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# *Greenwave Mobile IoT ApS*

Vesterbrogade 149, st. b1, DK-DK-1620 Copenhagen

## Annual Report for 2023

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CVR No. 39 03 92 49

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 15/7 2024

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 Mobile IoT ApS for the financial year 1 January - 31 December 2023.

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

In my opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

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

Copenhagen, 15 July 2024

**Executive Board**

Sune Wendelboe Spiegelhauer  
Executive Officer

# Independent Auditor's report

To the shareholder of Greenwave Mobile IoT ApS

## Report on the audit of the Financial Statements

### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Greenwave Mobile IoT ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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 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.

### Material Uncertainty Related to Going Concern

We draw attention to the fact that there is significant uncertainty regarding the circumstances and events that could rise significant doubts about the Company's ability to continue its operation. We refer to the information in note 1, in which Management explains that it is currently uncertain whether the necessary funding will be obtained. It is Management's assessment that the sufficient funding will be obtained, and in accordance with this, the annual report is presented as going concern.

Our conclusion is not modified regarding this matter.

### 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.

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:

# Independent Auditor's report

- 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.

## Reporting obligations under section 7(2) of the Danish Executive Order on Approved Auditors' Reports

### Non-compliance with Danish tax legislation

Contrary to the Danish VAT Act, the Company has filed VAT returns late with the Danish tax authorities, by which Management may incur liability.

Hellerup, 15 July 2024

**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 Copenhagen  
CVR No: 39 03 92 49  
Financial period: 1 January - 31 December  
Municipality of reg. office: Copenhagen

**Executive Board** Sune Wendelboe Spiegelhauer

**Auditors** PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

## Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
<b>Gross profit</b>		<b>8,483,423</b>	<b>8,447,054</b>
Staff expenses	3	-8,225,274	-8,226,057
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-255,456	-291,581
Impairment of current assets		-708,176	0
<b>Profit/loss before financial income and expenses</b>		<b>-705,483</b>	<b>-70,584</b>
Financial income	4	155,139	1,461,164
Financial expenses	5	-11,855,867	-10,198,773
<b>Profit/loss before tax</b>		<b>-12,406,211</b>	<b>-8,808,193</b>
Tax on profit/loss for the year		0	0
<b>Net profit/loss for the year</b>		<b>-12,406,211</b>	<b>-8,808,193</b>
 <b>Distribution of profit</b>			
		2023	2022
		DKK	DKK
<b>Proposed distribution of profit</b>			
Retained earnings		-12,406,211	-8,808,193
		<b>-12,406,211</b>	<b>-8,808,193</b>

# Balance sheet 31 December

## Assets

	Note	2023	2022
		DKK	DKK
Completed development projects		0	0
Acquired licenses		16,284	0
Goodwill		0	0
<b>Intangible assets</b>	<b>6</b>	<b>16,284</b>	<b>0</b>
Other fixtures and fittings, tools and equipment		110,885	362,427
<b>Property, plant and equipment</b>	<b>7</b>	<b>110,885</b>	<b>362,427</b>
Other receivables		553,492	553,492
<b>Fixed asset investments</b>		<b>553,492</b>	<b>553,492</b>
<b>Fixed assets</b>		<b>680,661</b>	<b>915,919</b>
Trade receivables		2,011,825	2,411,754
Receivables from group enterprises		8,648,659	12,365,508
Other receivables		278,077	0
Corporation tax		0	30,528
Prepayments		155,150	79,516
<b>Receivables</b>		<b>11,093,711</b>	<b>14,887,306</b>
<b>Cash at bank and in hand</b>		<b>885,186</b>	<b>199,306</b>
<b>Current assets</b>		<b>11,978,897</b>	<b>15,086,612</b>
<b>Assets</b>		<b>12,659,558</b>	<b>16,002,531</b>



# Balance sheet 31 December

## Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		50,000	50,000
Retained earnings		6,836,657	-215,955,265
<b>Equity</b>		<b>6,886,657</b>	<b>-215,905,265</b>
Other payables		1,237,367	1,189,776
<b>Long-term debt</b>	8	<b>1,237,367</b>	<b>1,189,776</b>
Trade payables		3,623,166	6,044,032
Payables to group enterprises		0	223,571,139
Other payables	8	912,368	1,102,849
<b>Short-term debt</b>		<b>4,535,534</b>	<b>230,718,020</b>
<b>Debt</b>		<b>5,772,901</b>	<b>231,907,796</b>
<b>Liabilities and equity</b>		<b>12,659,558</b>	<b>16,002,531</b>
Going concern	1		
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## Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	50,000	1,237,564	1,287,564
Net effect from merger and acquisition under the uniting of interests method	0	-217,192,829	-217,192,829
Adjusted equity at 1 January	50,000	-215,955,265	-215,905,265
Contribution from group	0	235,198,133	235,198,133
Net profit/loss for the year	0	-12,406,211	-12,406,211
<b>Equity at 31 December</b>	<b>50,000</b>	<b>6,836,657</b>	<b>6,886,657</b>

# Notes to the Financial Statements

## 1. Going concern

As per 31 December 2023 the Company's equity is positive with MDKK 6.9. 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.

In 2023, management completed the restructuring of 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 2024. The Group will run out of money in September 2024 but is currently negotiating with an existing investor about additional funding of MUS\$ 3,2, the additional funding is expected to fund operations until the Group expects to become profitable in Q2 2025. 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 2023 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.

## 3. Staff Expenses

	<u>2023</u>	<u>2022</u>
	DKK	DKK
Wages and salaries	8,123,748	8,159,128
Other social security expenses	20,103	21,585
Other staff expenses	81,423	45,344
	<u>8,225,274</u>	<u>8,226,057</u>
Average number of employees	<u>10</u>	<u>10</u>

## Notes to the Financial Statements

	2023	2022
	DKK	DKK
<b>4. Financial income</b>		
Interest received from group enterprises	150,683	119,836
Other financial income	4,456	11
Exchange gains	0	1,341,317
	<u>155,139</u>	<u>1,461,164</u>

	2023	2022
	DKK	DKK
<b>5. Financial expenses</b>		
Interest paid to group enterprises	11,423,650	10,174,433
Other financial expenses	118,096	5,760
Exchange loss	314,121	18,580
	<u>11,855,867</u>	<u>10,198,773</u>

## 6. Intangible fixed assets

	Acquired licenses
	DKK
Cost at 1 January	0
Net effect from merger and acquisition	350,353
Transfers for the year	417,668
Cost at 31 December	<u>768,021</u>
Impairment losses and amortisation at 1 January	0
Net effect from merger and acquisition	350,353
Amortisation for the year	87,575
Transfers for the year	313,809
Impairment losses and amortisation at 31 December	<u>751,737</u>
<b>Carrying amount at 31 December</b>	<u><b>16,284</b></u>

# Notes to the Financial Statements

## 7. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	
	DKK	
Cost at 1 January	613,396	
Net effect from merger and acquisition	2,683,931	
Additions for the year	27,879	
Disposals for the year	-12,885	
Transfers for the year	-417,668	
Cost at 31 December	<u>2,894,653</u>	
Impairment losses and depreciation at 1 January	466,265	
Net effect from merger and acquisition	2,468,635	
Depreciation for the year	164,466	
Reversal of impairment and depreciation of sold assets	-1,789	
Transfers for the year	-313,809	
Impairment losses and depreciation at 31 December	<u>2,783,768</u>	
<b>Carrying amount at 31 December</b>	<b><u>110,885</u></b>	
	<u>2023</u>	<u>2022</u>
	DKK	DKK

## 8. 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:

<b>Other payables</b>		
After 5 years	1,237,367	1,189,776
Long-term part	1,237,367	1,189,776
Other short-term payables	912,368	1,102,849
	<u>2,149,735</u>	<u>2,292,625</u>

## Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>9. Contingent assets, liabilities and other financial obligations</b>		
<b>Rental and lease obligations</b>		
Lease obligations, period of non-terminability 12 months	295,470	129,495

# Notes to the Financial Statements

## 10. Accounting policies

The Annual Report of Greenwave Mobile IoT ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

The Company has merged with the companies Greenwave Denmark Holding ApS and Greenwave Systems ApS with accounting effect at 1 January 2023 with Greenwave Mobile IoT ApS as the continuing company.

In connection with the reverse vertical merger, the company has applied the pooling-of-interests method. Under this method, the three companies are combined at carrying amounts.

The net effect of the merger, DKK -217.2 million has been recognised directly in equity. The pooling-of-interests method is applied as if the companies had always been combined by restating comparative figures.

### 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.

### Business combinations

#### *Pooling of interests*

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied as if the two enterprises had always been combined by restating comparative figures.

### 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. Gains and losses 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.

# Notes to the Financial Statements

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 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

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.

### Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise loss/gain on sale of fixed assets, 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.

## Balance sheet

### Intangible fixed assets

Software and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Licences and software are amortised over the licence period; however not exceeding 5 year.



# Notes to the Financial Statements

## 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
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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 and investments 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.

## Other fixed asset investments

Other fixed asset investments consist of deposits.

## 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, including the tax base of tax loss carry-forwards, 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.

# Notes to the Financial Statements

## Financial liabilities

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