
Greenwave Mobile IoT ApS

Vesterbrogade 149, st. b1, DK-1620 København V

Annual Report for 1 January - 31 December 2022

CVR No 39 03 92 49

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
13/7 2023

Sune Wendelboe
Spiegelhauer
Chairman of the General
Meeting



pwc

Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Practitioner's Statement on Compilation of Financial Statements	2
Company Information	
Company Information	3
Financial Statements	
Income Statement 1 January - 31 December	4
Balance Sheet 31 December	5
Statement of Changes in Equity	7
Notes to the Financial Statements	8

Management's Statement

The Executive Board has today considered and adopted the Annual Report of Greenwave Mobile IoT ApS for the financial year 1 January - 31 December 2022.

The Annual Report is prepared in accordance with the Danish Financial Statements Act. The Company complies with the exemption provisions governing the omission to have its Financial Statements audited.

In my opinion the Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations for 2022.

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

Copenhagen, 13 July 2023

Executive Board

Sune Wendelboe Spiegelhauer
Executive Officer

Practitioner's Statement on Compilation of Financial Statements

To the Management of Greenwave Mobile IoT ApS

We have compiled the Financial Statements of Greenwave Mobile IoT ApS for the financial year 1 January - 31 December 2022 on the basis of the Enterprise's accounting records and other information you have provided.

The Financial Statements comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies.

We performed our work in accordance with ISRS 4410, Engagements to Compile Financial Information.

Based on our professional expertise, we have assisted you with the preparation and presentation of the Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Act on Approved Auditors and Audit Firms and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), including the principles of integrity, objectivity, professional competence and due care.

The Financial Statements and the accuracy and completeness of the information forming the basis of the compilation of the Financial Statements are your responsibility.

As an engagement to compile financial information is not an assurance engagement, we are under no duty to verify the accuracy or completeness of the information you provided to us to compile the Financial Statements. Accordingly, we express no audit opinion or review opinion as to whether the Financial Statements have been prepared in accordance with the Danish Financial Statements Act.

Hellerup, 13 July 2023

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 Mobile IoT ApS
Vesterbrogade 149, st. b1
DK-1620 København V

CVR No: 39 03 92 49
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

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Gross profit/loss		156.106	607.951
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-156.106	-1.061.305
Profit/loss before financial income and expenses		0	-453.354
Financial income		0	760
Financial expenses		-1.278	-6
Profit/loss before tax		-1.278	-452.600
Tax on profit/loss for the year		0	0
Net profit/loss for the year		-1.278	-452.600

Distribution of profit

Proposed distribution of profit

Retained earnings		-1.278	-452.600
		-1.278	-452.600

Balance Sheet 31 December

Assets

	Note	2022 DKK	2021 DKK
Goodwill		0	0
Intangible assets		0	0
Other fixtures and fittings, tools and equipment		147.130	303.236
Property, plant and equipment		147.130	303.236
Fixed assets		147.130	303.236
Receivables from group enterprises		2.285.871	3.399.380
Other receivables		458.734	458.734
Prepayments		33.197	29.670
Receivables		2.777.802	3.887.784
Cash at bank and in hand		0	1.287
Currents assets		2.777.802	3.889.071
Assets		2.924.932	4.192.307

Balance Sheet 31 December

Liabilities and equity

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Share capital		50.000	50.000
Retained earnings		<u>1.237.564</u>	<u>1.238.842</u>
Equity		<u>1.287.564</u>	<u>1.288.842</u>
Trade payables		1.580.182	670.204
Payables to group enterprises		0	2.053.701
Other payables		<u>57.186</u>	<u>179.560</u>
Short-term debt		<u>1.637.368</u>	<u>2.903.465</u>
Debt		<u>1.637.368</u>	<u>2.903.465</u>
Liabilities and equity		<u>2.924.932</u>	<u>4.192.307</u>
Going concern	1		
Key activities	2		
Contingent assets, liabilities and other financial obligations	3		
Accounting Policies	4		

Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	50.000	1.238.842	1.288.842
Net profit/loss for the year	0	-1.278	-1.278
Equity at 31 December	50.000	1.237.564	1.287.564

Notes to the Financial Statements

1 Going concern

As per 31 December 2022 the Company's equity is positive with MDKK 1,3. However, most of the Company's receivable items are towards other group companies. If these balances cannot be paid in full or partial, the Company's equity could be lost.

The Company is therefore dependent on the generation of sufficient liquidity in the Group.

During 2022 the Group continued to significantly reduce the operating expenses to bring in line with revenue expectation for 2023 and forward. Furthermore, Management is currently in process of restructuring the Group structure and the internal financing setup.

As of the issuance date of these Financial Statements, the Ultimate Parent Company does not have adequate cash on hand to sustain its operations until 31 December 2023. The Group will run out of money in August 2023 but is currently negotiating with an existing investor about additional funding of MUS\$ 1,5, the additional funding is expected to fund operations until the Group expects to become profitable in Q4 2024. There are no binding agreements, however Management expects that the negotiations will succeed and at least receive a bridge loan to finance the remaining of the financial year.

Therefore, Management's expectation is that the cash position will come to fruition, which will allow the Parent Company to operate for the foreseeable future and resume negotiations with potential investors to complete an equity offering.

Management therefore submits and approves the Annual Report for 2022 on assumption of going concern. However, the above uncertainty in generating sufficient cash indicates that a material uncertainty exists, which may cast significant doubt on the Company's ability to continue as going concern.

2 Key activities

The main activity is to operate with providing wireless communications and other services in the telecom industry.

Notes to the Financial Statements

3 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The company has no rental or lease obligations as of 31. December 2022.

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Greenwave Denmark Holding ApS, which is the management company of the joint taxation purposes. 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 un-earned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

4 Accounting Policies

The Annual Report of Greenwave Mobile IoT ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in DKK.

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.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

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 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.

Notes to the Financial Statements

4 Accounting Policies (continued)

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

Income Statement

Revenue

Revenue from the sale of goods and services is recognised when the risks and rewards relating to the goods and services 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 Company.

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 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, expenses for raw materials and consumables and other external expenses.

Amortisation, depreciation and impairment losses

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

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.

Notes to the Financial Statements

4 Accounting Policies (continued)

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

Balance Sheet

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 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.

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.

Notes to the Financial Statements

4 Accounting Policies (continued)

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.