

### Translation policies

US dollars is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are

# Notes to the Financial Statements

## 21 Accounting Policies (continued)

recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

## Income Statement

### Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

### Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

### Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

### Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

# Notes to the Financial Statements

## 21 Accounting Policies (continued)

### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

### **Other operating income and expenses**

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

### **Income from investments in subsidiaries**

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

### **Tax on profit/loss for the year**

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish Group Enterprises. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## **Balance Sheet**

### **Intangible assets**

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 4-10 years.

Acquired rights are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 5 years.

Software and licences are measured at the lower of cost less accumulated amortisation and recoverable

# Notes to the Financial Statements

## 21 Accounting Policies (continued)

amount. Licences and software are amortised over the licence period; however not exceeding 5 years.

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment      3-5      years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

### Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

### Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

### Other fixed asset investments

Other fixed asset investments consist of deposits.

### Inventories

Inventories are measured at the lower of cost based on weighted average prices and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable

# Notes to the Financial Statements

## 21 Accounting Policies (continued)

value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

### Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

### Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

### Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

# Notes to the Financial Statements

## 21 Accounting Policies (continued)

### Cash Flow Statement

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

#### Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

#### Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

#### Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

#### Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

# Notes to the Financial Statements

## 21 Accounting Policies (continued)

### Financial Highlights

#### Explanation of financial ratios

Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$