

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM C-AR

UNDER THE SECURITIES ACT OF 1933

(Mark one.)

- Form C: Offering Statement
- Form C-U: Progress Update
- Form C/A: Amendment to Offering Statement
  - Check box if Amendment is material and investors must reconfirm within five business days.
- Form C-AR: Annual Report
- Form C-AR/A: Amendment to Annual Report
- Form C-TR: Termination of Reporting

***Name of issuer***

Oscilla Power, Inc.

***Legal status of issuer***

***Form***

Corporation

***Jurisdiction of Incorporation/Organization***

Delaware

***Date of organization***

August 6, 2009

***Physical address of issuer***

4240 Gilman Place West, Unit C, Seattle, Washington 98199

***Website of issuer***

www.oscillapower.com

***Current number of employees***

11

	<b>Most recent fiscal year-end December 31, 2022</b>	<b>Most recent fiscal year-end December 31, 2021</b>
<b>Total Assets</b>	\$622,922	\$319,503
<b>Cash &amp; Cash Equivalents</b>	\$203,358	\$41,925
<b>Accounts Receivable</b>	\$211,552	\$132,116
<b>Short-term Debt</b>	\$977,327	\$622,907
<b>Long-term Debt</b>	\$855,377	\$956,172
<b>Revenues</b>	\$63,515	\$46,160
<b>Cost of Goods Sold</b>	\$0	\$0
<b>Taxes Paid</b>	\$0	\$0
<b>Net Income</b>	-\$328,117	-\$1,077,283

May 21, 2025

FORM C-AR: Annual Report

Oscilla Power, Inc.



ANNUAL REPORT FOR THE FISCAL YEAR ENDED  
December 31, 2022

This Form C-AR (including the cover page and all exhibits attached hereto, the “Form C-AR”) is being furnished by Oscilla Power, Inc., a Delaware corporation (the “Company,” as well as references to “we,” “us,” or “our”) for the sole purpose of providing certain information about the Crowd Notes and common stock offered and sold by the Company pursuant to Regulation Crowdfunding (“Reg. CF”) under the Securities Act of 1933, as amended, for the fiscal year ended December 31, 2022. A copy of this report may be found on the company’s website at [www.oscillapower.com](http://www.oscillapower.com).

From July 13, 2021 to August 29, 2022, the Company completed a raise on the Start Engine portal. During fiscal year 2022, in combination with prior raise amounts, the Company raised 624,163.32 on the StartEngine portal through sale of common stock before offering expenses through a Reg CF offering as described in a previously filed Form C dated as of July 13, 2021, and subsequently updated through the filings of Form C/A from July 13, 2021 through July 26, 2022.

The Company had previously raised \$855,377 (before offering expenses) from investors through the sale of its Crowd Notes on the Microventures portal in its Regulation CF offering described in the previously filed Form C, dated July 1, 2020, as amended, its Regulation CF offering described in the previously filed Form C, dated December 23, 2020, and the Form C-AR filed on April 28, 2022. The offering for the previously filed Form C, dated December 23, 2020, did not close any sales prior to the end of fiscal year 2020, and, as a result, none of those figures are included in the amount raised above. Prior to this raise, we conducted a private placement and issued and sold convertible notes with an aggregate principal amount of \$640,000 during the period from May 2016 through May 2021 (collectively, the “Convertible Notes”). The Convertible Notes converted into shares of Series 4 Preferred Stock on June 25, 2021.

**No federal or state securities commission or regulatory authority has passed upon the accuracy or adequacy of this document. No federal or state securities commission or regulatory authority has recommended or approved the securities. The U.S. Securities and Exchange Commission (“SEC”) does not pass upon the accuracy or completeness of any disclosure document or literature. The Company is filing this Form C-AR pursuant to Regulation CF (§ 227.100 et seq.) which requires that it must file a report with the Commission annually and post the report on its website at [www.oscillapower.com](http://www.oscillapower.com) no later than 120 days after the end of each fiscal year covered by the report. The Company may terminate its reporting obligations in the future in accordance with Rule 202(b) of Regulation CF (§ 227.202(b)) by 1) being required to file reports under Section 13(a) or Section 15(d) of the Exchange Act of 1934, as amended, 2) filing at least one annual report pursuant to Regulation CF and having fewer than 300 holders of record, 3) filing annual reports for three years pursuant to Regulation CF and having assets equal to or less than \$10,000,000, 4) the repurchase of all the Securities sold in this Offering by the Company or another party, or 5) the liquidation or dissolution of the Company.**

The date of this Form C-AR is May 21, 2025.

THIS FORM C-AR DOES NOT CONSTITUTE AN OFFER TO PURCHASE OR SELL SECURITIES.

### **Forward Looking Statement Disclosure**

*This Form C-AR and any documents incorporated by reference herein or therein contain forward-looking statements and are subject to risks and uncertainties. All statements other than statements of historical fact or relating to present facts or current conditions included in this Form C-AR are forward-looking statements. Forward-looking statements give the Company's current reasonable expectations and projections relating to its financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "anticipate," "estimate," "expect," "project," "plan," "intend," "believe," "may," "should," "can have," "likely" and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events.*

*The forward-looking statements contained in this Form C-AR and any documents incorporated by reference herein or therein are based on reasonable assumptions the Company has made in light of its industry experience, perceptions of historical trends, current conditions, expected future developments and other factors it believes are appropriate under the circumstances. As you read and consider this Form C-AR, you should understand that these statements are not guarantees of performance or results. They involve risks, uncertainties (many of which are beyond the Company's control) and assumptions. Although the Company believes that these forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect its actual operating and financial performance and cause its performance to differ materially from the performance anticipated in the forward-looking statements. Should one or more of these risks or uncertainties materialize, or should any of these assumptions prove incorrect or change, the Company's actual operating and financial performance may vary in material respects from the performance projected in these forward-looking statements.*

*Any forward-looking statement made by the Company in this Form C-AR or any documents incorporated by reference herein or therein speaks only as of the date of this Form C-AR. Factors or events that could cause our actual operating and financial performance to differ may emerge from time to time, and it is not possible for the Company to predict all of them. The Company undertakes no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.*

### **About this Form C-AR**

You should rely only on the information contained in this Form C-AR. We have not authorized anyone to provide you with information different from that contained in this Form C-AR. We have sold Securities only in jurisdictions where offers and sales are permitted. You should assume that the information contained in this Form C-AR is accurate only as of the date of this Form C-AR, regardless of the time of delivery of this Form C-AR. Our business, financial condition, results of operations, and prospects may have changed since that date.

Statements contained herein as to the content of any agreements or other document are summaries and, therefore, are necessarily selective and incomplete and are qualified in their entirety by the actual agreements or other documents.

### **BUSINESS DESCRIPTION**

Oscilla Power, Inc, referred to herein as "Oscilla Power" or the "Company," is a Delaware corporation, formed on August 6, 2009. The Company was originally incorporated as HSR, Inc. and changed its name to "Oscilla Power, Inc." on September 22, 2009.

The Company is located at 4240 Gilman Place West, Unit C, Seattle, Washington 98199.

The Company's website is [www.oscillapower.com](http://www.oscillapower.com).

The information available on or through our website is not a part of this Form C-AR.

### **Description of the Business**

Oscilla Power is a commercial-scale ocean wave energy device developer. The Company's mission is focused on developing a low-cost wave energy converter to unlock the renewable energy potential of the world's oceans. The

Company is currently completing product development activities for two commercial ocean wave energy devices, the utility-scale 1MW (1 megawatt) rated Triton system, and a community-scale 100kW (100 kilowatt) rated Triton-C system, as well as some smaller scale systems for targeted applications. After product development is completed and these systems are demonstrated in ocean testing, Oscilla Power aims to transition into an equipment manufacturer to supply wave energy converters to energy project developers, utilities or independent power projects.

## **Business Plan**

We aim to ultimately bring our commercial-scale ocean wave energy device to market by utilizing an existing supplier of utility-scale power generation equipment such as General Electric Company, Siemens AG, or one of their competitors. As is currently done for utility-scale wind and solar projects, we believe that our systems will be sold to project developers, independent power producers (IPP), and electric utilities. Projects ultimately involving equipment sale to an IPP or utility will often involve the early establishment of rights and obligations between the wave energy converter supplier and a project developer.

Our ultimate target customer is the electric utility. Given the high cost of electric transmission, we are particularly focused on coastal utilities. Key coastal utilities in California, Oregon, Washington, Hawaii and India are our target early-adopters. We believe these areas represent a promising combination of wave energy density and gross demand for electricity in the United States. Electric utilities on the East Coast, near the Gulf of Mexico, Alaska and Western Europe are also potential customers for the Triton WEC.

## **History of the Business**

### **The Company's Products and/or Services**

We are in advanced product development for three products: our Triton utility-scale 1MW rated wave energy converter, the 100kW rated Triton-C and the 100 W Microtriton. All these products focus on harnessing the power from ocean waves into useable energy for consumers and communities.

### **Competitors and Industry**

According to Verified Market Research, the global wave energy market was project to exceed \$200 million by 2030, growing at a CAGR of 16.99% from 2023 to 2030. Wave energy can be an excellent complementary resource to existing renewable energy sources such as solar and wind.

Nearly half the world's population lives near a coastline, and there is over 20,000 terra-watt hours of annual average wave power incident on the world's coastlines, making it an outstanding potential resource that is adjacent to locations of high demand. Outside the U.S., key target geographies for Triton's commercialization include India, the U.K., Portugal, Canada, Japan, South Africa, Australia, and New Zealand. The U.K. is generally seen as a world leader when it comes to wave energy; the UK Government's Marine Energy Programme has established a set of policies across government agencies to try and enable industry to move to commercial deployment within five years by providing reasonable strike prices in the range of 30c/kWh for initial plants as part of the contracts for difference (CID) program. There are test sites available for validating full-scale systems such as the European Marine Energy Centre funded by the Scottish Government, Highlands and Islands Enterprise, The Carbon Trust, UK Government, Scottish Enterprise, the European Union and Orkney Islands Council.

The Company's primary competitors are wave energy technology developers such as Carnegie Clean Energy, Wello, CorPower Ocean, OceanEnergy, and Calwave. While ocean wave energy is a nascent market, Oscilla Power is among a handful of leading developers whose products can potentially deliver electric power at prices competitive with other renewable sources, especially when coupled with energy storage, and make inroads into the high potential ocean wave energy market. The competitive landscape is rapidly evolving.

### **Current Stage and Roadmap**

#### *Current Stage*

We are in advanced product development for two products: our Triton utility-scale 1MW rated wave energy converter and the 100kW rated Triton-C. Both products focus on harnessing the power from ocean waves into useable energy for consumers and communities. We are currently involved with developing detailed designs of two variants of the utility-scale 1-MW Triton system for deployment at the PACWAVE site in Oregon and on the west coast of India. A

prototype of the 100 kW-rated Triton C has now been constructed and is currently in the water in Hawaii awaiting deployment at a pre-permitted site for testing and validation. In addition, we have early development projects underway to look at very small-scale devices that can produce milli-watts to 100s of Watts of power, either as self-standing devices or integrated into other marine systems.

We are currently in a product development phase and receive funding from the U.S. Department of Energy and the State of Washington, based on a competitive grants process. Our eventual target customers for our utility-scale systems after we transition to become an energy equipment supplier will be project developers, electric utilities, and independent power providers.

### *Future Roadmap*

The funds from the StartEngine Regulation Crowdfunding offering will be used to help us achieve a key milestone for the company, namely the construction and demonstration of the first commercial-scale 1 Mega-Watt system in India (estimated completion of detailed design in 2023, and construction beginning in 2024).

Additional future milestones include:

1. Demonstration of utility-scale systems in Western Europe and the US West Coast.
2. Establishing manufacturing capacity for manufacturing equipment for 50-100 MW wave farms.
3. Securing sales orders for larger 30-100 MW plants.

### **Customer Base**

We are currently in a product development phase and receive funding from the U.S. Department of Energy and the State of Washington, based on a competitive grants process. Our eventual target customers after we transition to become an energy equipment supplier will be project developers, electric utilities, and independent power providers.

The Company is dependent on the following customers:

<b>Customer or Description</b>	<b>Service/product provided</b>	<b>Percent revenue (2022)</b>
U.S. Department of Energy	R&D/Product Development	90.60%
State of Washington Dept of Commerce	R&D/Product Development	9.4%

### **INTELLECTUAL PROPERTY**

#### *Patents*

A list of Oscilla Power’s patents is provided below. Note that design evolution over time has led to some of the earlier patents, specifically related to magnetostriction, no longer being used in the current designs of the Triton systems.

<b>Application or Registration #</b>	<b>Title</b>	<b>Description</b>	<b>File Date</b>	<b>Grant Date</b>	<b>County</b>
US16/996,001 (US 2021/0033061 A1)	Survivability of Wave Energy Convertors	A wave energy conversion (WEC) system includes a float body, a heave plate, a tether, and a controller. The tether couples the heave plate to the float body. The controller controls the tether between survivability modes. Each survivability mode adjusts a tension and/or length of the tether.	8/18/2020	N/A	US

Application or Registration #	Title	Description	File Date	Grant Date	County
US 11293398 B2	Drivetrain for a Wave Energy Converter	An apparatus, system, and method are disclosed for WEC system for a wave energy converter. The system includes a buoyant object, a reaction body and a line coupling the reaction body and the buoyant object. The system further includes a drivetrain coupled to one of the buoyant object or reaction body. The drivetrain includes a sheave coupled to one of the buoyant object or reaction body and an actuator coupled to the sheave. The line is coupled to the sheave, wherein movement of the buoyant object relative to the reaction body applies a force to the sheave. The force on the sheave drives the actuator, wherein the actuator is configured to apply a spring force. <i>*Patent pending in AU, EPO, IN*</i>	6/8/2020	4/5/2022	US
US17/678,899 (US 2022/0252038 A1)	Drivetrain for a Wave Energy Converter	An apparatus, system, and method are disclosed for WEC system for a wave energy converter. The system includes a buoyant object, a reaction body and a line coupling the reaction body and the buoyant object. The system further includes a drivetrain coupled to one of the buoyant object or reaction body. The drivetrain includes a sheave coupled to one of the buoyant object or reaction body and an actuator coupled to the sheave. The line is coupled to the sheave, wherein movement of the buoyant object relative to the reaction body applies a force to the sheave. The force on the sheave drives the actuator, wherein the actuator is configured to apply a spring force.	2/23/2022	Pending	US
US 10767617 B2	Survivability of Wave Energy Convertors	A wave energy conversion (WEC) system includes a float body, a heave plate, a tether, and a controller. The tether couples the heave plate to the float body. The controller controls the tether between survivability modes. Each survivability mode adjusts a tension and/or length of the tether.	4/30/2019	9/8/2020	US
GB2575705A	Improved Survivability of Wave Energy Convertors	A wave energy conversion (WEC) system includes a float body 102 coupled to a heave plate (water anchor) 104 by a flexible tether 106. A controller controls the tether 106 between survivability modes by adjusting a tension and/or length of the tether. By lifting the heave plate 104 closer to the float 102, the relative water particle velocities reduce, thereby reducing the loading on the system. For extreme conditions, the heave plate may be mated with the surface float with winches to prevent relative movement. The surface	4/30/2019	3/2/2022	International

Application or Registration #	Title	Description	File Date	Grant Date	County
		float may be submerged for storm avoidance.			
GB2604030A	Improved Survivability of Wave Energy Convertors	A wave energy conversion (WEC) system includes a float body 102 comprising one or more ballast chambers, coupled to a reaction structure 104 by a flexible tether 106. A controller controls the tether 106 between survivability modes by adjusting a tension and/or length of the tether. By lifting the heave plate 104 closer to the float 102, the relative water particle velocities reduce, thereby reducing the loading on the system. For extreme conditions, the heave plate may be mated with the surface float with winches to prevent relative movement. The surface float may be submerged for storm avoidance.	4/30/2019	12/14/2022	International
US 11028818 B2	Wave Energy Conversion of Horizontal Surge Motion	A system converts mechanical wave energy into electrical energy. The system includes a wave energy converter (WEC), which includes a surface float, a reaction structure, a plurality of flexible tethers, and a plurality of drivetrains. Each flexible tether connects the surface float to the reaction structure. Each drivetrain is connected to a corresponding flexible tether. Each flexible tether has a length established to treat the system as an inverse pendulum to utilize a horizontal surge motion of the surface float to present tension at the corresponding drivetrain for production of electrical energy from the horizontal surge motion.	4/27/2018	6/8/2021	US
US17/319,277 (US 2021/0262430 A1)	Wave Energy Conversion of Horizontal Surge Motion	A system converts mechanical wave energy into electrical energy. The system includes a wave energy converter (WEC), which includes a surface float, a reaction structure, a plurality of flexible tethers, and a plurality of drivetrains. Each flexible tether connects the surface float to the reaction structure. Each drivetrain is connected to a corresponding flexible tether. Each flexible tether has a length established to treat the system as an inverse pendulum to utilize a horizontal surge motion of the surface float to present tension at the corresponding drivetrain for production of electrical energy from the horizontal surge motion.	5/13/2021	Pending	US
US 10,145,354 B2	Fluid Power Gearbox and Drivetrain for a Wave Energy Converter	An apparatus, system, and method are disclosed for power transfer system for a wave energy converter. The system includes a plurality of hydraulic cylinders including a first cluster of input cylinders and a second cluster of output cylinders.	8/11/2017	12/4/2018	US

Application or Registration #	Title	Description	File Date	Grant Date	County
		The input cylinders are coupled to an underwater structure and are configured to receive an input force from a relative motion between a buoy housing and the underwater structure. The output cylinders are configured to transfer an output force to an electric generator. The power transfer system further includes a hydraulic connection between the input cylinders and the output cylinders. The hydraulic connection is configurable to switch a portion of the hydraulic cylinders into and out of the hydraulic connection between the input cylinders and the output cylinders.			
US 10,352,291 B2	Power Take Off System for Wave Energy Converter	A device for generating electrical energy from mechanical motion includes a surface float and at least one force modifier disposed at least partially within the interior of the surface float, the force modifier to receive an input force at a pumping cylinder and apply a modified force to a generator through a driving cylinder. The pumping cylinder or the driving cylinder is a tandem cylinder. <i>*Also patented in GB*</i>	9/16/2016	7/16/2019	US
US 9,941,820 B2	Force Modification System for Wave Energy Convertors	A device for generating electrical energy from mechanical motion includes a buoy housing and at least one force modifier disposed at least partially within the interior of the buoy housing. The force modifier receives an input force and applies a modified force to another component. The force modifier includes a hydraulic system and the hydraulic system includes a first hydraulic piston having a first area and a second hydraulic piston having a second area, where the first area and the second area are not equal.	8/5/2016	4/10/2018	US
US 10,393,089 B2	Improved Wave Energy Converter	A wave energy converter includes a surface float including a non-axisymmetric profile, a reaction plate configured to be submerged below a water surface, and more than one flexible tether, each mechanically coupled to both the surface float and the reaction plate, the reaction plate having a moment of inertia in pitch and roll greater than a moment of inertia in pitch and roll of the surface float. <i>*Also patented in IN, GB*</i>	7/22/2016	8/27/2019	US
US 9,656,728 B2	Method for Deploying and Recovering a Wave Energy Converter	A system for transporting a buoy and a heave plate. The system includes a buoy and a heave plate. An outer surface of the buoy has a first geometrical shape. A surface of the heave plate has a geometrical shape complementary to the first geometrical shape of the buoy. The	7/24/2015	5/23/2017	US

Application or Registration #	Title	Description	File Date	Grant Date	County
		complementary shapes of the buoy and the heave plate facilitate coupling of the heave plate to the outer surface of the buoy in a transport mode. <i>*Also patented in FR, GB, IT*</i>			
US 9,431,928 B2	Power Production in a Completed Well Using Magnetostrictive Materials	A device for generating electrical energy from mechanical motion includes a magnetostrictive generator configured to be mechanically coupled to a power conveyance path in a well bore. The power conveyance path is configured to experience an axial force change, and the magnetostrictive generator includes at least one magnetostrictive element that experiences a corresponding force change that results in a change in magnetic permeability in the at least one magnetostrictive element resulting, and is configured to experience a change in magnetic flux in a least one component that is electromagnetically coupled to at least one conductive coil, and the conductive coil is configured to generate electricity due to these magnetic flux changes.	11/6/2014	8/3/2016	US
US 9,438,138 B2	Magnetostrictive Devices and Systems	The device generates electrical energy from mechanical motion. The device includes at least one magnetostrictive element and at least one force modifier. The force modifier is coupled to the magnetostrictive element. The force modifier receives an input force and applies a modified force to the magnetostrictive element.	2/14/2014	9/6/2016	US
US 9,634,234 B2	Downhole Energy Harvesting Method and Device	A device generates electrical energy from mechanical motion in a downhole environment. The device includes a magnetostrictive element and an electrically conductive coil. The magnetostrictive element has a first end and a second end. The first and second ends are coupled between a rotor and a bearing. The magnetostrictive element is configured to experience axial strain in response to radial movement of at least one of the rotor or the bearing with reference to the other. The electrically conductive coil is disposed in proximity to the magnetostrictive element. The coil is configured to generate an electrical current in response to a change in flux density of the magnetostrictive element.	12/18/2013	4/25/2017	US
US 9,634,233 B2	Axial Loading for Magnetostrictive Power Generation	A device generates electrical energy from mechanical motion in a downhole environment. The device includes a magnetostrictive element and an electrically conductive coil. The	7/5/2013	4/25/2017	US

Application or Registration #	Title	Description	File Date	Grant Date	County
		magnetostrictive element has a first end and a second end. The first and second ends are coupled between two connectors. The magnetostrictive element is configured to experience axial strain in response to radial movement of at least one of the connectors relative to the other connector. The electrically conductive coil is disposed in proximity to the magnetostrictive element. The coil is configured to generate an electrical current in response to a change in flux density of the magnetostrictive element.			
US 9,065,045 B2	Apparatus for Harvesting Electrical Power from Mechanical Energy	An apparatus for harvesting electrical power from mechanical energy is described. The apparatus includes: a flux path. The flux path includes: a magnetic material having a magnetic property that is a function of stress on the magnetic material; a first magnetically conductive material proximate the magnetic material; a magnet in the flux path, wherein a magnetomotive force of the magnet causes magnetic flux; and a component configured to transfer changes in load caused by an external source to the magnetic material.	7/3/2012	6/23/2015	US
US 8,212,436 B2	Apparatus for Harvesting Electrical Power from Mechanical Energy	An apparatus for harvesting electrical power from mechanical energy is described. The apparatus includes: a flux path. The flux path includes: a magnetic material having a magnetic property that is a function of stress on the magnetic material; a first magnetically conductive material proximate the magnetic material; a magnet in the flux path, wherein a magnetomotive force of the magnet causes magnetic flux; and a component configured to transfer changes in load caused by an external source to the magnetic material. <i>*Also patented in Japan*</i>	1/28/2011	7/3/2012	US
US 8,890,376 B2	Energy Harvesting Methods and Devices, and Applications Thereof	An apparatus harvests electrical power from mechanical energy. The apparatus includes first and second load-bearing structures, a plurality of magnetostrictive elements, and an electrical circuit or coil. The load-bearing structures experience a force from an external source. The magnetostrictive elements are arranged between the load-bearing structures. The load-bearing structures transfer at least a portion of the force to at least one of the magnetostrictive elements. In this way, at least one of the magnetostrictive elements experiences the force transferred from the load-bearing structures. The force on the	1/30/2012	11/18/2014	US

Application or Registration #	Title	Description	File Date	Grant Date	County
		magnetostrictive element causes a change in magnetic flux of the magnetostrictive element. The electrical circuit or coil is disposed within a vicinity of the magnetostrictive element which experiences the force. The electrical circuit or coil generates electric power in response to the change in the magnetic flux of the magnetostrictive element.			
US 9,130,161 B2	Vibration Energy Harvesting Apparatus	An apparatus for harvesting energy is described. The apparatus includes a vibration component and a moving mass. The vibration component has a first and second end and further includes a magnetostrictive material. The vibration component further includes a conduction coil wrapped around the magnetostrictive material. The moving mass is coupled to the second end of the vibration assembly. The mass is configured to move in an oscillating path in response to forces acting on the vibration energy harvesting apparatus, inducing strain on the magnetostrictive material. The strain on the magnetostrictive material changes a magnetic property of the magnetostrictive material, inducing electrical energy in the conduction coil wrapped around the magnetostrictive material. Other embodiments of the apparatus are also described.	12/21/2011	9/8/2015	US
US17/319,040 (US 2021/0355906 A1)	Compact Power Take-Out for Wave Power Systems	A system includes a float including a drivetrain, a reaction structure coupled to the drivetrain by a tendon, and an extension spring having a first end coupled to a fixed point on the tendon and a second end configured to be disposed at a fixed location relative to the drivetrain. The extension spring is configured to experience an elastic force in response to tension on the first end of the extension spring away from the drivetrain. <i>*Also pending in GB*</i>	5/12/2021	Pending	US
US17/403,836 (US 2022/0047883 A1)	Applications of Ocean Wave Energy Convertors	A system for production of desalinated water includes a wave energy convertor for conversion of mechanical energy from ocean waves into electricity and mechanical energy in the form of a salt-water stream. The system further includes a desalination unit coupled to the wave energy convertor. The system further includes an electrical connection from the wave energy convertor to the desalination unit, configured to supply the electricity to the desalination unit. The system further includes a conduit to supply the salt-water stream produced by the wave energy	8/16/2021	Pending	US

Application or Registration #	Title	Description	File Date	Grant Date	County
		converter to the desalination unit, wherein the desalination unit is configured to produce desalinated water.			
US17/319,036 (US 2021/0354799 A1)	Systems and Methods for Integrated Wave Power Charging for Ocean	A system includes an unmanned underwater vehicle (UUV), a reaction structure configured to deploy from a body of the UUV, and one or more tendons connecting the reaction structure to the body of the UUV, wherein the reaction structure deploys at a depth below the body of the UUV. The system further includes one or more power take-out (PTO) units coupled to or between the reaction structure and the UUV. The system further includes a control unit coupled to the one or more PTO units to convert energy from waves on a surface of a body of water for use in other systems within the UUV. <i>*Also pending in GB*</i>	5/12/2021	Pending	US
US17/943,187 (US 2023/0094604 A1)	Power Dissipation in Wave Energy Converter Systems	A wave energy converter (WEC) system includes a float, a drivetrain, a reaction structure coupled to the drivetrain by at least one tendon, and a power dissipation system coupled to the drivetrain. The power dissipation system is configured to manage peak loads in the WEC system by dissipating peak energy spikes caused by relative movement of the reaction structure and the float. <i>*Also pending for PCT*</i>	9/12/2022	Pending	US
AU 2013280346 B2	Magnetostrictive Wave Energy Harvester with Heave Plate	A device for generating electricity includes a buoyant structure, a heave plate, at least one load carrying structure that is mechanically coupled to both the buoyant structure and the heave plate, and at least one magnetostrictive element. The magnetostrictive element is configured to experience force changes applied by the load carrying structure caused by hydrodynamic forces acting on the device.	6/26/2013	3/23/2017	International

## GOVERNMENTAL/REGULATORY APPROVAL AND COMPLIANCE

In our current stage, we are not subject to any specific regulations beyond the broader laws and regulations affecting any Delaware-based business or any small business with operations in the State of Washington. In the performance of particular grants and contracts, we are subject to the terms of the specific contracts that we have put in place with the US Department of Energy (“DOE”) or the State of Washington Department of Commerce, including the Federal Acquisition Regulations (“FARs”) that are provided as attachments to the DOE contracts.

## LEGAL PROCEEDINGS

There was a lawsuit filed by an individual in Michigan state court against the Company and forty-one other persons and entities, most of whom are not related to the Company, or about January 23, 2023, arising out of the Company’s participation in the 2016 Wave Energy Prize competition conducted by United States Department of Energy. Based on our review of this matter with counsel, it is our opinion that the case has no legal merit. Our counsel has filed a motion to summarily dispose of this matter. The United States Attorney General has successfully petitioned to remove

this entire case to the Federal District Court. We have been advised by our counsel that the motion we filed to summarily dismiss this matter will most likely now be heard in federal court, but if not, it will be refiled as appropriate for hearing in the federal court proceedings. We are advised that, in the event the motion to dismiss is not granted, there are several other defenses that will be asserted to the spurious claims asserted in the complaint, and we intend to vigorously defend the Company and Company related individuals as appropriate.

Other than as described above, there are no existing legal suits pending, or to the Company’s knowledge, threatened, against the Company.

**OTHER**

The Company’s principal address is 4240 Gilman Place West, Unit C, Seattle, Washington 98199.

The Company conducts business in Washington, Utah, Scotland, and India.

**DIRECTORS, OFFICERS AND EMPLOYEES**

**Directors & Officers**

The directors or managers and officers of the Company are listed below along with all positions and offices held at the Company and their principal occupation and employment responsibilities for the past three (3) years and their educational background and qualifications.

Name	Oscilla Power Positions & Offices	Employment Responsibilities	Education & Qualifications
Rahul Shendure	Jan 2018 - Present Chairman of the Board  Aug 2009 - June 2020 Treasurer & Secretary  Aug 2009 - Dec 2017 CEO	Oscilla Power, Inc. Provides executive and leadership direction to the Board, facilitates development of strategic initiatives of the Company, assists in strategic decision making and determining the composition and compensation for the executive team.  Jan 2018 - Present Chairman of the Board  Aug 2009 - May 2020 Treasurer & Secretary  Aug 2009 - Dec 2017 Chief Executive Officer  CarbonBuilt, Inc. Business and strategic leadership, general management, fundraising.  Nov 2020 – Present Chief Executive Officer & Director  Bellwether Bio, Inc. Oversee company strategy Jan 2016 – Apr 2019 Chief Executive Officer	MBA - Harvard Business School  BS, Chemical Engineering - Massachusetts Institute of Technology
Balakrishnan Nair	June 2020 - Present Treasurer & Secretary  Aug 2009 – April 2021 President & CTO	Oscilla Power, Inc. Provides executive and leadership direction to the Board, facilitates development of strategic initiatives of the Company, assists in strategic	MBA - University of Utah  Ph.D. in Materials Science - the University of Wisconsin, Madison

	April 2021 – Present President & CEO	<p>decision making and determining the composition and compensation for the executive team.</p> <p>Hifunda LLC Board level business oversight for HiFunda and its affiliate Solution Spray Technologies LLC and supporting management.</p> <p>Jul 2008—Present Board Chairman (previously President)</p>	Bachelor of Technology, Metallurgical Engineering - Indian Institute of Technology
Rick Luebbe	Feb 2015 - Present Director	<p>Oscilla Power, Inc. Provides executive and leadership direction to the Board, facilitates development of strategic initiatives of the Company, assists in strategic decision making and determining the composition and compensation for the executive team.</p> <p>Group14 Technologies Oversee strategic and operation vision for company</p> <p>Jan 2016 - Present Chief Executive Officer &amp; Founder</p> <p>EnerG2 Managing overall company operations. Jan 2003- Oct 2018 Chief Executive Officer &amp; Co-Founder</p>	<p>MBA - Stanford University</p> <p>BA, Biology - Cornell University</p>
Kristin Martinez	Jan 2012 - Present Director	<p>Oscilla Power, Inc. Provides executive and leadership direction to the Board, facilitates development of strategic initiatives of the Company, assists in strategic decision making and determining the composition and compensation for the executive team.</p> <p>Jan 2012 - Present Director</p> <p>OneEnergy Renewables Senior Advisor Oct 2013 - Sept 2021 Chief Financial Officer Oversaw financial operations at the solar energy development company.</p> <p>October 2013 – September 2021 Sound Point Ventures LLC Managing overall company strategy and operations. January 1998 – Present Founder</p>	<p>MBA - George Washington University</p> <p>BS, Financial Analysis - Boston University</p>

## ***Indemnification***

Indemnification is authorized by the Company to directors, officers or controlling persons acting in their professional capacity pursuant to Delaware law. Indemnification includes expenses such as attorney's fees and, in certain circumstances, judgments, fines and settlement amounts actually paid or incurred in connection with actual or threatened actions, suits or proceedings involving such person, except in certain circumstances where a person is adjudged to be guilty of gross negligence or willful misconduct, unless a court of competent jurisdiction determines that such indemnification is fair and reasonable under the circumstances.

## **EMPLOYEES**

As of the date of this Form C-AR, the Company currently has 11 employees in Washington and Utah.

## **RISK FACTORS**

### **Risks Related to the Company's Business and Industry**

#### ***Our business projections are only projections.***

There can be no assurance that the Company will meet our projections. There can be no assurance that the Company will be able to find sufficient demand for our product, that people think it's a better option than a competing product, or that we will be able to provide the service at a level that allows the Company to make a profit and still attract business.

#### ***Any valuation at this stage is difficult to assess.***

The valuation for the offering was established by the Company. Unlike listed companies that are valued publicly through market-driven stock prices, the valuation of private companies, especially startups, is difficult to assess and you may risk overpaying for your investment.

#### ***The transferability of the Securities you are buying is limited***

Any Common Stock purchased through this crowdfunding campaign is subject to SEC limitations of transfer. This means that the stock that you purchase cannot be resold for a period of one year. The exception to this rule is if you are transferring the stock back to the Company, to an "accredited investor," as part of an offering registered with the Commission, to a member of your family, trust created for the benefit of your family, or in connection with your death or divorce.

#### ***Your investment could be illiquid for a long time***

You should be prepared to hold this investment for several years or longer. For the 12 months following your investment there will be restrictions on how you can resell the securities you receive. More importantly, there is no established market for these securities and there may never be one. As a result, if you decide to sell these securities in the future, you may not be able to find a buyer. The Company may be acquired by an existing player in the industry. However, that may never happen or it may happen at a price that results in you losing money on this investment.

#### ***We may never have an operational product or service***

It is possible that there may never be an operational Triton or that the product may never be used to engage in transactions. It is possible that the failure to release the product is the result of a change in business model upon Company's making a determination that the business model, or some other factor, will not be in the best interest of Company and its stockholders/members/creditors.

#### ***Some of our products are still in prototype phase and might never be operational products***

It is possible that there may never be an operational product or that the product may never be used to engage in transactions. It is possible that the failure to release the product is the result of a change in business model upon the Company's making a determination that the business model, or some other factor, will not be in the best interest of the Company and its stockholders.

#### ***Developing new products and technologies entails significant risks and uncertainties.***

We are currently in the research and development stage and have only manufactured a prototype for our Triton System. Delays or cost overruns in the development of our Triton system and failure of the product to meet our performance estimates may be caused by, among other things, unanticipated technological hurdles, difficulties in manufacturing, changes to design and regulatory hurdles. Any of these events could materially and adversely affect our operating performance and results of operations.

***Our new product could fail to achieve the sales projections we expected.***

Our growth projections are based on an assumption that with an increased advertising and marketing budget our products will be able to gain traction in the marketplace at a faster rate than our current products have. It is possible that our new products will fail to gain market acceptance for any number of reasons. If the new products fail to achieve significant sales and acceptance in the marketplace, this could materially and adversely impact the value of your investment.

***We face significant market competition.***

We will compete with many small companies and some larger, established companies who currently have prototypes and initial products at various respective product development programs. They may have much better financial means and marketing/sales and human resources than us. They may succeed in developing and marketing competing equivalent products earlier than us, or superior products than those developed by us. There can be no assurance that competitors will render our technology or products obsolete or that the products developed by us will be preferred to any existing or newly developed technologies. It should further be assumed that competition will intensify.

***We are an early stage company, with limited operating history.***

We are an early stage company. We were formed as a corporation in Delaware on August 6, 2009. We have a limited operating history with which you can evaluate our business and prospects. Our prospects must be considered in light of the risks encountered by companies in the early stages of development in highly competitive markets, particularly the markets for food services and food service solutions. You should consider the frequency with which early-stage businesses encounter unforeseen expenses, difficulties, complications, delays and other adverse factors. These risks are described in more detail below.

***We have a history of losses. If we do not become profitable or maintain profitability in the future, we may not be able to continue to operate.***

We have not been profitable in the past. We have not generated any significant revenues to date. Before we are able to generate any material level of revenues, we will incur significant additional losses. We expect to substantially increase our research and development and sales and marketing and general and administrative expenses. As a result, we will need to generate significant revenues to achieve and maintain profitability in the future. We cannot assure you that we will achieve profitable operations or maintain them if achieved. Failure to achieve or maintain profitability will materially and adversely affect our business.

***We may not be able to manage future growth effectively.***

If our business plan is successful, we may experience significant growth in a short period of time and potential scaling issues. Should we grow rapidly, our financial, management and operating resources may not expand sufficiently to adequately manage our growth. If we are unable to manage our growth, our costs may increase disproportionately, our future revenues may stop growing or decline and we may face dissatisfied customers. Our failure to manage our growth may adversely impact our business and the value of your investment.

***The amount of capital the Company is attempting to raise in this Offering is not enough to sustain the Company's current business plan.***

In order to achieve the Company's near and long-term goals, the Company will need to procure funds in addition to the amount raised in the Offering. There is no guarantee the Company will be able to raise such funds on acceptable terms or at all. If we are not able to raise sufficient capital in the future, we will not be able to execute our business plan, our continued operations will be in jeopardy and we may be forced to cease operations and sell or otherwise transfer all or substantially all of our remaining assets, which could cause an Investor to lose all or a portion of his or her investment.

***We plan to transition to an equipment manufacturing entity after our initial product development phase is completed.***

There are substantial risks and uncertainties associated with these efforts, particularly in instances where the markets are not fully developed. In developing and marketing new lines of business and/or new products and services, we may invest significant time and resources. Initial timetables for the introduction and development of new lines of business and/or new products or services may not be achieved and price and profitability targets may not prove feasible. We may not be successful in introducing new products and services in response to industry trends or developments in technology, or those new products may not achieve market acceptance. As a result, we could lose business, be forced to price products and services on less advantageous terms to retain or attract clients, or be subject to cost increases. As a result, our business, financial condition or results of operations may be adversely affected.

***Once we transition to an equipment manufacturing entity, we intend to operate in many countries, including but not limited to the United States, India, the United Kingdom, Canada, Australia, New Zealand, South Africa, Chile, Western European Countries, Indonesia, and the Pacific Islands.***

Our operations are expected to be subject to the effects of global competition and geopolitical risks. They are also affected by local demand for energy in general and renewable energy in particular, economic environments, including inflation, recession, currency volatility and actual or anticipated default on sovereign debt. Political changes, some of which may be disruptive, can interfere with our supply chain, our customers and all of our activities in a particular location. While some of these global economic and political risks can be hedged using derivatives or other financial instruments and some are insurable, such attempts to mitigate these risks are costly and not always successful, and our ability to engage in such mitigation may decrease or become even more costly as a result of more volatile market conditions.

***In order for the Company to compete, grow and transition to a manufacturing entity, it must attract, recruit, retain and develop the necessary personnel who have the needed experience.***

Recruiting and retaining highly qualified personnel is critical to our success. These demands may require us to hire additional personnel with new skills and may require our existing management personnel to develop additional expertise. We face intense competition for personnel. The failure to attract and retain personnel or to develop such expertise could delay or halt the development and commercialization of our product candidates. If we experience difficulties in hiring and retaining personnel in key positions, we could suffer from delays in product development, loss of or inability to attract customers and sales, and diversion of management resources, which could adversely affect operating results. Our consultants and advisors may be employed by third parties and may have commitments under consulting or advisory contracts with third parties that may limit their availability to us.

***The development and commercialization of our wave energy converters is highly competitive.***

We face competition with respect to any products that we may seek to develop or commercialize in the future. Our competitors include both small focused developers of wave energy converters, primarily in Europe and the US, such as Carnegie Clean Energy, Wello, CorPower Ocean, OceanEnergy, and Calwave. Our assessment is that we are similarly funded and have similar resources to our major competitors. These competitors also compete with us in recruiting and retaining qualified personnel and acquiring technologies. Accordingly, if one or more of our competitors commercialize products more rapidly or effectively than we are able to, that would adversely affect our competitive position, and give those entities a first mover advantage.

***We rely on other companies to provide major components and subsystems for our products.***

We depend on these suppliers and subcontractors to meet our contractual obligations to our customers and conduct our operations both during our current product development phase, as well as after we transition to becoming an equipment manufacturer. Our ability to meet our obligations to our customers may be adversely affected if suppliers or subcontractors do not provide the agreed-upon supplies or perform the agreed-upon services in compliance with our requirements and in a timely and cost-effective manner. Likewise, the quality of our products may be adversely impacted if companies to whom we delegate manufacture of major components or subsystems for our products, or from whom we acquire such items, do not provide major components and subsystems which meet required specifications and perform to our and our customers' expectations. Our suppliers may be less likely than us to be able to quickly recover from natural disasters and other events beyond their control and may be subject to additional risks such as financial problems that limit their ability to conduct their operations. The risk of these adverse effects may be greater in circumstances where we rely on only one or two subcontractors or suppliers for a particular components and subsystems.

***We depend on third-party service providers and outsource providers for a variety of services and we outsource a number of our non-core functions and operations.***

In certain instances, we rely on single or limited service providers and outsourcing vendors around the world because the relationship is advantageous due to quality, price, or lack of alternative sources. If production or service was interrupted and we were not able to find alternate third-party providers, we could experience disruptions in manufacturing and operations including product shortages, higher freight costs and re-engineering costs. If outsourcing services are interrupted or not performed or the performance is poor, this could impact our ability to process, record and report transactions with our customers and other constituents. Such interruptions in the provision of supplies and/or services could result in our inability to meet customer demand, damage our reputation and customer relationships and adversely affect our business.

***Once we start equipment sales, we expect that customers will likely finance purchases of our products, namely wave energy converters.***

Declines in the lending environment including fewer lenders, tighter underwriting and loan approval criteria, greater down payment requirements and, in some cases, higher interest rates may impair customers' ability to finance and purchase our products. If credit conditions worsen, and adversely affect the ability of customers to finance potential purchases at acceptable terms and interest rates, it could result in a decrease in sales of our products or delay any improvement in our sales.

***In general, demand for our products and services is expected to be highly correlated with general economic conditions.***

A substantial portion of our revenue will be tied to overall growth of the energy industry in general and the renewable energy industry in particular, which typically falls during times of economic instability. Declines in economic conditions in the U.S. or in other countries in which we operate may adversely impact our consolidated financial results. Because such declines in demand are difficult to predict, we or the industry may have increased excess capacity as a result. An increase in excess capacity may result in declines in prices for our products and services.

***We are subject to the risk of substantial environmental liability and limitations on our operations due to environmental laws and regulations.***

We are subject to extensive federal, state, local and foreign environmental, health and safety laws and regulations concerning matters such as environmental permitting. The risks of substantial costs and liabilities related to compliance with these laws and regulations are an inherent part of our business, and future conditions may develop, arise or be discovered that create substantial environmental compliance or remediation liabilities and costs. Compliance with environmental, health and safety legislation and regulatory requirements may prove to be more limiting and costly than we anticipate. We may be subject to legal proceedings brought by private parties or governmental authorities with respect to environmental matters, including matters involving alleged property damage or personal injury. New laws and regulations, stricter enforcement of existing laws and regulations, could require us to incur costs or become the basis for new or increased liabilities that could have a material adverse effect on our business, financial condition or results of operations.

***Our international operations could be affected by currency fluctuations, capital and exchange controls, expropriation and other restrictive government actions, changes in intellectual property legal protections and remedies, trade regulations and procedures and actions affecting approval, production, pricing, and marketing of, reimbursement for and access to our products, as well as by political unrest, unstable governments and legal systems and inter-governmental disputes.***

Any of these changes could adversely affect our business. Many emerging markets have experienced growth rates in excess of the world's largest markets, leading to an increased contribution to the industry's global performance. There is no assurance that these countries will continue to sustain these growth rates. In addition, some emerging market countries may be particularly vulnerable to periods of financial instability or significant currency fluctuations or may have limited resources for healthcare spending, which can adversely affect our results.

***The Company's success depends on the experience and skill of the board of directors, its executive officers and key employees.***

In particular, the Company is dependent on Balakrishnan Nair and Tim Mundon who are President/Chief Technology Officer and Vice President of Engineering respectively. The Company has employment agreements with Balakrishnan Nair, and Tim Mundon although there can be no assurance that they will continue to be employed by the Company for a particular period of time. The loss of Balakrishnan Nair, and Tim Mundon or any member of the board of directors or executive officer could harm the Company's business, financial condition, cash flow and results of operations.

***We are currently dependent on, and in the future expect to depend on, a few major customers for a substantial portion of our net sales.***

For example, during fiscal year ended December 31, 2022, the U.S. Department of Energy and State of Washington Department of Commerce accounted for 90.60% percent of our net revenues. The loss of all or a substantial portion of our sales to any of our large-volume customers could have a material adverse effect on our financial condition and results of operations by reducing cash flows and our ability to spread costs over a larger revenue base. In addition, our largest customers have an increased ability to influence pricing and other contract terms. Although we strive to broaden and diversify our revenue base, a significant portion of our revenue is derived from a relatively small number of sources. Consequently, a significant loss of business from, or adverse performance by, our major revenue sources, may have a material adverse effect on our financial condition, results of operations and cash flows. Similarly, the renegotiation of major customer contracts may also have an adverse effect on our financial results. We are also subject to credit risk associated with our customer concentration. If one or more of our largest customers were to become

bankrupt, insolvent or otherwise were unable to pay for services provided, we may incur significant write-offs of accounts receivable or incur lease or asset-impairment charges that may have a material adverse effect on our financial condition, results of operations or cash flows.

Most of our significant government contracts permit quarterly or other periodic adjustments to pricing based on decreases and increases in component prices and other factors, however we typically bear the risk of component price increases that occur between any such re-pricings or, if such re-pricing is not permitted, during the balance of the term of the particular customer contract. Accordingly, certain component price increases could adversely affect our gross profit margins.

***We rely on various intellectual property rights, including patents in order to operate our business.***

Such intellectual property rights, however, may not be sufficiently broad or otherwise may not provide us a significant competitive advantage. In addition, we have taken our best efforts to protect our intellectual property right, however the steps that we have taken to maintain and protect our intellectual property may not prevent it from being challenged, invalidated, circumvented or designed-around, particularly in countries where intellectual property rights are not highly developed or protected. In some circumstances, enforcement may not be available to us because an infringer has a dominant intellectual property position or for other business reasons, or countries may require compulsory licensing of our intellectual property. Our failure to obtain or maintain intellectual property rights that convey competitive advantage, adequately protect our intellectual property or detect or prevent circumvention or unauthorized use of such property, could adversely impact our competitive position and results of operations. We also rely on nondisclosure and noncompetition agreements with employees, consultants and other parties to protect, in part, trade secrets and other proprietary rights. There can be no absolute assurance that these agreements will adequately protect our trade secrets and other proprietary rights and will not be breached, that we will have adequate remedies for any breach, that others will not independently develop substantially equivalent proprietary information or that third parties will not otherwise gain access to our trade secrets or other proprietary rights.

One of the Company's most valuable assets is its intellectual property. The Company's owns over 25 patents, trademarks, copyrights, Internet domain names, and trade secrets. We believe one of the most valuable components of the Company is our intellectual property portfolio. Due to the value, competitors may misappropriate or violate the rights owned by the Company. The Company intends to continue to protect its intellectual property portfolio from such violations. It is important to note that unforeseeable costs associated with such practices may invade the capital of the Company.

As we expand our business, protecting our intellectual property will become increasingly important. The protective steps we have taken may be inadequate to deter our competitors from using our proprietary information. In order to protect or enforce our patent rights, we may be required to initiate litigation against third parties, such as infringement lawsuits. Also, these third parties may assert claims against us with or without provocation. These lawsuits could be expensive, take significant time and could divert management's attention from other business concerns. The law relating to the scope and validity of claims in the technology field in which we operate is still evolving and, consequently, intellectual property positions in our industry are generally uncertain. We cannot assure you that we will prevail in any of these potential suits or that the damages or other remedies awarded, if any, would be commercially valuable.

***We have pending patent approval's that might be vulnerable.***

One of the Company's most valuable assets is its intellectual property. The Company's intellectual property such as patents, trademarks, copyrights, Internet domain names, and trade secrets may not be registered with the proper authorities. We believe one of the most valuable components of the Company is our intellectual property portfolio. Due to the value, competitors may misappropriate or violate the rights owned by the Company. The Company intends to continue to protect its intellectual property portfolio from such violations. It is important to note that unforeseeable costs associated with such practices may invade the capital of the Company due to its unregistered intellectual property.

***From time to time, third parties may claim that one or more of our products or services infringe their intellectual property rights.***

Any dispute or litigation regarding patents or other intellectual property could be costly and time-consuming due to the complexity of our technology and the uncertainty of intellectual property litigation and could divert our management and key personnel from our business operations. A claim of intellectual property infringement could force us to enter into a costly or restrictive license agreement, which might not be available under acceptable terms or at all, could require us to redesign our products, which would be costly and time-consuming, and/or could subject us to an injunction against development and sale of certain products. We may have to pay substantial damages, including

damages for past infringement if it is ultimately determined that our products infringe on a third party's proprietary rights. Even if these claims are without merit, defending a lawsuit takes significant time, may be expensive and may divert management's attention from other business concerns. Any public announcements related to litigation or interference proceedings initiated or threatened against us could cause our business to be harmed. Our intellectual property portfolio may not be useful in asserting a counterclaim, or negotiating a license, in response to a claim of intellectual property infringement. In certain parts of our businesses we rely on third party intellectual property licenses and we cannot ensure that these licenses will be available to us in the future on favorable terms or at all.

***Our trademarks, copyrights, and other intellectual property could be unenforceable or ineffective.***

Intellectual property is a complex field of law in which few things are certain. It is possible that competitors will be able to design around our intellectual property, find prior art to invalidate it, or render the patents unenforceable through some other mechanism. If competitors are able to bypass our trademark and copyright protection without obtaining a sublicense, it is likely that the Company's value will be materially and adversely impacted. This could also impair the Company's ability to compete in the marketplace. Moreover, if our trademarks and copyrights are deemed unenforceable, the Company will almost certainly lose any potential revenue it might be able to raise by entering into sublicenses. This would cut off a significant potential revenue stream for the Company.

***The cost of enforcing our trademarks and copyrights could prevent us from enforcing them.***

Trademark and copyright litigation has become extremely expensive. Even if we believe that a competitor is infringing on one or more of our trademarks or copyrights, we might choose not to file suit because we lack the cash to successfully prosecute a multi-year litigation with an uncertain outcome; or because we believe that the cost of enforcing our trademark(s) or copyright(s) outweighs the value of winning the suit in light of the risks and consequences of losing it; or for some other reason. Choosing not to enforce our trademark(s) or copyright(s) could have adverse consequences for the

Company, including undermining the credibility of our intellectual property, reducing our ability to enter into sublicenses, and weakening our attempts to prevent competitors from entering the market. As a result, if we are unable to enforce our trademark(s) or copyright(s) because of the cost of enforcement, your investment in the Company could be significantly and adversely affected.

***Although dependent on certain key personnel, the Company does not have any key man life insurance policies on any such people.***

The Company is dependent on Balakrishnan Nair and Tim Mundon in order to conduct its operations and execute its business plan; however, the Company has not purchased any insurance policies with respect to those individuals in the event of their death or disability. Therefore, if either of Balakrishnan Nair or Tim Mundon die or become disabled, the Company will not receive any compensation to assist with such person's absence. The loss of such person could negatively affect the Company and its operations.

***The loss of one or more of our key personnel, or our failure to attract and retain other highly qualified personnel in the future, could harm our business.***

To be successful, the Company requires capable people to run its day-to-day operations. As the Company grows, it will need to attract and hire additional employees in sales, marketing, design, development, operations, finance, legal, human resources and other areas. Depending on the economic environment and the Company's performance, we may not be able to locate or attract qualified individuals for such positions when we need them. We may also make hiring mistakes, which can be costly in terms of resources spent in recruiting, hiring and investing in the incorrect individual and in the time delay in locating the right employee fit. If we are unable to attract, hire and retain the right talent or make too many hiring mistakes, it is likely our business will suffer from not having the right employees in the right positions at the right time. This would likely adversely impact the value of your investment.

***We are subject to income taxes as well as non-income based taxes, such as payroll, sales, use, value-added, net worth, property and goods and services taxes, in the U.S. currently, and expected to be subject to various types of taxes in the countries we choose to operate in in the future.***

Significant judgment is required in determining our provision for income taxes and other tax liabilities. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. Although we believe that our tax estimates are reasonable: (i) there is no assurance that the final determination of tax audits or tax disputes will not be different from what is reflected in our income tax provisions, expense amounts for non-income based taxes and accruals and (ii) any material differences could have an adverse effect on our financial position and results of operations in the period or periods for which determination is made.

***We are not subject to Sarbanes-Oxley regulations and lack the financial controls and safeguards required of public companies.***

We do not have the internal infrastructure necessary, and are not required, to complete an attestation about our financial controls that would be required under Section 404 of the Sarbanes-Oxley Act of 2002. There can be no assurance that there are no significant deficiencies or material weaknesses in the quality of our financial controls. We expect to incur additional expenses and diversion of management's time if and when it becomes necessary to perform the system and process evaluation, testing and remediation required in order to comply with the management certification and auditor attestation requirements.

***Changes in employment laws or regulation could harm our performance.***

Various federal and state labor laws govern our relationship with our employees and affect operating costs. These laws include minimum wage requirements, overtime pay, healthcare reform and the implementation of the Patient Protection and Affordable Care Act, unemployment tax rates, workers' compensation rates, citizenship requirements, union membership and sales taxes. A number of factors could adversely affect our operating results, including additional government-imposed increases in minimum wages, overtime pay, paid leaves of absence and mandated health benefits, mandated training for employees, increased tax reporting and tax payment, changing regulations from the National Labor Relations Board and increased employee litigation including claims relating to the Fair Labor Standards Act.

***During the fiscal year ended December 31, 2022, we generated 100% of our revenues from publicly funded R&D projects at the federal and state levels.***

As a result, if public funding for projects decreases due to reduced federal or state funding or otherwise, our financial condition, results of operations and liquidity could be materially adversely affected. However, this is not the long-term strategy for the Company, but is rather the current focus for the development of its product.

***We could be prohibited from bidding on certain government contracts if we fail to maintain qualifications required by those entities.***

In addition, government contracts can typically be canceled at any time with our receiving payment only for the work completed. The cancellation of an unfinished contract or our disqualification from the bidding process could result in lost revenues and cause our equipment to be idled for a significant period of time until other comparable work becomes available. Additionally, the timing of project awards is unpredictable and outside of our control. Project awards, including expansions of existing projects, often involve complex and lengthy negotiations and competitive bidding processes.

***Most of our project awards are determined through a competitive bidding process in which price is one of the determining factors.***

We compete against multiple competitors in all of the markets in which we operate, most of which are local or regional operators. Some of our competitors are larger than we are, are vertically integrated, and/or have similar or greater financial resources than we do. As a result, our competitors may be able to bid at lower prices than we can as a result of their size or vertical-integration advantages. Government funding for public infrastructure projects is limited, thus contributing to competition for the limited number of public projects available. An increase in competition may result in a decrease in new project awards to us at acceptable profit margins. In addition, in the event of a downturn, the competition for available public infrastructure projects could intensify, which could materially and adversely impact our financial condition, results of operations or liquidity.

***In some instances, including in the case of many of our current R&D contracts and expected future manufacturing contracts which may be fixed unit price contracts, we may guarantee that we will complete a project by a certain date.***

Any failure to meet the contractual schedule or completion requirements set forth in our contracts could subject us to responsibility for costs resulting from the delay, generally in the form of contractually agreed-upon liquidated damages (the company generally avoids entering into such contracts with these liquidated damages), liability for our customer's actual costs arising out of our delay, reduced profits or a loss on that project, damage to our reputation, and a material adverse impact to our financial position, results of operations, cash flows and liquidity.

***Operating hazards inherent in our business, some of which may be outside our control, can cause personal injury and loss of life, damage to or destruction of property, plant and equipment and environmental damage.***

We maintain insurance coverage in amounts and against the risks we believe are consistent with industry practice, but this insurance may be inadequate or unavailable to cover all losses or liabilities we may incur in our operations. Our insurance policies are subject to varying levels of deductibles. Losses up to our deductible amounts are accrued based

upon our estimates of the ultimate liability for claims incurred and an estimate of claims incurred but not reported. However, liabilities subject to insurance are difficult to estimate due to unknown factors, including the severity of an injury, the determination of our liability in proportion to other parties, the number of unreported incidents and the effectiveness of our safety programs. If we were to experience insurance claims or costs above our estimates, we may be required to use working capital to satisfy these claims rather than using working capital to maintain or expand our operations.

***Because our current and future employees and others may be in close proximity with mechanized equipment, moving vehicles, chemical substances and dangerous manufacturing processes, our construction and maintenance sites are potentially dangerous workplaces.*** Therefore, safety is one of the primary focuses of our business and is critical to our reputation and performance. Many of our clients require that we meet certain safety criteria to be eligible to bid on contracts, and some of our contract fees or profits are subject to satisfying safety criteria. Unsafe work conditions also can increase employee turnover, which increases project costs and therefore our overall operating costs. If we fail to implement safety procedures or implement ineffective safety procedures, our employees could be injured, and we could be exposed to investigations and possible litigation. Our failure to maintain adequate safety standards through our safety programs could also result in reduced profitability or the loss of projects or clients, and could have a material adverse impact on our financial position, results of operations, cash flows or liquidity.

***The majority of our future revenues from equipment sales are expected to be derived from fixed unit price contracts and lump sum contracts. Fixed unit price contracts may require us to provide materials and services at a fixed unit price based on approved quantities irrespective of our actual per unit costs. Lump sum contracts require that the total amount of work be performed for a single price irrespective of our actual per unit costs. We will realize a profit on our contracts only if we accurately estimate our costs and then successfully control actual costs and avoid cost overruns, and our revenues exceed actual costs. If our cost estimates for a contract are inaccurate, or if we do not execute the contract within our cost estimates, then cost overruns may cause us to incur losses or cause the contract not to be as profitable as we expected. The final results under these types of contracts could negatively affect our cash flow, earnings and financial position.***

The costs incurred and gross profit realized on our contracts may vary, sometimes substantially, from our original projections due to a variety of factors, including, but not limited to:

- Failure to include required materials or work in a bid, or the failure to estimate properly the quantities or costs needed to complete a lump sum contract;
- Contract or project modifications creating unanticipated costs not covered by change orders;
- Failure by our suppliers, subcontractors, designers, engineers, joint venture partners or customers to perform their obligations;
- Delays in quickly identifying and taking measures to address issues which arise during contract execution;
- Changes in availability, proximity and costs of materials, including steel, concrete, aggregates and other construction materials, as well as fuel and lubricants for our equipment;
- Claims or demands from third parties for alleged damages arising from the design, construction or use and operation of a project of which our work is part;
- Difficulties in obtaining required governmental permits or approvals;
- Availability and skill level of workers in the geographic location of a project;
- Citations issued by any governmental authority, including the Occupational Safety and Health Administration;
- Unexpected labor conditions or work stoppages;
- Changes in applicable laws and regulations;
- Fraud, theft or other improper activities by our suppliers, subcontractors, designers, engineers, joint venture partners or customers or our own personnel; and
- Mechanical problems with our machinery or equipment.

***Our business is highly dependent on the amount and timing of infrastructure work funded by various governmental entities, which, in turn, depends on the overall condition of the economy, the need for new or replacement infrastructure, the priorities placed on various projects funded by governmental entities and federal, state or local government spending levels.***

Spending on infrastructure could decline for numerous reasons, including decreased revenues received by state and local governments for spending on such projects, including federal funding.

***Our substantial dependence on government contracts exposes us to a variety of risks that differ from those associated with private sector contracts.***

In addition, the Federal Acquisition Regulation and various state statutes provide for discretionary suspension and/or debarment in certain circumstances that might call into question a contractor's willingness or ability to act responsibly, including as a result of being convicted of, or being found civilly liable for, fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public contract or subcontract. The scope and duration of any suspension or debarment may vary depending upon the facts and the statutory or regulatory grounds for debarment and could have a material adverse effect on our financial position, results of operations, cash flows and liquidity.

***Our future manufacturing operations may be subject to various environmental laws and regulations relating to the management, disposal, and/or remediation of hazardous substances, climate change and the emission and discharge of pollutants into the air and water.***

We could be held liable for such contamination created not only from our own activities but also from the historical activities of others on our project sites or on properties that we acquire or lease. Our operations are also subject to laws and regulations relating to workplace safety and worker health, which, among other things, regulate employee exposure to hazardous substances. Violations of such laws and regulations could subject us to substantial fines and penalties, cleanup costs, third-party property damage or personal injury claims. In addition, these laws and regulations have become, and enforcement practices and compliance standards are becoming, increasingly stringent. Moreover, we cannot predict the nature, scope or effect of legislation or regulatory requirements that could be imposed, or how existing or future laws or regulations will be administered or interpreted, with respect to products or activities to which they have not been previously applied. Compliance with more stringent laws or regulations, as well as more vigorous enforcement policies of the regulatory agencies, could require us to make substantial expenditures for, among other things, pollution control systems and other equipment that we do not currently possess, or the acquisition or modification of permits applicable to our activities.

***We may be unable to procure equipment necessary for a project, particularly in any area of high demand either due to a lack of available funding, lack of covenant capacity under our credit facilities or equipment shortages in the marketplace.***

As a result, we may be forced to rent equipment on a short-term basis or to find alternative ways to perform the work without the benefit of equipment ideally suited for the job, which could increase the costs and risks of completing the project. Furthermore, we may be unable to buy or rent the specialty equipment and tooling we require due to the limited number of manufacturers and distributors in the marketplace. We may bid for work knowing that we will have to rent equipment on a short-term basis and we include our assumptions of market equipment rental rates into our bid. If market rates for rental equipment increase between the time of bid submission and project execution, our margins for the project may be reduced. In addition, our equipment may require continuous maintenance, which we generally would expect to provide through our own repair facilities. If we are unable to continue to maintain the equipment in our fleet, we may be forced to obtain additional third-party repair services at a higher cost or be unable to bid on contracts.

***Our future manufacturing operations may be subject to numerous federal, state and local environmental laws and regulations governing our operations, including the handling, transportation, remediation and disposal of non-hazardous and hazardous substances and wastes, as well as emissions and discharges into the environment, including discharges to air, surface water, groundwater and soil. We also are subject to laws and regulations that impose liability and clean-up responsibility for releases of hazardous substances into the environment.***

New laws and regulations, stricter enforcement of existing laws and regulations, or the imposition of new clean-up requirements could require us to incur significant costs or could become the basis for new or increased liabilities that could harm our financial condition and results of operations. In certain instances, we have obtained indemnification or covenants from third parties (including predecessors or lessors) for some or all of such clean-up and other obligations and liabilities. However, such third-party indemnities or covenants may not cover all of our costs and such unanticipated obligations or liabilities, or future obligations and liabilities, may have a material adverse effect on our financial condition, results of operations and cash flows.

***Legal proceedings filed against our Company in Michigan state court, the outcome of which is uncertain, could draw the attention of our management team away from the operation of our business and if such legal claims are successful, could have a material adverse effect on our business, financial condition, and results of operations.***

On January 23, 2023, an individual filed a lawsuit in Michigan state court against the Company and 41 other persons and entities, most of whom are not related to the Company, arising out of the Company's participation in the 2016 Wave Energy Prize competition conducted by the United States Department of Energy. Defending or settling this lawsuit could draw the attention of our management team away from the operation of our business and if such the

damages and declaratory judgment claims are successful, this litigation could have a material adverse effect on our business, financial condition and results of operations.

***We rely on third parties to provide services essential to the success of our business.***

We rely on third parties to provide a variety of essential business functions for us, including manufacturing, shipping, accounting, legal work, public relations, advertising, retailing, and distribution. It is possible that some of these third parties will fail to perform their services or will perform them in an unacceptable manner. It is possible that we will experience delays, defects, errors, or other problems with their work that will materially impact our operations and we may have little or no recourse to recover damages for these losses. A disruption in these key or other suppliers' operations could materially and adversely affect our business. As a result, your investment could be adversely impacted by our reliance on third parties and their performance.

***The Company is vulnerable to hackers and cyber-attacks.***

As an internet-based business, we may be vulnerable to hackers who may access the data of our investors and the issuer companies that utilize our platform. Further, any significant disruption in service on Oscilla Power or in its computer systems could reduce the attractiveness of the platform and result in a loss of investors and companies interested in using our platform. Further, we rely on a third-party technology provider to provide some of our back-up technology. Any disruptions of services or cyber-attacks either on our technology provider or on Oscilla Power could harm our reputation and materially negatively impact our financial condition and business.

***The Company has indicated that it has engaged in certain transactions with related persons.***

Please see the section of this Form C-AR entitled "Transactions with Related Persons and Conflicts of Interest" for further details.

In addition to the risks listed above, businesses are often subject to risks not foreseen or fully appreciated by the management. It is not possible to foresee all risks that may affect us. Moreover, the Company cannot predict whether the Company will successfully effectuate the Company's current business plan. Each prospective Purchaser is encouraged to carefully analyze the risks and merits of an investment in the Securities and should take into consideration when making such analysis, among other, the Risk Factors discussed above.

**CAPITALIZATION AND OWNERSHIP**

**Capitalization**

***The Company has issued the following outstanding Securities:***

<b>Type of security</b>	Common Stock
<b>Amount authorized</b>	12,000,000
<b>Amount outstanding</b>	2,829,112
<b>Voting Rights</b>	The majority holders of Common Stock have a right to elect three (3) Common Directors. Common Stockholders have additional rights to elect a director with the Preferred Stockholders if there are less than the required outstanding amounts of Preferred Stock per Article IV Section 5 of the Amended and Restated Certificate of Incorporation.
<b>Anti-Dilution Rights</b>	None.
<b>How this Security may limit, dilute or qualify the Notes/Bonds issued pursuant to Regulation CF</b>	Other than what is listed above, there is no special power to limit, dilute, or qualify the Crowd Note.
<b>Percentage ownership of the Company by the holders of such Securities (assuming conversion prior to the Offering if convertible securities).</b>	28.78%

<b>Type of security</b>	Options <i>(authorized common stock reserved as part of incentive plan)</i>
<b>Amount authorized</b>	1,377,068
<b>Amount outstanding</b>	1,251,485
<b>Voting Rights</b>	Options are for common stock. Same voting rights, anti-dilution rights, and effect on Crowd Note as common stock, assuming such Options are exercised and converted into common stock.
<b>How this Security may limit, dilute or qualify the Notes/Bonds issued pursuant to Regulation CF</b>	N/A
<b>Percentage ownership of the Company by the holders of such Securities (assuming conversion prior to the Offering if convertible securities).</b>	14.01%

<b>Type of security</b>	Warrants
<b>Amount authorized</b>	54,025
<b>Amount outstanding</b>	54,025
<b>Voting Rights</b>	Warrants are for common stock. Same voting rights, anti-dilution rights, and effect on Crowd Note as common stock, assuming such Warrants are exercised and converted into common stock.
<b>How this Security may limit, dilute or qualify the Notes/Bonds issued pursuant to Regulation CF</b>	N/A
<b>Percentage ownership of the Company by the holders of such Securities (assuming conversion prior to the Offering if convertible securities).</b>	0.55%

<b>Type of security</b>	Series 1 Preferred Stock
<b>Amount authorized</b>	1,424,118
<b>Amount outstanding</b>	1,424,118
<b>Voting Rights</b>	The majority holders of Series 1 Preferred and Series 2 Preferred Stock have a right to elect a Preferred Director. Preferred Stockholders have additional rights to elect a director with the Common Stockholders if there are less than the required outstanding amounts of Preferred Stock per Article IV Section 5 of the Amended and Restated Certificate of Incorporation.
<b>Anti-Dilution Rights</b>	The applicable Conversion Price will be adjusted if the Corporation issues Additional Stock at a per share price less than the Conversion Price for this Series. Investors can convert their shares at the price per share issued in such a round by dividing their investment amount by \$1.47
<b>How this Security may limit, dilute or qualify the Notes/Bonds issued pursuant to Regulation CF</b>	The approval of a majority of the outstanding shares of Preferred Stock is required for the company to issue, or obligate itself to issue, any security including any other security convertible into or exercisable for any other equity security, having a preference over, or being on a parity with any series of Preferred Stock, such as the Crowd Note being offered.
<b>Percentage ownership of the Company by the holders of such Securities (assuming conversion prior to the Offering if convertible securities).</b>	16.59%

<b>Type of security</b>	Series 2 Preferred Stock
<b>Amount authorized</b>	880,687
<b>Amount outstanding</b>	880,687
<b>Voting Rights</b>	The majority holders of Series 1 Preferred and Series 2 Preferred stock have a right to elect a Preferred Director. Preferred Stockholders have additional rights to elect a director with the Common Stockholders if there are less than the required outstanding amounts of Preferred Stock per Article IV Section 5 of the Amended and Restated Certificate of Incorporation.
<b>Anti-Dilution Rights</b>	The applicable Conversion Price will be adjusted if the Corporation issues Additional Stock at a per share price less than the Conversion Price for this Series. Investors can convert their shares at the price per share issued in such a round by dividing their investment amount by \$0.86
<b>How this Security may limit, dilute or qualify the Notes/Bonds issued pursuant to Regulation CF</b>	The approval of a majority of the outstanding shares of Preferred Stock is required for the company to issue, or obligate itself to issue, any security including any other security convertible into or exercisable for any other equity security, having a preference over, or being on a parity with any series of Preferred Stock, such as the Crowd Note being offered.
<b>Percentage ownership of the Company by the holders of such Securities (assuming conversion prior to the Offering if convertible securities).</b>	8.96%

<b>Type of security</b>	Series 3 Preferred Stock
<b>Amount authorized</b>	2,183,440
<b>Amount outstanding</b>	2,183,440
<b>Voting Rights</b>	The majority holders of Series 3 Preferred stock have a right to elect a Series 3 Preferred Director. Preferred Stockholders have additional rights to elect a director with the Common Stockholders if there are less than the required outstanding amounts of Preferred Stock per Article IV Section 5 of the Amended and Restated Certificate of Incorporation.
<b>Anti-Dilution Rights</b>	The applicable Conversion Price will be adjusted if the Corporation issues Additional Stock at a per share price less than the Conversion Price for this Series. Investors can convert their shares at the price per share issued in such a round by dividing their investment amount by \$1.01
<b>How this Security may limit, dilute or qualify the Notes/Bonds issued pursuant to Regulation CF</b>	The approval of a majority of the outstanding shares of Preferred Stock is required for the company to issue, or obligate itself to issue, any security including any other security convertible into or exercisable for any other equity security, having a preference over, or being on a parity with any series of Preferred Stock, such as the Crowd Note being offered.
<b>Percentage ownership of the Company by the holders of such Securities (assuming conversion prior to the Offering if convertible securities).</b>	22.21%

<b>Type of security</b>	Series 3-B Preferred Stock
<b>Amount authorized</b>	397,835
<b>Amount outstanding</b>	397,835
<b>Voting Rights</b>	Preferred Stockholders have additional rights to elect a director with the Common Stockholders if there are less than the required outstanding amounts of Preferred Stock per Article IV Section 5 of the Amended and Restated Certificate of Incorporation.
<b>Anti-Dilution Rights</b>	The applicable Conversion Price will be adjusted if the Corporation issues Additional Stock at a per share price less than the Conversion Price for this Series. Investors can convert their shares at the price per share issued in such a round by dividing their investment amount by \$1.01
<b>How this Security may limit, dilute or qualify the Notes/Bonds issued pursuant to Regulation CF</b>	The approval of a majority of the outstanding shares of Preferred Stock is required for the company to issue, or obligate itself to issue, any security including any other security convertible into or exercisable for any other equity security, having a preference over, or being on a parity with any series of Preferred Stock, such as the Crowd Note being offered.
<b>Percentage ownership of the Company by the holders of such Securities (assuming conversion prior to the Offering if convertible securities).</b>	4.05%

<b>Type of security</b>	Series 4 Preferred Stock
<b>Amount authorized</b>	601,000
<b>Amount outstanding</b>	600,723
<b>Voting Rights</b>	Preferred Stockholders have additional rights to elect a director with the Common Stockholders if there are less than the required outstanding amounts of Preferred Stock per Article IV Section 5 of the Amended and Restated Certificate of Incorporation.
<b>Anti-Dilution Rights</b>	The applicable Conversion Price will be adjusted if the Corporation issues Additional Stock at a per share price less than the Conversion Price for this Series. Investors can convert their shares at the price per share issued in such a round by dividing their investment amount by \$1.40
<b>How this Security may limit, dilute or qualify the Notes/Bonds issued pursuant to Regulation CF</b>	The approval of a majority of the outstanding shares of Preferred Stock is required for the company to issue, or obligate itself to issue, any security including any other security convertible into or exercisable for any other equity security, having a preference over, or being on a parity with any series of Preferred Stock, such as the Crowd Note being offered.
<b>Percentage ownership of the Company by the holders of such Securities (assuming conversion prior to the Offering if convertible securities).</b>	6.11%

<b>Type of Security</b>	Crowd Notes
<b>Amount Issued</b>	\$855,377.00
<b>Valuation Cap</b>	\$13,000,000
<b>Anti-Dilution Rights</b>	None
<b>How this Security may limit, dilute or qualify the Notes/Bonds issued pursuant to Regulation CF</b>	N/A
<b>Other Information</b>	<p>In the event of an Equity Financing of \$1,000,000 or more, the Crowd Notes will convert into a number of shares of Standard Preferred Stock equal to the lower of:</p> <p>(A) the product of (1) one minus the Discount of 20%, and (2) the price paid per share for preferred stock by the investors in the Qualified Equity Financing, or</p> <p>(B) the quotient resulting from dividing (1) the Valuation Cap of \$13 million by (2) the total number of our shares of capital stock that are outstanding on a fully diluted basis (assuming for this purpose the exercise, exchange or conversion of all securities exercisable or exchangeable for, or convertible into, our capital stock), immediately prior to the closing of the Qualified Equity Financing.</p>

<b>Type of debt</b>	Line of Credit
<b>Name of creditor</b>	Chase Business Card
<b>Amount outstanding</b>	\$20,888.05
<b>Interest rate and payment schedule</b>	13.24% APR
<b>Payment schedule</b>	Payment is made monthly.
<b>Other material terms</b>	None

<b>Type of debt</b>	Deferred Officer Salary
<b>Name of creditor</b>	Oscilla Power, Inc.
<b>Amount outstanding</b>	\$300,962
<b>Interest rate and payment schedule</b>	0% Payment is made when possible
<b>Payment status</b>	Not due until funds are available
<b>Other material terms</b>	The Company will not use funds from this crowdfunding offering to pay this debt.

<b>Type of debt</b>	Payroll Liabilities
<b>Name of creditor</b>	U.S. Treasury
<b>Amount outstanding</b>	\$6,809.27
<b>Interest rate and payment schedule</b>	0% Payment is due when deferred salary is paid
<b>Payment status</b>	Will pay when due

*The Company has conducted the following prior Securities offerings in the past three years:*

<b>Security Type</b>	<b>Number Sold</b>	<b>Money Raised</b>	<b>Use of Proceeds</b>	<b>Offering Date</b>	<b>Exemption from Registration Used or Public Offering</b>
Convertible Note		\$100,000	General Working Capital, R&D, Execution of Company Milestones	May 15, 2021	Exempt under Section 4(a)(2)
Crowd Notes	395,495	\$395,495.00	Research and Development and General Corporate Purposes	June - November 2020	Reg. CF
Crowd Notes	459,882	\$459,882	Triton C Deployment in Hawaii, Marketing, Patents, and General Business Expenses	December 23, 2020	Reg. CF
Common Stock	296,645	\$624,163.32	Research and Development and General Corporate Purposes	July 13, 2021 to August 29, 2022	Reg. CF
Common Stock	3,674	\$7,458.22	Research and Development and General Corporate Purposes	July 13, 2021 to August 29, 2022	Exempt under Section 4(a)(2)

## Ownership

A majority of the Company is owned by a few people/entities. Those are HiFunda LLC, Rahul Shendure, Paul Mashikian, Black Tip Investments, and Omfoundation Limited.

Below the beneficial owners of 20% percent or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, are listed along with the amount they own.

Stockholder Name	Number of Securities Owned	Type of Security Owned	Percentage
Paul Mashikian	176,817	Common Stock	24.75%
	554,126	Series 1 Preferred Stock	
	352,481	Series 2 Preferred Stock	
	833,154	Series 3 Preferred Stock	
	245,579	Series 3-B Preferred Stock	
	162,223	Series 4 Preferred Stock	

## FINANCIAL INFORMATION

Please see the financial information listed on the cover page of this Form C-AR and attached hereto in addition to the following information. Financial statements are attached hereto as Exhibit A.

### Results of Operations

We had \$388,510 in revenues in the fiscal year ended December 31, 2022, and \$46,160 in revenues in the fiscal year ended December 31, 2021. Such an increase is due to fee-carrying small business projects. Our short-term debt increased from \$622,907 for the fiscal year ended in 2021 to \$977,326 in fiscal year 2022 due to greater month-to-month expenses incurred due to the construction of our sub-scale prototype. Our total operating expenses in fiscal year 2022 were \$3,786,517.82 as compared to \$4,291,156 in fiscal year 2021. This decrease was due to the Company nearing completion on the Triton C, and therefore requiring less expenditures to complete the prototype. Our net loss was (\$328,117.03) in fiscal year 2022, compared to a net loss of (\$1,077,283) in fiscal year 2021. The decrease in net loss is attributable to our receipt of additional milestone payments from the state of Washington.

### Cash and Cash Equivalents

The Company considers short-term, highly liquid investment with original maturities of three months or less at the time of purchase to be cash equivalents. Cash consists of funds held in the Company's checking account.

As of March 31, 2023, the Company had an aggregate of \$485,320 in cash and cash equivalents, leaving the Company with approximately six (6) months of estimated runway. Runway is calculated by dividing cash-on-hand by average monthly net loss for 2023 (if any).

## **Operations**

Our most recent financing was a crowdfund offering through Start Engine, where we raised \$624,163.32. We had previously raised \$855,377 on Microventures via crowd notes in June 2020 – March 2021. Prior to this raise, we conducted a private placement and issued and sold Convertible Notes with an aggregate principal amount of \$640,000 during the period from May 2016 through May 2021. The Convertible Notes converted into shares of Series 4 Preferred Stock on June 25, 2021.

We are currently focusing on R&D/product development rather than generating revenue/profits. While we are not certain when or if we will generate profits in the future and intend to devote our resources to completing the construction of and deploying our community scale and utility scale products in Hawaii and India respectively in 2020-2024, and anticipate starting to generate revenues from project developers after that.

The Company does not expect to achieve profitability in the next 12 months and intends to focus on the following goals: (i) complete the construction of our first commercial (community-scale) prototype to be deployed in Hawaii; (ii) obtain the necessary permits for deployment of our system in Hawaii; (iii) continue the business development activities needed to secure local support and partial financing for deployment of our first utility-scale system in India; and (iv) continue to maintain existing patents, prosecute pending patents, and file new patents.

The revenue increase from 2021 to 2022, as reflected in the financial statements attached hereto as Exhibit A, is a result of heightened equipment expense related to the construction of the sub-scale Triton C prototype system to be deployed in Maine in 2023-2024, which was reimbursed by DOE at 80%.

## **Liquidity and Capital Resources**

The proceeds will be used for construction of the Triton C system and marketing, which are indispensable elements of our business strategy. Our offering proceeds will have a beneficial effect on our liquidity, as of December 31, 2022, we have \$485,320 in cash on hand which will be augmented by the Offering proceeds and used to execute our business strategy.

The Company also receives grants from U.S. DOE and State of Washington Department of Commerce. A number of these grants mentioned above will continue through the coming two to three years. Essentially, Oscilla Power Inc. has sufficient cash flow from these grants to have sufficient runway for at least 18-24 months without additional capital.

## **Capital Expenditures and Other Obligations**

The Company intends to make the following material capital expenditures in the future:

We have constructed our community scale system, and if the maximum amount is raised, we intend to allocate some of the proceeds to the deployment of this system in Hawaii. Most of the funding for this activity is from the US DOE and State of Washington grants. We have a pending proposal with US DOE for \$1.1 Million. There is no certainty that this proposal will be selected for funding.

We have informal arrangements with two of our vendors (one business consultant and one patent law firm) that they will zero out our prior balances if we continue to provide new business to them and are current in our payments for these new commitments.

## **Material Changes and Other Information**

None.

## **Trends and Uncertainties**

The financial statements are an important part of this Form C-AR and should be reviewed in their entirety. The financial statements of the Company are attached hereto as Exhibit A.

## THE SECURITIES

### Authorized Capitalization

See “CAPITALIZATION AND OWNERSHIP” above.

### General

A Crowd Note is similar to a SAFE (Simple Agreement for Future Equity) security where an investor makes a cash investment in our company, but gets company stock at a later date in connection with a specific event. Although the security is called a Crowd Note, the Crowd Note is not a debt instrument. It is intended to be an alternative to a convertible note that is beneficial for both our company and you as an investor. As of the date of this Form C-AR, we have 855,377 in Crowd Notes outstanding.

### Events Triggering Conversion of Crowd Notes

If you are a Major Investor, which is defined as an investor who invested at least \$25,000 in our Crowd Note offerings, then the specified event upon which the Crowd Notes would convert into capital stock of our company is (i) a Qualified Equity Financing, which we define below, or (ii) a Corporate Transaction, which we define below, if instead of receiving two times (2X) the outstanding principal of your Crowd Note, your Crowd Note converts immediately prior to the closing of the Corporate Transaction.

If you are not a Major Investor, then the Crowd Notes will only convert into capital stock of our company upon the earlier of (i) our Company’s election to convert your Crowd Note, including upon a Qualified Equity Financing if our company elects to convert your Crowd Note then, or (ii) a Corporate Transaction, if instead of receiving two times (2X) the outstanding principal of your Crowd Note, your Crowd Note converts immediately prior to the closing of the Corporate Transaction.

### Qualified Equity Financing

The Crowd Note defines “Qualified Equity Financing” as the first sale (or series of related sales) by us of our preferred stock following the closing of this offering from which we receive gross proceeds of not less than \$1,000,000.00 (excluding the aggregate amount of securities converted into preferred stock in connection with such sale (or series of related sales)).

If the Crowd Note converts into equity in connection with a Qualified Equity Financing, then we will convert the Crowd Note into shares of our preferred stock that are issued in connection with the Qualified Equity Financing, which we refer to as Conversion Shares, equal to the quotient obtained by dividing the outstanding principal amount of the Crowd Note by the Conversion Price, which is defined below. The issuance of Conversion Shares will be on the same terms and conditions applicable to the stock sold in the Qualified Equity Financing; provided, however, that if you are not a Major Investor, you will receive shares of a shadow series, as we describe below, with certain limited rights. The Conversion Price applicable to a Qualified Equity Financing is the lower of:

- (i) the product of (a) one minus any applicable Discount, and (b) the price paid per share for preferred stock by the investors in the Qualified Equity Financing, or
- (ii) the quotient resulting from dividing (a) the Valuation Cap by (b) the total number of our shares of capital stock that are outstanding on a fully diluted basis (assuming for this purpose the exercise, exchange or conversion of all securities exercisable or exchangeable for, or convertible into, our capital stock), immediately prior to the closing of the Qualified Equity Financing.

Any investor who is not a Major Investor will receive a shadow series of preferred stock upon conversion of such investor’s Crowd Note. A shadow series is a series of our preferred stock that is identical in all respects to the shares of preferred stock issued in the Qualified Equity Financing (e.g., if the Company sells Series A Preferred Stock in the Qualified Equity Financing, the shadow series would be Series A-1 Preferred Stock), except that the liquidation preference per share of the shadow series shall equal the Conversion Price and the following additional differences will apply:

- (i) shadow series shareholders will grant their vote on any matter that is submitted to a vote or for the consent of the stockholders of our company (except for on matters required by law) by irrevocable proxy; and

(ii) shadow series shareholders will receive quarterly business updates from the company through the Platform but will have no additional information or inspection rights (except with respect to such rights which are required by law).

### **Corporate Transaction and Corporate Transaction Payment**

The Crowd Note defines “Corporate Transaction” as

(i) the closing of the sale, transfer or other disposition of all or substantially all of our assets,

(ii) the consummation of the merger or consolidation of our company with or into another entity (except a merger or consolidation in which the holders of capital stock of our company immediately prior to such merger or consolidation continue to hold at least 50% of the voting power of the capital stock of our company or the surviving or acquiring entity),

(iii) the closing of the transfer (whether by merger, consolidation or otherwise), in one transaction or a series of related transactions, to a person or group of affiliated persons (other than an underwriter of our securities), of securities of our company if, after such closing, such person or group of affiliated persons would hold 50% or more of the outstanding voting stock of our company (or the surviving or acquiring entity), or

(iv) the initial public offering, liquidation, dissolution or winding up of our company; provided, however, that a transaction shall not constitute a Corporate Transaction if its sole purpose is to change the state of our incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held our securities immediately prior to such transaction.

In the event of a Corporate Transaction (defined above), you will receive the higher value of (i) an amount equal to two times (2X) the price you paid for your Crowd Note (i.e., 2X your principal amount) or (ii) the number of shares of preferred stock of the Company calculated by (a) multiplying the price you paid for your Crowd Note by the total number of our shares of capital stock that are outstanding on a fully diluted basis (assuming for this purpose the exercise, exchange or conversion of all securities exercisable or exchangeable for, or convertible into, our capital stock), immediately prior to the closing of the Qualified Equity Financing, and (b) dividing the product of that calculation by the Valuation Cap.

If there are not enough funds to pay you and other Crowd Note investors in full, then proceeds from the respective transaction will be distributed with equal priority and pro rata among the Crowd Note investors in proportion to their Purchase Price.

### **Termination of Crowd Note**

The Crowd Notes will terminate upon the earlier of (i) a conversion of the entire purchase price under the Crowd Notes into Conversion Shares; or (ii) the payment of amounts due to the investor pursuant to a Corporate Transaction.

### **No Voting Rights, No Shareholders Agreement and No Anti-Dilution Rights**

The Crowd Notes do not have any voting rights. Further, upon conversion of the Crowd Notes into Conversion Shares, shadow series shareholders shall grant their vote on any matter that is submitted to a vote or for the consent of the members of the Company (except for on matters required by law) by irrevocable proxy.

The Company does not have any shareholder/equity holder agreements in place.

The Securities do not have anti-dilution rights.

### **Restrictions on Transfer**

Any Securities sold pursuant to Regulation CF being offered may not be transferred by any Purchaser of such Securities during the one-year holding period beginning when the Securities were issued, unless such Securities are transferred: i) to the Company, ii) to an accredited investor, as defined by Rule 501(d) of Regulation D promulgated under the Securities Act, iii) as part of an IPO or iv) to a member of the family of the Investor or the equivalent, to a trust controlled by the Purchaser, to a trust created for the benefit of a member of the family of the Investor or the equivalent, or in connection with the death or divorce of the Investor or other similar circumstances. "Member of the family" as used herein means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse or spousal

equivalent, sibling, mother / father / daughter / son / sister / brother-in-law, and includes adoptive relationships. Remember that although you may legally be able to transfer the Securities, you may not be able to find another party willing to purchase them.

In addition to the foregoing restrictions, prior to making any transfer of the Securities or any Securities into which they are convertible, such transferring Purchaser must either make such transfer pursuant to an effective registration statement filed with the SEC or provide the Company with an opinion of counsel stating that a registration statement is not necessary to effect such transfer.

#### **Additional Transfer Restrictions**

The Purchaser may not transfer the Securities or any Securities into which they are convertible to any of the Company's competitors, as determined by the Company in good faith.

#### **IPO Lock Up**

Upon the event of an IPO, the capital stock into which the Securities are converted will be subject to a lock-up period and may not be sold for up to 180 days following such IPO.

#### **Other Material Terms**

The Company does not have the right to repurchase the Crowd Notes.

### **TRANSACTIONS WITH RELATED PERSONS AND CONFLICTS OF INTEREST**

#### **Related Person Transactions**

From time to time the Company may engage in transactions with related persons. Related persons are defined as any director or officer of the Company; any person who is the beneficial owner of 10 percent or more of the Company's outstanding voting equity securities, calculated on the basis of voting power; any promoter of the Company; any immediate family member of any of the foregoing persons or an entity controlled by any such person or persons.

The Company has conducted the following transactions with related persons, which may give rise to a conflict of interest with the Company, its operations and its securityholders:

<b>Related Person/Entity</b>	HiFunda LLC
<b>Relationship to the Company</b>	Company solely controlled by President, Balakrishnan Nair
<b>Total amount of money involved</b>	\$52,746
<b>Benefits or compensation received by related person</b>	1,068,192 shares of Common Stock 21,332 shares of Series 1 Preferred Stock
<b>Benefits or compensation received by Company</b>	Cash and assignment of Intellectual Property pursuant to the Intellectual Property Assignment Agreement dated as of December 15, 2009.
<b>Description of the transaction</b>	HiFunda LLC owns shares of Common Stock and Series 1 Preferred Stock of the Company, and holds a convertible note

<b>Related Person/Entity</b>	Balakrishnan Nair/Rahul Shendure
<b>Relationship to the Company</b>	Officer & Director, Board Chairman
<b>Total amount of money involved</b>	\$300,962
<b>Benefits or compensation received by related person</b>	Outstanding salary.
<b>Benefits or compensation received by Company</b>	Continuing services as a director and officer of the Company.
<b>Description of the transaction</b>	Mr. Nair has an outstanding Salary Payable from the Company; the Company will not use funds from crowdfunding offerings to pay this debt.

### **Conflicts of Interest**

The Company has not engaged in any known transactions or relationships which may give rise to a conflict of interest with the Company, its operations and its securityholders.

### **ONGOING REPORTING REQUIREMENTS**

This Form C-AR is being filed late due to unforeseen circumstances that delayed the preparation and audit of our financial statements for the fiscal year ended December 31, 2022. We apologize for any inconvenience this may cause to our investors and the public.

### **OTHER INFORMATION**

#### **Bad Actor Disclosure**

The Company is not subject to any Bad Actor Disqualifications under any relevant U.S. securities laws.

[SIGNATURE PAGE FOLLOWS]

**SIGNATURE**

Pursuant to the requirements of Sections 4(a)(6) and 4A of the Securities Act of 1933 and Regulation Crowdfunding (§ 227.100 et seq.), the issuer certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form C-AR and has duly caused this Form to be signed on its behalf by the duly authorized undersigned.

/s/Balakrishnan Nair  
(Signature)

Balakrishnan Nair  
(Name)

Chief Executive Officer  
(Title)

Pursuant to the requirements of Sections 4(a)(6) and 4A of the Securities Act of 1933 and Regulation Crowdfunding (§ 227.100 et seq.), this Form C-AR has been signed by the following persons in the capacities and on the dates indicated.

/s/Balakrishnan Nair  
(Signature)

Balakrishnan Nair  
(Name)

Chief Executive Officer  
(Title)

May 21, 2025  
(Date)

**EXHIBITS**

Exhibit A      Financial Statements

**Principal Executive Officer's Certification**

**of**

**The Unaudited Condensed Consolidated Financial Statements of Oscilla Power, Inc.  
for the Year Ended December 31, 2022**

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I, Balakrishnan Nair, Principal Executive Officer of Oscilla Power, Inc., hereby certify that the following unaudited condensed consolidated financial statements of Oscilla Power, Inc. included in the Annual Report on Form C-AR are true and complete in all material respects.

/s/Balakrishnan Nair  
Principal Executive Officer  
Oscilla Power, Inc.

Date: May 21, 2025

*[Unaudited Financial Statements Follow]*

**EXHIBIT A**

*Financial Statements*

**OSCILLA POWER, INC. BALANCE SHEET**  
**For Years Ending December 31, 2022**  
**See Notes to the Financial Statements**

	<u>2022</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	203,357.82
Accounts Receivable	211,551.97
Other Current Assets	458.25
<b>Total Current Assets</b>	<u>415,368.04</u>
<b>Fixed Assets</b>	14,612.46
<b>Other Assets</b>	192,941.82
<b>TOTAL ASSETS</b>	<u><u>622,922.32</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	494,662.48
Credit Cards	20,549.83
Other Current Liabilities	462,114.55
<b>Total Current Liabilities</b>	<u>977,326.86</u>
<b>Long Term Liabilities</b>	
Microventures Note	855,377.00
<b>Total Long Term Liabilities</b>	<u>855,377.00</u>
<b>Total Liabilities</b>	1,832,703.86
<b>Equity</b>	
Additional Paid in capital	4,994,344.58
<b>Capital Stock</b>	
Common Stock	635,341.75
Preferred Stock	742,643.87
<b>Total Capital Stock</b>	<u>1,377,985.62</u>
Dividends Paid	-235,550.20
Retained Earnings	-7,018,444.51
Net Income	-328,117.03
<b>Total Equity</b>	<u>-1,209,781.54</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>622,922.32</u></u>

**OSCILLA POWER, INC. STATEMENT OF OPERATIONS**  
**For Years Ending December 31, 2022**  
**See Notes to the Financial Statements**

	<b>2022</b>
<b>Revenues</b>	63,515
<b>Operating Expenses</b>	
General and administrative, net of reimbursements	3,413,694
Research and development, net of reimbursements	297,283
Sales and marketing	134,981
Vendor cost share	(60,950)
<b>Total operating expenses</b>	<b>3,785,008</b>
<b>Net Operating Income (Loss)</b>	<b>(3,721,493)</b>
<b>Project cost reimbursements Grant income</b>	3,061,600
<b>Grant Income</b>	324,995
<b>Other Income (expense)</b>	8,345
<b>Interest Income (expense), Net</b>	(1,564)
<b>Depreciation (expense)</b>	-
<b>Amortization (expense)</b>	-
<b>Tax Provision (benefit)</b>	-
<b>Net Income (Loss)</b>	<b>(328,117)</b>

**OSCILLA POWER, INC. STATEMENT OF CASH FLOWS**  
**For Years Ending December 31, 2022**  
**See Notes to the Financial Statements**

	<b>2022</b>
<b>OPERATING ACTIVITIES</b>	
Net Income	-328,117.03
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	-79,436.25
Accounts Payable	191,964.15
Chase Credit Card	-36.00
US Bank Card:US Bank CC	9,208.44
Line Of Credit	52,791.10
<b>Net cash provided by Operating Activities</b>	<b>-153,625.59</b>
<b>INVESTING ACTIVITIES</b>	
Computers & Software	-11,302.58
Intellectual Property	-6,705.08
StartEngine - Deposit Hold	-17,442.07
<b>Net cash provided by Investing Activities</b>	<b>-35,449.73</b>
<b>FINANCING ACTIVITIES</b>	
Capital Stock:Common Stock	350,507.83
<b>Net cash provided by Financing Activities</b>	<b>350,507.83</b>
<b>Net cash increase for period</b>	<b>161,432.51</b>
<b>Cash at beginning of period</b>	<b>41,925.31</b>
<b>Cash at end of period</b>	<b>203,357.82</b>

**OSCILLA POWER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**See Reviewed Financials**  
**For Year Ending December 31, 2022**

**NOTE 1 – NATURE OF OPERATIONS**

OSCILLA POWER, INC. (which may be referred to as the “Company”, “we,” “us,” or “our”) was incorporated in Delaware on August 6, 2009. The Company operates as a leading research and development organization in the development of ocean wave technology. Upon successful completion of current research and development, the Company wishes to operate as a manufacturer in this energy market. Since Inception, the Company is a development stage and has relied on securing loans, funding from founders and proceeds from product sales. As of December 31, 2022, the Company has incurred losses since inception. During the upcoming years, the Company is transitioning from being research and development focused to being an equipment vendor. These matters raise substantial concern about the Company’s ability to continue as a going concern past its current government contracts. During the next twelve months, the Company intends to fund its operations with funding from a crowdfunding campaign and the receipt of funds from its government contracts. If the Company cannot secure additional capital, it may decide to delay projects until other funding can be secured. These financial statements and related notes thereto do not include any adjustments that might result from these uncertainties.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Basis of Presentation*

The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States of America ("US GAAP"). In the opinion of management, all adjustments considered necessary for the fair presentation of the financial statements for the years presented have been included.

*Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and footnotes thereto. Actual results could materially differ from these estimates. It is reasonably possible that changes in estimates will occur in the near term. Significant estimates inherent in the preparation of the accompanying financial statements include valuation of provision for refunds and chargebacks, equity transactions and contingencies.

*Risks and Uncertainties*

The Company's business and operations are sensitive to general business and economic conditions in the United States and other countries that the Company operates in. A host of factors beyond the Company's control could cause fluctuations in these conditions. Adverse conditions may include recession, downturn or otherwise, local competition or changes in government priorities. These adverse conditions could affect the Company's financial condition and the results of its operations. The Company currently has no fully developed products for commercialization and there can be no assurance that the Company’s research and development will be successfully commercialized. Developing and commercializing a product requires significant capital, and based on the current operating plan, the Company expects to continue to incur operating losses as well as cash outflows from operations in the near term.

*Concentration of Credit Risk*

The Company maintains its cash with a major financial institution located in the United States of America, which it believes to be credit worthy. The Federal Deposit Insurance Corporation insures

balances up to \$250,000. At times, the Company may maintain balances in excess of the federally insured limits.

#### *Cash and Cash Equivalents*

The Company considers short-term, highly liquid investment with original maturities of three months or less at the time of purchase to be cash equivalents. Cash consists of funds held in the Company's checking account. As of December 31, 2022, the Company had \$203,357.82 of cash on hand.

#### *Fixed and Intangible Assets*

Property and equipment is recorded at cost. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to expense. When equipment is retired or sold, the cost and related accumulated depreciation are eliminated from the accounts and the resultant gain or loss is reflected in income. Depreciation is provided using the straight-line method, based on useful lives of the assets which range from three to seven years. Amortization is provided using the straight-line method, based on the estimated useful life of the asset, if any.

The Company reviews the carrying value of assets for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. As of December 31, 2022, the Company has \$14,612.46 of net fixed and intangible assets, respectively, and there was no impairment.

#### *Fair Value Measurements*

Generally accepted accounting principles define fair value as the price that would be received to sell an asset or be paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price) and such principles also establish a fair value hierarchy that prioritizes the inputs used to measure fair value using the following definitions (from highest to lowest priority):

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 – Observable inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data by correlation or other means.
- Level 3 – Prices or valuation techniques requiring inputs that are both significant to the fair value measurement and unobservable.

#### *Income Taxes*

Income taxes are provided for the tax effects of transactions reporting in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the basis of receivables, inventory, property and equipment, intangible assets, and accrued expenses for financial and income tax reporting. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are

recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Any deferred tax items of the Company have been fully valued based on the determination of the Company that the utilization of any deferred tax assets is uncertain. The Company complies with FASB ASC 740 for accounting for uncertainty in income taxes recognized in a company's financial statements, which prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. FASB ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Based on the Company's evaluation, it has been concluded that there are no significant uncertain tax positions requiring recognition in the Company's financial statements. The Company believes that its income tax positions would be sustained on audit and does not anticipate any adjustments that would result in a material change to its financial position.

#### *Revenue Recognition*

Sales Income - During 2022, the company adapted the provision of ASU 2014-09 Revenue from Contracts with Customers ("ASC 606").

ASC 606 provides a five-step model for recognizing revenue from contracts:

- Identify the contract with the customer
- Identify the performance obligations within the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations
- Recognize revenue when (or as) the performance obligations are satisfied

The Company's primary source of revenue is the accrual of services income and the Company records this revenue as the services are performed. As the Company's products become more technologically feasible, it may realize other revenue streams.

#### *Accounts Receivable*

Trade receivables due from customers are uncollateralized customer obligations due under normal trade terms requiring payment either upon proper invoicing or within 30 day of the invoice date. Trade receivables are stated at the amount billed to the customer. Payments of trade receivables are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices. As of December 31, 2022 the Company had \$211,551.97 balances of accounts receivable.

The Company estimates an allowance for doubtful accounts based upon an evaluation of the current status of receivables, historical experience, and other factors as necessary. It is reasonably possible that the Company's estimate of the allowance for doubtful accounts will change.

#### *Advertising*

The Company expenses advertising costs as they are incurred.

### **NOTE 3 – INCOME TAX PROVISION**

The Company is a "C" corporation for US federal tax purposes. The Company will file its corporate income tax return for the period ended December 31, 2022. The income tax returns will remain subject to examination by the Internal Revenue Service under the statute of limitations for a period of three years from the date it is filed.

### **NOTE 4 – RELATED PARTY TRANSACTIONS**

The Company compensates members of management per their compensation agreements. Because the Company is held closely by management, it cannot be guaranteed that this level of compensation or sales prices are commensurate with market rates for the goods and services rendered.

#### **NOTE 5 – LONG-TERM DEBT**

In 2021-2020, the Company received \$855,377 in loan notes, net of offering costs from a Regulation CF offering conducted on Microventures.

#### **NOTE 6 – COMMITMENTS AND CONTINGENCIES**

#### **NOTE 7 – EQUITY**

#### **NOTE 7 – EQUITY**

The Company has common and preferred stock. The Company has 12,000,000 shares of common stock and 5,487,080 shares of preferred stock authorized. The classes of stock have the following rights. Common stock shareholders have the right to vote on certain items of Company business at the rate of one vote per share of stock. Common Stock ranks behind all issues of preferred stock in liquidation preference. The shares of Preferred Stock are convertible into Common Stock at the holder's election at a dilution protected 1:1 rate, except shares of Series 1 Preferred Stock are convertible at ratio equal to 1-into-1.1447.

#### **NOTE 8 – GOING CONCERN**

These financial statements are prepared on a going concern basis. The Company began operation in 2009 and may not be generating cash from operations if the Company's owner and founder was paid a market-based rate of compensation. The Company's ability to continue is dependent upon management's plan to raise additional funds and achieve profitable operations. The financial statements do not include any adjustments that might be necessary if the Company is not able to continue as a going concern.

#### **NOTE 9 – VENDOR COST SHARE**

In 2022, the company received \$60,949.85 in contributions towards their cost sharing obligations and reimbursement for ongoing United States Department of Energy (US DOE) contracts from various vendors.

#### **NOTE 10 – SUBSEQUENT EVENTS**

##### *Anticipated fund-raising*

The Company is seeking to raise additional capital in 2023. The specific amount and terms of this fund-raising has not been identified as of May 1, 2023.

##### *Management's Evaluation*

Management has evaluated subsequent events through April 27, 2023, the date the financial statements were available to be issued. Based on this evaluation, the only material event that was identified which require adjustment or disclosure in the financial statements is that the company has been served a lawsuit related to the 2016 Wave Energy Prize competition. Our counsel prepared and filed a motion to dismiss.

#### **NOTE 11 – AMORTIZATION AND DEPRECIATION**

In 2021, the Company recorded \$224 in depreciation expense and \$12,645 in amortization expense. We expect similar amounts for these expenses to be included in the finalized financial statements in 2022, but these have not been recorded as of May 1, 2023 and are not included in the 2022 financial statements provided herewith.

**NOTE 12 – REVIEWED FINANCIALS**

The 2022 Financial Statements have not been audited by an outside auditor as of May 1, 2023. These statements have been reviewed by, and are true and complete to the best of the knowledge of Oscilla Power's management and accountants.