RANMARINE TECHNOLOGY BV

ANNUAL REPORT 2022

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Registered office Weena Galileistraat 15, 3029 AL Rotterdam, Netherlands

CONTENT

DIRECTORS REPORT

Board of Directors

Michael Foss	– Chairman of the Board and Non-Executive Director
Richard Hardiman	– CEO and Executive Director
Anton Hemelaar	– CFO and Executive Director

Ranmarine Technology B.V. has a one tier Board of Directors. The Board currently consists of 2 Executive Directors and 1 Non-Executive Director who serves as Chairman of the Board. It is planned that the Board will be expanded by an additional 3 Non-Executive Directors that meet NASDAQ Independence requirements. The Executive Directors are charged with the day-to-day management of the company. The Chairman of the Board is charged with overall governance of the company.

Introduction to the Company

"The Company", "RanMarine", "RanMarine Technology" refers to RanMarine Technology B.V., which was incorporated April 12, 2016. RanMarine is a private company.

RanMarine is a cleantech company that designs, manufactures and sells autonomous surface vessels, or ASVs. As a technology company, our specific market focus is providing robotic vessels to harvest harmful plastic pollutants, oils and algae/biomass from water while collecting critical water quality data.

Our mission is to empower people, companies and governments across the planet with the ability to restore the marine environment to its natural state via autonomous electric vessels. Our data-driven autonomous technology and our patent protected devices create this opportunity by cleaning and monitoring our communal waters with zero emissions.

Also known as "aquatic drones", our ASVs clean the surfaces of waterways, canal systems, ponds, marinas and ports. While working, our ASVs also capture real-time quality data to help our customers make informed decisions about the quality of the water they operate in.

We focus on what we call "at source" pollution – our belief is that if RanMarine focuses on where the majority of the floating pollution is coming from, then we will reduce the pollution that ends up in the oceans. Much like vacuuming continuously to clean a home of dust before it builds up, RanMarine wants to efficiently and continuously "vacuum" waterways, so there is minimal build-up of waste and pollution using automated technology.

As well as directly removing pollution from inland and coastal waters, RanMarine's ASVs are data-enabled and can be fitted with water quality sensors that allows customers to closely monitor, in real time, the environment and makeup of their water. Our ASVs relay sensor data back to RanMarine Connect, our cloud-based control and data management system with each data point collected timestamped and Global Positioning System ("GPS") tagged. This acts as a basis for accurate measurement and reporting on the environmental impact of our solutions over time: valuable insight which can be used for credible organizational environmental, social and governance ("ESG") reporting.

We are based in Rotterdam, the Netherlands. As the largest commercial port outside of Asia, Rotterdam offers a number of advantages for a technology-led company like RanMarine. As the largest seaport in Europe, Rotterdam has a strong maritime history, and is well known as a center for European maritime innovation. Thanks to the presence of specialized educational institutions such as Erasmus University and the *Scheepvaart & Transport College* (Shipping & Transport College), maritime and technological knowledge is constantly developing in this region.

Summary of 2022 Activities

RanMarine's sales increased 70% year on year for 2022 to EUR 432 thousand which represented growth of EUR 178 thousand over 2021. On a unit basis, 22 ASVs were sold during the year up from 13 in 2021. Sales to distributors in 2022 grew by EUR 230 thousand driven by growth of 12 ASVs versus 2021. The strong growth distributor sales was driven by our largest partner, Poralu, building up its sales efforts and expanding its target markets. At the same time, we let go of a number of non-performing distributors and we converted the remaining distributors as well as all new distribution relationships to non-exclusive contracts.

RanMarine's direct sales in 2022 declined by EUR 150 thousand, or 45%, versus 2021. Historically a significant driver of direct sales have been inbound inquiries through our website. Our direct sales in 2021 were principally driven by leads received prior to the pandemic. In the first two quarters of 2022, RanMarine was still feeling the effects of a significant decline in inbound inquiries received during the pandemic, as well as our decision to minimize outbound marketing efforts to conserve cost. In 2022, we made the decision to build up an outbound direct sales team to actively initiate sales discussions with potential customers vs just reacting to inbound sales inquiries. We hired a Global Head of Sales in mid-2022 with a mandate to build an outbound sales team both in the EU and the US with a view to driving strong growth in direct sales in 2023 and beyond.

In 2022, we continued to enhance our existing WasteShark and RanMarine Connect products as well as refined our future product development plans including the design and prototyping of the MegaShark platform.

In addition, Management focused on restructuring its team and professionalizing its business processes, building up key skills in areas such as finance & accounting, Human Resources, product development and product assembly. Building more disciplined processes and hiring key skills was critical to enable both the successful scaling of the business as well as the ability to support the ability to take the company public.

Due to a combination of process improvements and improvements in volumes our gross profit margin improved to 45% of sales in 2022 up from 26% in 2021.

RanMarine successfully executed its EIC Horizon 2020 grant with the deployment of its SharkPod prototype into the port of Rotterdam in December 2022. This wrapped up a 2-year project designed to create autonomous docking and 24-hour operation of our drones. As a major part of this project, the company successfully delivered on completely re-writing it's software and autonomy code which helped ensure our capability to future-proof our software capabilities and enable continued product growth.

Our product plan currently consists of:

- ASVs: WasteShark, DataShark, MegaShark (expected launch in the fourth quarter of 2023), the OilShark (expected launch in the second half of 2024) and the TenderShark (expected launch in the second half of 2024);
- Docking and Transport Products: SharkRamp, a single ASV docking and recharging station (expected launch in the fourth quarter of 2023), the SharkPod, a multi-ASV docking, recharging station and automatic waste basket emptying station (expected launch in the second half of 2024) along with transport items such as SharkRamp and the Shark Slider. The SharkSlider is designed as a mobile, non-fixed, extendable ramp mechanism that facilitates the movement of the WasteShark in and out of water, in situations where placing or removing it from the water can be challenging. It is primarily intended for use in areas with elevated quaysides, docks, high ledges, or steep slopes, where deploying the WasteShark into the water safely is not feasible.
- RanMarine Connect: the Company's secure online portal for autonomous vessel control, ASV monitoring and data analysis; and
- Data Sensors: We offer over 15 different high quality data sensors that customers can choose to continuously monitor different elements of the water conditions. Each data point is timestamped and geolocated. All data is delivered to customers via the RanMarine Connect portal.

The net loss of EUR 3,2 million was heavily impacted by the costs to prepare the company for its planned IPO in 2023. The company reflected costs of EUR 2,8 million related to the issuance of bridge loans in 2022. There were two components of these bridge loan. The first component was the issuance of 20% Original Issue Discount Senior Convertible Promissory Notes. The 2022 interest cost of the Notes were EUR 0,2 million. The second component of the bridge loan were Warrants that provide the right to purchase shares at an exercise price of €0.01 per share. The warrant liability was valued at EUR 2,6 million and was recognized as Other Expense in 2022. In addition, the company incurred General Expenses of EUR 0,5 million in professional fees related to the IPO.

Results of Operations 2022

Comparison of the Year Ended December 31, 2022, and 2021

The following table provides financial information for the periods presented:

	Year Ended December 31,			
	2022	**2021**	**Change**	**% Change**
Sales	€ 432,427	€ 254,263	€ 178,164	70%
Cost of sales	236,531	188,310	48,221	26%
Gross profit	**195,896**	**65,953**	**129,943**	**197%**
Gross profit percentage	45%	26%	19%	75%
Sales and marketing	162,755	50,337	112,418	223%
General and administrative	1,252,314	713,786	538,528	75%
Total operating expenses	**1,415,069**	**764,123**	**650,946**	**85%**
Operating loss	(1,219,173)	(698,170)	(521,003)	75%
Other income (expenses), net	(1,902,870)	698,393	(2,601,263)	(372)%
Net income (loss) before taxes	**(3,122,043)**	**223**	**(3,122,266)**	**>(100)%**
Provision (benefit) for income taxes	125,523	33	125,490	>(100)%
Net income (loss)	**€ (3,247,566)**	€ 190	**€ (3,247,756)**	**>(100)%**

Sales

Revenue for the fiscal year ended December 31, 2022, was €432,427 as compared to €254,263, for the fiscal year ended December 31, 2021, an increase of €178,164. This increase was the result of a significant increase of our distributor sales in 2022.

Our revenue by product and service category is as follows for the periods presented:

	Year Ended December 31,	
	2022	**2021**
WasteSharks	€ 351,250	€ 229,840
Other revenue	81,177	24,423
Total Revenue	€ 432,427	€ 254,263

Cost of Sales

Cost of Sales for the fiscal year ended December 31, 2022, was €236,531 as compared to €188,310 for the fiscal year ended December 31, 2021, a 26% increase. This increase was mainly due to an increase in sales.

Gross Profit

Gross profit was €195,896 for the year ended December 31, 2022, as compared to €65,953 for the prior year, a 297% increase. This increase was due to the increase in sales plus significant productivity improvements that drove our Gross Profit Margin to 45% in 2022 vs 26% in 2021.

Sales and Marketing Expenses

Sales and marketing expenses for the fiscal year ended December 31, 2022, were €162,755 compared to €50,337 for the fiscal year ended December 31, 2021, an increase of €112,418. This increase was the result of our building up our direct sales organization starting in mid 2022.

General and Administrative Expenses

General and administrative expenses for the fiscal year ended December 31, 2022, were €1,252,314 compared to €713,786 for the fiscal year ended December 31, 2021, an increase of €538,528. This increase was driven by professional fees incurred to support a 2023 IPO as well as building up certain resources in the company to help professionalize our processes to enable our scaling of the business and the preparation for going public.

Other income (expenses), net

Other income (expenses), net for the fiscal year ended December 31, 2022, was (€1,902,870), compared to €698,393 for the fiscal year ended December 31, 2021. The Company recognized €913,279 of subsidies and grants for the fiscal year ended December 31, 2022 compared to €698,393 for the fiscal year ended December 31, 2021. The Company entered into securities purchase agreements in 2022. The costs associated with these securities purchase agreements totaled €2,816,150 for the fiscal year ended December 31, 2022. For the fiscal year ended December 31, 2021 there were no bridge loans issued so there was not such a cost.

Liquidity and Capital Resources

Fiscal Years Ended December 31, 2022, and 2021

As of December 31, 2022, we had €448 of cash and cash equivalents, with €92,808 as of December 31, 2021.

The following table summarizes our cash flows from operating, investing and financing activities:

	Year Ended December 31,					
	2022		2021		Change	
Cash used in operating activities	€	(515,448)	€	(10,630)	€	(573,318)
Cash used in investing activities	€	(470,846)	€	(338,321)	€	(132,525)
Cash provided by financing activities	€	893,934	€	27,393	€	866,541

Cash Used In Operating Activities

For the fiscal year ended December 31, 2022, net cash flows used in operating activities was (€515,448), compared to (€10,630) used during the fiscal year ended December 31, 2021, respectively, primarily due to higher general and administrative costs of €538,528. The higher general and administrative are primarily due to professional costs incurred to prepare the Company to become a public company..

Cash Used in Investing Activities

During the year ended December 31, 2022, €464,670 of R&D expenditure has been capitalized and €6,176 of equipment has been purchased. During the year ended December 31, 2021, €334,410 of R&D expenditure has been capitalized and €3,911 of equipment has been purchased. This increase of R&D expenditure was the result of the higher R&D activities.

Cash Provided by Financing Activities

During the fiscal year ended December 31, 2022, we were provided with €893,934 in financing activity compared to cash provided by financing activities of €27,393 during the year ended December 31, 2021, an increase of €866,541. The increase is primarily generated by the cash received (€859,638) through the securities purchase agreements as described above.

Our principal liquidity requirements are for payroll, services and raw materials. We fund our liquidity requirements primarily through cash flows from operations, debt financing and R&D grants. As of December 31, 2022, we had €448 of cash and cash equivalents, with €92,808 as of December 2021.

Risk management and internal controls

Given the size of the Company there is not yet a formal control framework in place. However, Management oversees all business and financial transactions and ensures that the fundamental controls (e.g. segregation of duties and approvals) are being applied and risks being controlled.

The Board of Directors and company management is of the opinion that this informal risk management and internal control framework has operated as intended in year 2022. In year 2022 there have not been any (fraud) risks or circumstances with a significant impact on the company. The Board and company management are committed to improve our control framework in 2023 and beyond.

Code of Conduct

Given the size of the Company there is no formal Code of Business Principles yet but Management communicates and monitors non-negotiable standards of expected behaviour from anyone conducting business on behalf of the company.

Fraud Risk Assessment

During year 2022, nothing has come to the attention of the Board of Directors or company management to suggest any material misstatement with respect to suspected or actual fraud which override the Internal controls and/ or non-compliance with laws and regulations.

Sustainable development

The Directors of the Company are responsible for the preparation of the financial statements, including considering whether the implications from climate-related risks have been appropriately accounted for and disclosed.

Information Systems Security

Since operations are increasingly dependent on IT systems, the Company has a set of IT security standards to monitor and protect systems and information. Management of the Company is responsible for application of, adherence to and safeguarding of internal systems for risk management.

Diversity & Inclusion

The Company is committed to contribute to a fairer, more socially inclusive world and aims to achieve an equitable and inclusive culture by eliminating any bias and discrimination in our practices and policies. We believe that a completely inclusive place to work will make us a stronger, better business.

Going Concern

For the years ended December 31, 2022 and 2021, we incurred a net loss of EUR 3,2 Mio and a net profit of EUR 190, respectively. Our current liabilities exceeded our current assets by EUR 4,3Mio as of December 31, 2022 and by EUR 0,8 Mio as of December 31, 2021 These conditions raise substantial doubt about our ability to continue as a going concern.

We may need to raise additional funds. There can be no assurance that we will be able to secure any needed funding, or that if such funding is available, the terms or conditions would be acceptable to us. If we are unable to obtain additional financing when it is needed, we will need to restructure our operations and possibly divest all or a portion of our business. We may seek additional capital through a combination of private and public equity offerings and debt financings. Debt financing, if obtained, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, and could increase our expenses, require that our assets secure such debt, or provide for high interest rates, discounted conversion prices, or other unfavorable terms. Equity financing, if obtained, could result in dilution to our then-existing stockholders and/or require such stockholders to waive certain rights and preferences. If we are unsuccessful in securing additional funding, we may be required to cease operations which could result in our shareholders losing all or almost all of their investment.

The Board and company management confirm that the financial statements provide a true and fair view of Company’s position and performance. The management report provides a true and fair view and the significant risks and uncertainties to which the Company is exposed have been described.

Subsequent Events

Subsequent to December 31, 2022, the Company issued additional loans totaling EUR 1,7 Mio. The bridge loans have similar terms and conditions to the Convertible Notes discussed above. The total amount of bridge loans obtained is EUR 2,6Mio per 18 August 2023.

Management of the Company has evaluated all events and transactions that occurred subsequent to December 31, 2022 through the date the accompanying financial statements were available to be issued. Except for the additional bridge loans there were no other subsequent events that required recognition or disclosure.

Outlook

The board foresees a further increase in sales for 2023 and expects 2023 sales to be EUR 1 to 1,5 Million. 2023 will be another loss year but due to the current uncertainty regarding the IPO costs and bridge financing costs no estimate can be given for financial result of 2023.

FINANCIAL STATEMENTS

Balance Sheets as of December 31, 2022 and 2021

		2022		2021
Assets				
Current assets				
Cash and cash equivalents	€	448	€	92,808
Accounts receivable		124,814		11,387
Other receivables		292,373		46,189
Inventory		46,785		14,940
		464,420		165,324
Non-current assets				
Property, plant and equipment net		10,922		7,271
Right of use asset		191,966		255,954
Deferred tax asset		-		125,523
Intangible assets		964,109		499,439
		1,166,997		888,187
Total assets	€	1,631,417	€	1,053,511
Liabilities				
Current liabilities				
Bank overdraft	€	108,299	€	-
Trade payables		473,028		53,244
Derivative liabilities		3,675,787		-
Loans and liabilities to related parties		145,100		90,000
Taxes and social securities payable		175,308		84,857
Current portion of lease liability		63,027		60,603
Other current liabilities		182,207		645,553
		4,822,756		934,257
Non-current liabilities				
Lease liability, net of current portion		133,705		196,732
		133,705		196,732
Total liabilities		4,956,461		1,130,989
Shareholders' equity (deficit)				
Share capital		65,526		65,526
Reserves (deficit)		(3,390,570)		(143,004)
Total shareholders' equity (deficit)		(3,325,044)		(77,478)
Total shareholders' equity (deficit) and liabilities	€	1,631,417	€	1,053,511

The accompanying notes are an integral part of these financial statements.

Statements of Operations for the years ended December 31, 2022 and 2021

		2022		2021
Sales	€	432,427	€	254,263
Cost of sales		236,531		188,310
Gross profit		195,896		65,953
Operating expenses				
Sales and marketing		162,755		50,337
General and administrative		1,252,314		713,786
Total operating expenses		1,415,069		764,123
Operating loss		(1,219,173)		(698,170)
Other income (expenses), net		(1,902,870)		698,393
Net income (loss) before taxes		(3,122,043)		223
Provision (benefit) for income taxes		125,523		33
Net income (loss)	€	(3,247,566)	€	190
Basic earnings (loss) per ordinary share:	€	(0.50)	€	0.00
Weighted average ordinary shares outstanding:		6,552,558		6,552,558

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Equity (Deficit) for the years ended December 31, 2022 and 2021

	Issued Capital Par Value*	Share Premium APIC *	Legal Reserves	Accumulated Deficit	Totals
Beginning balance, January 1, 2022	€ 65,526	€ 626,894	€ 470,817	€ (1,240,715)	€ (77,478)
Net loss	-	-	-	(3,247,566)	(3,247,566)
Legal reserve	-	-	464,670	(464,670)	-
Ending balance, December 31, 2022	€ 65,526	€ 626,894	€ 935,487	€ (4,952,951)	€(3,325,044)

	Issued Capital Par Value*	Share Premium APIC *	Legal Reserves	Accumulated Deficit	Totals
Beginning balance, January 1, 2021	€ 65,526	€ 626,894	€ 136,407	€ (906,495)	€ (77,668)
Net income	-	-	-	190	190
Legal reserve	-	-	334,410	(334,410)	-
Ending balance, December 31, 2021	€ 65,526	€ 626,894	€ 470,817	€ (1,240,715)	€ (77,478)

*Retroactively adjusted to reflect the impact of the 7,029.57 to 1 stock split which was declared by the Company on December 27, 2022

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows for the years ended December 31, 2022 and 2021

For the Year Ended:		2022		2021
Cash at Beginning:	€	92,808	€	414,366
Cash at Ending:		448		92,808
	€	92,360	€	321,558
OPERATING ACTIVITIES				
Net income (loss)	€	(3,247,566)	€	190
Share based compensation		2,816,150		-
Depreciation and amortization		66,513		65,685
Accrued advisory services performed by related parties		68,500		-
Inventory		(31,845)		1,315
Accounts receivable and other receivables		(359,611)		(24,310)
Other current liabilities		(372,896)		(80,812)
Trade payables		419,784		27,268
Deferred tax asset		125,523		34
Net cashflow used in operating activities		(515,448)		(10,630)
INVESTING ACTIVITIES				
Capital expenditures for property, plant and equipment		(6,176)		(3,911)
Intangible assets		(464,670)		(334,410)
Net cash flow used in investing activities		(470,846)		(338,321)
FINANCING ACTIVITIES				
Bank overdraft		108,299		-
Payments made on lease liability		(60,603)		(62,607)
Advances from derivative liabilities		859,638		-
Payments made on loans to related parties		(13,400)		90,000
Net cash flow from financing activities		893,934		27,393
Net Cash Flow	€	(92,360)	€	(321,558)

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

1. **Corporate Information**

   The registered and actual address of RanMarine is Galileistraat 15, in Rotterdam. The Company is registered at the chamber of commerce under number 65812441.

2. **Summary of Significant Accounting Policies**

   2.1 Basis of preparation

   The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), taking into account the recommendations of the International Financial Reporting Standards Interpretations Committee ("IFRIC")

   The accounting principles set out below unless stated otherwise, have been applied consistently for all periods presented in the accompanying financial statements.

   The Company's fiscal year-end is December 31. The financial statements valuations are based on the historical cost unless stated otherwise. The functional and presentation currency of the Company is the Euro.

   The accompanying financial statements are prepared under the assumption that the business will continue as a going concern. As an early-stage company, we have not yet reached the critical sales volume and are heavily relying on research & development ("R&D") grants.

   Our ability to continue as a going concern and realize our assets and discharge our liabilities in the normal course of business is dependent upon closing timely additional sales orders and the ability to raise additional debt or equity financing, as required. There are various risks and uncertainties affecting our future financial position and its performance including, but not limited to:

   - The market acceptance and rate of commercialization of our product offerings;
   - Ability to successfully execute our business plan;
   - Ability to raise additional capital at acceptable terms;
   - General local and global economic conditions.

   Our strategy to mitigate these material risks and uncertainties is to execute timely a business plan aimed at continued focus on revenue growth, product development and innovation, improving overall gross profit, managing operating expenses and working capital requirements, and securing additional capital, as needed.

   Failure to implement our business plan could have a material adverse effect on our financial condition and/or financial performance. There is no assurance that we will be able to raise additional capital as it is required in the future. Accordingly, there are material risks and uncertainties that may cast significant doubt about our ability to continue as a going concern.

   These financial statements do not include any adjustments to the carrying amounts and classification of assets, liabilities and reported expenses that may otherwise be required if the going concern basis was not appropriate.

   2.2 Significant accounting policies

2.2.1 Current versus non-current classification - Assets and obligations that are classified as current shall mature within one year. Non-current assets and obligations shall mature beyond one year from the balance sheet date.

2.2.2 Cash and Cash Equivalents - Cash is recognized based on the amount received. Cash equivalents, which are assets that can generally be liquidated in less than 90 days based on convertibility and short-term maturity, are carried at cost. Any bank overdrafts are accounted for based on the amount that must be repaid to the lender. Cash balances may exceed the insured limits from time to time. The Company has not experienced any losses with respect to uninsured balances.

2.2.3 Accounts receivable – Receivables (amounts due from trade debtors and other receivables including prepayments) are initially recognized at cost which is also the fair value. Current receivables, receivables that fall due within one year, are carried at cost unless there is a known significant credit risk. Receivables are reviewed to determine if a reserve needs to be entered for credit losses. If a reserve is deemed necessary, accounts receivable would be carried at cost less the reserve.

2.2.4 Inventory - Inventories are valued at the lower of cost or market, market being net realizable value. Net realizable value is calculated based on the estimated selling price of the product less cost to get the inventory in sellable condition.

The carrying amount of inventories is expensed as inventories are sold and recognized in cost of sales. Write-downs to net realizable value and losses are expensed in the period they occur. Any reversal of write-downs is recognized in the period the reversal occurs. The inventories of the Company in 2021 and 2022 consisted only of raw materials.

2.2.5 Property, plant, and equipment – Property, plant, and equipment are measured at historical cost. They are carried at cost less accumulated depreciation and any impairment value. Depreciation is on a straight-line basis over an estimated useful life given to the asset by management. Useful lives are reviewed periodically for needed changes. All repairs and maintenance costs are expensed when incurred.

Useful lives of property, plant, and equipment

- Plant and machinery- 5 years
- Equipment- 5 years
- Transportation- 5 years

2.2.6 Intangible assets - Intangible assets are intellectual property and internally developed information systems with a finite life and area accounted for in accordance with IAS 38 (“Intangible Assets”).The intangible assets acquired are measured at cost less accumulated amortization and impairment. Expenditure for development activities where the research results are applied to a plan or design for the production of new or substantially improved product and processes are capitalized if the product or process is technically and commercially feasible and can be separately identified, if the expenses can be measured reliably and if the Company has sufficient resources to complete the development of the asset. If these criteria are not met, the expenditures are expensed. If the criteria is met, projects will go from the research phase to the development phase if there is a successful build. The capitalized costs comprise the cost of materials, direct labor and the directly attributable proportion of overheads less any subsidy received for such costs. Other development expenditures are recognized in the statement of operations as an expense when incurred. Subsequent expenditure on capitalized intangible assets is recognized in the statement of operations unless it increases the future economic benefits embodied in the specific asset to which it relates. In that case, the costs are capitalized for only the increase the future economic benefits. Amortization is charged to the statement of operations on a straight-line basis over the estimated useful life of the intangible asset unless such life is indefinite. Other intangible assets are amortized from the date they are available for use. As of December 31, 2022, amortization has not started. The amortization method and estimated useful lives are assessed annually. Accounting has been done in accordance with IAS 38 ("Intangible Assets").

2.2.7 Taxes – Taxes are calculated based on the taxable income or loss for the period and the tax laws that have been enacted or substantively enacted as of the reporting period. Taxes consider any non-deductible costs or non-taxable items. Deferred tax assets or tax liabilities are also considered when computing tax. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authority. In case of uncertainties related to income taxes, they are accounted for in accordance with IFRIC 23 ("Uncertainty over Income Tax Treatments") and IAS 12 ("Income taxes") based on the best estimate of those uncertainties.

2.2.7.1 A deferred tax is generated when there are temporary differences between asset or liabilities for financial reporting purposes and amounts used for tax purposes. Net operating losses can generate a deferred tax given such losses can be utilized in the future to reduce future taxable income. Tax rates applicable when the deferred tax is expected to reverse are used in the calculation of the deferred tax.

2.2.8 Leases – Contracts are reviewed to determine if they contain the elements of a lease. To be a lease, the right of control must be given to the lessee for a specified asset for a given time period for consideration. If the supplier has the right or practical ability to substitute alternative assets during the life of the contract, then the contract is not a lease. The lease liability is calculated by discounting all the lease payments not made at the commencement date by the implicit interest rate in the lease or the incremental borrowing rate. Extension options are included in the determination of the lease liability to the extent that it is reasonably certain that those options will be exercised. The lease liability and the right of use asset are the same value at the start of the lease. The right of use asset is amortized.

RanMarine leases consist of a single real estate contract for office use. This lease is for 5 years with payments totaling €351,336. The lease began in 2021 and a 4% discount was applied for the periods presented. Also, see Note 9 for additional lease details.

For 2022, amortization related to right of use assets was €63,988 (2021: €63,988) while the lease liability payment totaled €60,603 (2021: €62,607) with a discount expense of €8,793 (2021: €11,145).

Year	Lease Schedule Payments	Lease Liability Payment	Discount Expense	Total Lease Payments	Rights of Use Depreciation Schedule
2021	€ 73,752	€ 62,607	€ 11,145	€ 73,752	€ 63,988
2022	69,396	60,603	8,793	69,396	63,988
2023	69,396	63,027	6,369	69,396	63,988
2024	69,396	65,535	3,861	69,396	63,989
2025	69,396	68,170	1,226	69,396	63,989
Totals	€ 351,336	€ 319,942	€ 31,394	€ 351,336	€ 319,942

	2022	2021
Right of use asset to depreciate		
Beginning balance	€ 255,954	€ 319,942
Depreciation	63,988	63,988
Ending balance	€ 191,966	€ 255,954
Non-current lease liability		
Beginning balance	€ 257,335	€ 319,942
Payment related to liability	60,603	62,607
Current lease liability	63,027	60,603
Ending balance	€ 133,705	€ 196,732

2.2.9 Financial instruments - A financial instrument is any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party. These include both non-derivative financial instruments, such as trade and other receivables and payables, and derivative financial instruments, such as foreign exchange contracts.

Trade payables, tax, remuneration, social security, other accounts payable including liability accruals are valued at nominal value. Supplier agreements or amounts due to statutory authorities determine costs. Management estimates amounts for accrued expenses. Financial assets and financial liabilities are recognized at their fair value initially. Transaction expenses for assets and liabilities are also included in the initial fair value measurement. Using the effective interest rate method, financial liabilities are measured at amortized cost after the initial recognition.

2.2.10 Provisions for liabilities and charges – Provisions are liabilities for uncertain times and amounts. Provisions are established if an obligation presently exists, there is a probable outflow of resources to cover the obligation and the obligation can be reasonably estimated. The provision represents the best estimate to settle the obligation. For both 2022 and 2021, there were no uncertain liabilities that required a provision.

2.2.11 Revenue – Contract revenue and other revenues excludes value added tax and is after discounts. Contract revenue recognition will take place in accordance with IFRS 15 ("Revenue from Contracts with Customers"); when there is an identifiable contract with a customer, the contract stipulates performance obligations, a price has been established, the price has been allocated to the contract performance obligations, then the specific revenue associated with the specific obligation completion is recognized. Contracts with customers generally consist of a single performance obligation, delivery of our products, the ASV's (autonomous surface vessels). We recognize revenue at delivery as risk of loss and control have been transferred to the customer at the time the product is picked up for delivery. Revenue measurement is fair value of the amount received or due. The revenue represents product and / or service amounts receivable generated during the normal course of business. Revenue is recognized net of deductions for returns, allowances, and rebates, which the Company has assessed as immaterial during each of the fiscal years in the accompanying financial statements. A liability will be established on the balance sheet when the customer has prepaid for a good or service. A receivable will be established where the contract performance obligation has met but payment has not been received.

2.2.12 Other income and expenses – Other income consists primarily of government grants and subsidies. The income is recognized on a systematic basis matching the related costs in the period and on the basis which the grant it was intended to compensate. RanMarine only recognizes grants when it knows it will be able to meet the conditions of the grant and when it assured that the grant will be received. Other expenses are the costs associated with the convertible notes payable and warrants (see Note 13).

2.2.13 Pensions – RanMarine's pension is part of the Metal and Engineering Industry Pension Fund ("PMT"). The pension plan is a fixed monthly contribution based on a defined set of rules which becomes available once the employee retires. The contributions are expensed as the obligation to make payments is incurred. The treatment similar to the treatment of a defined contribution plan.

2.2.14 Impairment of non-financial assets – Management assesses whether an asset may be impaired at each reporting date. If any indication of impairment exists, or when testing is required, the recoverable amount will be determined. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses including impairment on inventories are recognized in the statement of operations. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. RanMarine bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's cash generating units ("CGU") to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount.

2.2.15 Earnings (loss) per share – Basic earnings (loss) per share are calculated in accordance with IAS 33 ("Earnings per Share") based on earnings (loss) attributable to the Company's shareholders and the weighted average number of shares outstanding during the period. The 6,552,558 outstanding shares as of December 31, 2022 (see Note 17), represent the shares issued and outstanding by RanMarine. This presentation is consistent with the principles in IAS 33.64, which requires calculation of basic and diluted earnings per share for all periods presented to be adjusted retrospectively if changes occur to the capital structure after the reporting period but before the financial statements are authorized for issue.

2.2.16 New and revised standards issued, but not yet effective – The Company is currently evaluating the effects of the new or revised accounting standards listed below but does not expect any material effects.

- IFRS 17(A) Insurance Contracts
- IFRS 3(A) Business Combinations
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- IAS 1(A) Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
- IAS 8(A) Definition of Accounting Estimates
- IAS 37(A) Provisions, Contingent Liabilities and Contingent Assets

2.2.17 Reclassifications – Certain 2021 amounts have been reclassified to conform to the 2022 presentation.

3. Significant Accounting Judgments, Assumptions, and Estimates

3.1 Going concern - For RanMarine, material going concern uncertainties exist. This conclusion involves significant judgment based on the deficit as of December 31, 2022 and 2021 which is (€3,390,570) and (€77,488) respectively. As of year-end, the Company's current liabilities exceeded its current assets by €4,358,336 (2021: €768,933). RanMarine has received financing by grants and investors, for developing new products. RanMarine plans an Initial Public Offering ("IPO") in order to be listed and trading on the NASDAQ in 2023. As disclosed in Note 2.1, basis of preparation, there are some material risks and uncertainties that may cast significant doubt about our ability to continue as a going concern.

3.2 Pension liability - Liabilities and expenses for employee benefits generally are recognized in the period in which the services are rendered. RanMarine's pension is part of the PMT pension fund. This fund is the Metal and Engineering Industry Pension Fund. Contributions are expensed as the obligation to make the payments is incurred.

3.3 Deferred tax – Judgments and estimates are made with regard to the ability to utilize net operating losses and other tax credits that can be carried forward against taxable income in future years. RanMarine recorded a deferred tax asset on the balance sheet totaling €125,523 as December 31, 2021 based on an assessment of our ability to be able to utilize the deferred tax assets in future year tax returns. Due to the delay in obtaining additional financing, the Company has not been able to execute its business plans yet and concluded that it was not more likely than not to be able to realize profits in the near future. Due to this uncertainty, the Company elected to record a valuation reserve equal to the amount of its deferred tax asset. The Company's deferred tax asset amount as of December 31, 2022 was €593,830 and a valuation allowance equal to the same amount was recorded to reduce the deferred tax asset to zero.

From January 1, 2022 onwards, an indefinite loss carryforward applies in the Netherlands. Yet, losses (both carryforward and carryback) can only be fully deducted up to an amount of EUR 1 million taxable profit. If the profit in a year exceeds €1 million, the losses are only deductible up to 50% of the higher taxable profit minus an amount of €1 million. Hence the Company can utilize its compensable losses as soon it becomes profitable.

RanMarine has compensable losses from the following years:

	Offsettable losses as of January 1, 2022	Addition in 2022	Offsettable losses as of December 31, 2022
	€	€	€
2016	8,971	-	8,971
2017	113,373	-	113,373
2018	138,599	-	138,599
2019	173,454	-	173,454
2020	402,425	-	402,425
2022	-	3,122,043	3,122,043
	836,822	**3,122,043**	**3,958,865**

3.4 Development costs - RanMarine capitalizes costs for product development projects. Management makes judgments on the viability of the project and the projected cost of full development. RanMarine management determines when a new product will be released to the market which is when the costs are capitalized. Management must also judge the expected revenue to be earned. The carrying amount of capitalized development costs was €964,109 as of December 31, 2022 (2021: €499,439).

3.5 Provision for expected credit losses of trade receivables – RanMarine assess and measures credit losses in accordance with IFRS 9 ("Financial Instruments"). There is currently no provision for credit losses on the balance sheet. The Company has not experienced any non-payment from a customer in it's history, as it generally requires an upfront payment from the customer.

3.6 Provision for warranty – RanMarine offers a 1-year warranty for customers outside the EU and a 2 year warranty for customers inside the EU. Currently, there are no warranty provisions on the balance sheet as management has forecasted it is not material prospectively for each of the fiscal years in the accompanying financial statements. In 2022 warranty expenses were zero and €885 in 2021. It will continue to be evaluated on an annual basis. Soon, warranty expenses will become material and at such time, a warranty provision as percentage of revenue will be recognized.

3.7 Fair value calculations – The Company estimates the fair value of the convertible note payable and the derivative warrant liability (see Note 9) using a probability weighted scenario method, which determines the present value of the conversion and redemption options and weights them based on their probabilities of occurrence. Additionally, the Company utilizes the Black Scholes Model to calculate the value of the warrants that it issues. In using the Black Scholes Model, the Company makes assumptions regarding dividend yield, expected term, volatility and risk-free interest rates.

4. Cash and Cash Equivalents

		2022		2021
Rabobank	€	-	€	92,624
ING Bank		18		184
Cash in transit		430		-
Total	€	448	€	92,808

5. Accounts Receivable

RanMarine carries low trade receivables as the Company generally requires customer deposits before processing orders. The bad debt expense and the allowance for doubtful accounts is zero for both 2022 and 2021. The Company had one customer whose account balance comprised approximately 78% of the accounts receivable balance as of December 31, 2022. The same customer's account balance comprised 100% of the accounts receivable balance as of December 31, 2021.

		2022		2021
Accounts receivable	€	124,814	€	11,387
Total	€	124,814	€	11,387

6. Other Receivables

RanMarine received a grant from the European Commission, European Innovation Council ("EIC") in October 2020. It had a 24-month duration through maturity in September 2022 with a 70% reimbursement rate. The subsidy receivable of €191,475 is the last outstanding amount of this grant and has been received in March 2023. See Note 21 for further details.

		2022		2021
Rent deposit	€	11,875	€	11,875

Subsidy	191,475	17,532
Prepayments	45,819	-
VAT receivable	43,204	16,782
Total	€ 292,373	€ 46,189

7. Inventory

	2022	2021
Raw materials	€ 46,785	€ 14,940
Total	€ 46,785	€ 14,940

8. Property, Plant and Equipment net

	Plant and machinery	Equipment	Total
Purchase price	€ 1,431	€ 3,878	€ 5,309
Cumulative depreciation	(42)	(210)	(252)
At January 1, 2021	1,389	3,668	5,057
Investments	-	3,911	3,911
Depreciation	(286)	(1,411)	(1,697)
At December 31, 2021	1,103	6,168	7,271
Investments	-	6,176	6,176
Depreciation	(286)	(2,239)	(2,525)
At December 31, 2022	817	10,105	10,922
Purchase price	1,431	13,965	15,396
Cumulative depreciation	(614)	(3,860)	(4,474)
At December 31, 2022	€ 817	€ 10,105	€ 10,922

9. Leases

RanMarine entered into a 5-year lease agreement on January 1, 2021 for office and workshops. After the initial 5 year less is completed, a clause exists allowing for the automatic renewal of the lease if the tenant or lessor do not give notice of termination. Notice of termination must be made 6 months before the end of the lease. Refer to Note 2.2.8 for additional disclosures.

10. Income Tax

Deferred tax asset – RanMarine had a deferred tax asset of € 125,523 as December 31, 2021 because at that time the Company expected to be profitable in the near future and be able to utilize the deferred tax assets in future tax returns. Due to delayed financing costs the Company has not been able to execute its business plans yet and will not realize profits in the near future. Because the amount to be utilized in future tax returns is at this point uncertain the Company decided to record a valuation allowance to reduce the deferred tax asset to zero (see Note 3.3).

11. Intangible Assets

	Research and development costs	Concessions intellectual property rights	Total
Cost or valuation			
At January 1, 2021	€ 136,407	€ 28,622	€ 165,029
Investments	334,410	-	334,410
At December 31, 2021	470,817	28,622	499,439
Investments	464,670	-	464,670
At December 31, 2022	€ 935,487	€ 28,622	€ 964,109

12. Trade Payables

	2022	2021
Trades payable	€ 473,028	€ 53,244
Total	€ 473,028	€ 53,244

The Company had one vendor whose account balance comprised approximately 10% of the trade payables balance as of December 31, 2022. There were two vendors with balances approximating 16% and 10% as of December 31, 2021.

13. Derivative Liabilities

	2022	2021
Warrant liabilities	€ 2,635,778	€ -
Convertible notes payable	1,040,009	-
Total	€ 3,675,787	€ -

Convertible Notes Payables and Debt Discount (Contra-Debt)

On various dates throughout 2022 (the "Issue Date"), the Company entered into Securities Purchase Agreements (the "Agreements") with certain third-party creditors and related parties (the "Holders") whereby the Company issued 20% Original Issue Discount Senior Convertible Promissory Notes (the "Notes") with an aggregate principal amount (par value) of approximately €1.1 million (the "Principal"), convertible into the Company's ordinary shares with a par value of €0.01 per share (the "Ordinary Shares"). The Notes are payable on the earlier of: (i) six (6) months from the Issue Date (e.g. August 19, 2022) or (ii) on the date on which the Company consummates a Qualified IPO (as defined in the Agreements) (such date, the "Maturity Date"), or such earlier date as the Notes are required or permitted to be repaid, unless Holder elects to convert the Principal into a certain number of shares of the Company's Ordinary Shares, and pursuant to the terms of conversion. The Company may prepay the Notes in cash, at any time following the Issue Date and up to the Maturity Date, at a premium of one hundred and five percent (105%) of the face amount of the Note, upon five (5) day prior written notice to Holder.

The Notes are convertible at the Holder's election upon the closing of a Qualified IPO into Ordinary Shares of the Company at a conversion price equal to 100% of the offering price to the public in the Qualified IPO (the "Conversion Price"). The Notes become immediately due and payable upon an Event of Default (as defined in the Agreements).

Due to these embedded features within the Notes, the Company elected to account for the Notes at fair value at inception under IFRS 9, "*Financial Instruments*". Subsequent changes in fair value are recorded as a component of other income (loss) in the Consolidated Statements of Operations.

The Company estimates the fair value of the convertible note payable using a probability weighted scenario method, which determines the present value of the conversion and redemption options and weights them based on their probabilities of occurrence. The fair value of the Notes upon issuance was estimated to be €1,040,009 (face value of €1,074,548 less debt discount of €34,539).

The 20% original discount to the principal amount is included in the carrying value of the Notes. During 2022, the Company recorded a debt discount of approximately €214,909. upon issuance of the Notes for the original issue discount. As a result of electing the fair value option, any direct costs and fees related to the Notes were expensed as incurred. For the three months ended March 31, 2023, the Company recorded a loss of less than €0.1 million related to the change in fair value of the Notes which was recognized in other income (expense) on the Consolidated Statement of Operations as a result of the Company's election of the fair value option.

The following table presents the Note as of December 31, 2022:

		December 31 2022
Face value of the Notes	€	1,074,548
Debt discount		(214,909)
Carrying value of the Notes before current period change in fair value		859,639
Fair value adjustment through earnings		180,370
Total carrying value of Notes	€	1,040,009

On May 8, 2023, the Company and the relevant noteholders amended the terms of the Notes to extend the Maturity Date to December 31, 2023, and to clarify that Ordinary Shares means American depositary shares.

Warrant liabilities

With each Note purchase, the Holder was also issued warrants to purchase up to 40,000 Ordinary Shares of the Company (the "Warrant Shares") for every €100,000 of Note principal (the "Warrants"). Each Warrant is exercisable for a period commencing on the date the Company completes a Qualified IPO and terminating five (5) years after such date at an exercise price of €0.01 per share, subject to customary anti-dilution adjustments. If, at any time after the issuance date of the Warrant, a registration statement covering the resale of the Warrant Shares is not effective, the Holder may exercise the Warrant by means of a cashless exercise.

The Warrants were determined to be liabilities under IAS 32, "*Financial Statements: Presentation.*" as they are puttable to the Company upon the occurrence of a Fundamental Transaction (as defined in the agreements). As such, the Company recorded the Warrants as a liability at fair value with subsequent changes in fair value recognized in earnings. The Company utilized the Black Scholes Model to calculate the value of these warrants issued during the year ended December 31, 2022. The fair value of the Warrants of €2,487,482 million was estimated at the date of issuance using the following weighted average assumptions: dividend yield 0%; expected term of five years; volatility ranging from 33.0% - 35.0%; and a risk-free interest rate ranging from 2.9% – 4.1%.

Transaction costs incurred attributable to the issuance of the Warrants were immediately expensed in accordance with IAS 32.

During the year ended December 31, 2022, the Company recorded a loss of €148,297 related to the change in fair value of the warrant liability which is recorded in other income (expense) on the Statements of Operations. The fair value of the Warrants of €2,635,799 was estimated at December 31, 2022 utilizing the

Black Scholes Model using the following weighted average assumptions: dividend yield 0%; term of five years; volatility of 37.0%; and a risk-free interest rate of 4.0%.

14. Loans and Payments to Related Parties

Boundary Holding S.à r.l. is a shareholder of RanMarine. There is a loan agreement between the two companies as of May 27, 2021, for €100,000. The note does not carry interest or a term limit. RanMarine has paid €32,800 as of December, 2022. The other payables as of December 31, 2022 are a €9,400 short term non-interest bearing loan with one of the shareholders and €68,500 deferred payments for advisory services performed. Also approximately €478,191 of the €1,040,009 convertible notes payable are with related parties (officers and shareholders of the Company).

15. Taxes and Social Securities Payable

	2022	2021
Payroll Tax	€ 175,308	€ 84,857
Total	€ 175,308	€ 84,857

16. Other Current Liabilities

	2022	2021
Deferred revenue	€ 95,459	€ 91,070
Advisors	62,721	-
Holiday bonus	24,027	23,554
EIC grant	-	530,929
Total	€ 182,207	€ 645,553

17. Issued Capital and Reserves

The Company is authorized to issue up to 100,000,000 ordinary shares. The nominal or par value of the shares is €0.01 per share. At December 31, 2022 and 2021, the Company has issued and outstanding shares of 6,552,558 after giving effect to a stock split of 7,029.57 to 1 declared by the Company on December 27, 2022 which has been retroactively adjusted to the earliest year presented in the accompanying financial statements.

The legal reserve of €470,817 per December 2021 and €935,487 per December 2022 are the capitalized R&D costs (see Note 11). Legal reserves are reserves that cannot be distributed to the shareholders. Dutch law requires that the capitalized R&D costs are protected by forming a legal reserve.

18. Sales

	2022	2021
Europe	€ 219,653	€ 29,758
North America	207,883	156,075
Rest of the World	4,891	68,430
Total	€ 432,427	€ 254,263

The Company had 57% of its sales with one customer in 2022. For 2021, 41% of the Company sales was with one customer and three other customers accounted for approximately 13% each of the total sales.

19. Operating expenses

19.1 Research and development – RanMarine capitalizes wages and direct material expenses associated with R&D. 70% of the wages and direct material expenses are reimbursed through government grants. The remaining 30% of the wages and direct material expenses are being capitalized in accordance with IAS 38 (see Note 2.2.6).

19.2 Sales and Marketing

		2022		2021
Publicity and advertisement	€	100,552	€	11,940
Representation costs		2,477		493
Traveling expenses		40,787		24,138
Other sales and marketing costs		18,939		13,766
Total	€	162,755	€	50,337

19.3 General and Administrative

		2022		2021
General expenses	€	563,997	€	75,551
Wages and salaries		208,096		232,823
Management fees		139,300		64,420
Social security charges		103,275		114,236
Pension costs		69,988		76,088
Depreciation and amortization		66,513		65,685
Freight costs		30,039		42,366
Office expense		28,768		13,599
Other personnel expenses		14,821		5,919
Lease expense		10,320		11,144
Accommodation expenses		7,372		6,160
Car expenses		6,827		2,541
Operating costs		2,998		3,254
Total	€	1,252,314	€	713,786

19.4 Wages and Salaries

		2022		2021
Wages and salaries				
Gross wages	€	618,738	€	677,084
Movement of holiday bonus liability		49,163		11,667
Payroll R&D tax credits		(132,595)		(178,799)
Capitalized R&D costs		(327,210)		(277,129)
	€	208,096	€	232,823

19.5 Social Security Charges

		2022		2021
Industrial Insurance board	€	100,877	€	109,745
Contribution health insurance		2,398		4,491

	2022	2021
	€ 103,275	€ 114,236

19.6General Expenses

	2022	2021
Consultancy fees	€ 260,494	€ 38,520
Accounting costs	231,943	10,428
Automation costs	31,254	15,692
Fines, costs and charges	11,905	16
Notarial charges	6,773	2,691
Insurance	2,600	2,848
Other general expenses	19,028	5,356
Total	€ 563,997	€ 75,551

20. Other Income and Expense

	2022	2021
EIC subsidy	€ 776,910	€ 672,257
Other subsidies	136,370	26,136
Change in fair value of warrant liabilities	(2,635,779)	-
Change in fair value of convertible notes payable	(180,371)	-
Total other income (expense), net	€ (1,902,870)	€ 698,393

21. Government Grants

RanMarine received a grant from the European Commission, European Innovation Council ("EIC") in October 2020. It is a 24-month duration with a 70% reimbursement rate. The final amount to be received has been set at €1,508,296. The Company received the remaining amount of €191,475 in March 2023.

	Funds Received	Funds Spent	Funds To be received	Total
Cost or valuation				
At January 1, 2021	€ 873,892	€ 81,137	€ -	€ 792,755
Activity	476,669	738,495	-	(261,826)
At December 31, 2021	1,350,561	819,632	-	530,929
Activity/Funds received		722,404	191,475	(530,929)
At December 31, 2022	€1,350,561	€1,542,036	€ 191,475	€ -

RanMarine was rewarded an Emergency Bridging Measure for Job Opportunities ("NOW") wage subsidy from the Dutch government for COVID-19 emergency funding. The NOW program provides that business that suffer at least a 20% loss in their revenue over a 3-month period will receive a subsidy of up to 90% of their wage cost, in proportion to the fall in revenue. RanMarine was awarded €37,438 in 2021 and €57,452 in 2022.

WBSO (Wet Bevordering Speur-en Ontwikkelingswerk) is a tax compensation for R&D activities from the Dutch government. This credit can be as high as 40%, which allows for savings on payroll tax payments. For 2022 RanMarine received €132,595 (2021: €141,361). The full amount of granted WBSO is being fully utilized in the respective years.

RanMarine has received an amount of €78,827 of other Dutch governmental grants for various projects.

22. Key Management Personnel Compensation

Related persons as defined by IAS 24 ("Related Party Disclosures") are persons who, by virtue of their positions, are responsible for the operations of RanMarine. The executive management team consist of the Chief Executive Officer and the Chief Operating Officer. They have the authority and responsibility for planning, directing, and controlling operating activities. The executive management personnel are compensated through employee wages. There is no additional compensation structure in place.

23. Financial Instruments and Financial Risk Management

23.1 Financial instruments – Trade payables, tax, remuneration, social security, other accounts payable including liability accruals are valued at nominal value. Financial assets and financial liabilities are recognized at their fair value initially. Transaction expenses for assets and liabilities are also included in the initial fair value measurement. Using the effective interest rate method, financial liabilities are measured at amortized cost after the initial recognition

23.2 Financial risk management – Management has the overall responsibility to establish and oversee RanMarine's financial risk management. Financial risk management policies are established to identify and analyze the risks faced by RanMarine, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and RanMarine's activities. Through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

24. Subsequent Events

24.1 Subsequent to December 31, 2022, the Company issued additional loans totaling €1,670,688. The bridge loans have similar terms and conditions to the Convertible Notes discussed above.

24.2 Management of the Company has evaluated all events and transactions that occurred subsequent to December 31, 2022 through the date the accompanying financial statements were available to be issued for possible recognition or disclosure. Except for the events described above under Note 24.1, there were no other subsequent events that required recognition or disclosure.

25. Proposed appropriation of the result for 2022

25.1 If the general meeting of shareholders accepts this proposal, the loss of € 3.2 million, will be added to the other reserves.

Signatories to the 2022 Annual Report:

The Board of Directors
Galileistraat 15, 3029 AL Rotterdam, Netherlands, 9 August 2023

Michael E Foss

______________ Michael Foss

_____________________ Richard Hardiman

Anton Hemelaar

__________________ Anton Hemelaar