



# Invitation to subscribe for shares in EWPG Holding AB (publ)



Nasdaq First North is an MTF, as defined in EU law (as implemented in national law), driven by a stock exchange within the Nasdaq Group. Issuers on Nasdaq First North are not subject to all rules as issuers in a regulated main market, as defined in EU law (as implemented in national law). Instead, they are subject to a less extensive regulatory framework and regulations adapted for smaller growth companies. The risk of investing in an issuer on Nasdaq First North can therefore be higher than an investment in an issuer in the main market. All issuers whose shares are admitted to trading on Nasdaq First North have a Certified Adviser who monitors compliance with the rules. It is the Stock exchange that approves the application for admission to trading. References to the "Prospectus" refers to the Prospectus in Swedish. In the event of any discrepancies between the Swedish-language Prospectus and the English-language prospectus, the Swedish-language Prospectus shall prevail.

# Important information

## Definitions

This prospectus (the "Prospectus") has been prepared in connection with EWPG Holding AB's (publ) offering of shares to the general public in Sweden, Denmark and Norway (the "Offering") and the listing of the Company's shares on the Multilateral Trading Facility ("MTF") First North. By "Eco Wave Power" or the "Company" is meant EWPG Holding AB (publ), reg. no. 559202-9499 and by the "Group" is meant the group in which EWPG Holding AB (publ) is the parent company. See section "Definitions" for the definitions used in this Prospectus.

## About the prospectus

The Offering is not intended for the public in any jurisdiction other than Sweden, Denmark and Norway and no shares in the Company may be offered, subscribed for, sold or transferred, directly or indirectly, in or into the United States except pursuant to applicable exemptions from the registration requirements of the United States Securities Act of 1933 (as amended). Further, the Offering is not being made to individuals residing in Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa, Switzerland, the United States or in any other jurisdiction where participation would require additional prospectuses, registrations or other measures than required by Swedish law. The Prospectus, the application form and/or other documents connected to the Offering may not be distributed in or into any jurisdiction where the Offering requires measures as described above or would be in conflict with applicable law in that jurisdiction. Applications to acquire shares in the Company in violation of the above restrictions may be deemed invalid. Recipients of this Prospectus are required to inform themselves of, and comply with, such restrictions. The Company assumes no legal responsibility for any violations of the aforementioned restrictions, regardless of whether such violations are made by a potential investor in the Company's shares or by anyone else.

An investment in the Company's shares is associated with certain risks; please see section "Risk factors" below. When deciding to invest in the Company's shares, an investor must rely on his or her own assessment of the Company, the Group and the terms of the Offering, including the merits and risks involved, relying solely on the information contained in this Prospectus (and in any supplements to the Prospectus). However, the contents of this Prospectus are not to be construed as and should not be relied upon as, legal, financial, business or tax advice. Thus, prior to the investment decision, potential investors are advised to consult own professional legal, financial, business, tax and other advisers. Neither the publication nor the distribution of the Prospectus does mean that the information contained in the Prospectus is up to date as of any time after the date of this Prospectus, or that the Company's business, results or financial position has remained unchanged after this date. In the event that there have been any material changes in the information contained in this Prospectus during the period after the Prospectus has been approved by the SFSA, but before the acceptance period for the Offering expires, such changes will be made public in accordance with the provisions of the Swedish Financial Instruments Trading Act Act (Sw. lagen (1991:980) om handel med finansiella instrument).

The prospectus has been prepared in accordance with the provisions of the Swedish Financial Instruments Trading Act (Sw. lagen (1991:980) om handel med finansiella instrument), implementing the Directive 2003/71/EC of the European Parliament and of the Council and approved and registered by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) (the "SFSA") in accordance with Chapter 2, Sections 25 and 26 of the Swedish Financial Instruments Trading Act. Approval and registration of the Prospectus by the SFSA does not imply a guarantee by the SFSA of the completeness or correctness of the facts presented in the Prospectus. The Prospectus shall be read together with all documents incorporated by reference including any supplements to the Prospectus. Information contained on or referred to on the Company's website does not constitute a part of, and is not incorporated by reference, into this Prospectus. No person is or has been authorised by the Company to give any information or to make any representation or warranty in connection with the Offering other than contained in this Prospectus and, if given or made, such information, representation or warranty may not be relied upon as having been authorised by the Company and the Company accepts no liability with respect to any such information, representation or warranty. Further, no representation or warranty, expressed or implied, is made by the any member of the board of directors of the Company or, except for what follows from applicable law and regulations, anybody else as to the correctness and/or completeness of any of the information contained in this Prospectus. Any dispute arising from this prospectus, the Offering or other legal matters related thereto shall be settled exclusively by a Swedish court of law and resolved in accordance with without reference to any of its choice of law principles. The district court of Stockholm (Sw. Stockholms tingsrätt) shall be the court of first instance. The Prospectus has been prepared in both a Swedish and an English version. In case of any discrepancy between the Swedish and the English versions, the Swedish version shall prevail. It should also be noted that an investor bringing court action in connection with the information disclosed in this Prospectus may be obliged to pay for a translation of the Prospectus. The Prospectus is available in physical form (hard copy) at the Company's operational office (visiting address: 16 Homa U'Migdal St., Tel Aviv 6777116, Israel), and in electronic

form on the Company's website (ecowavepower.com). The Swedish version of this Prospectus is also available on the SFSA's website (fi.se). This Prospectus will be passported to Denmark and Norway in accordance with Chapter 2 Section 35 of Swedish Financial Instruments Trading Act.

## Advisers and issuing agent

Naventus Corporate Finance AB ("Naventus") have acted as financial adviser and Advokatfirman Törngren Magnell KB, ("Törngren Magnell") has acted as legal adviser to the Company in connection with the Offering and the preparation of the Prospectus. Since all information in the Prospectus is derived from the Company, Naventus and Törngren Magnell disclaim all liability in relation to direct or indirect consequences of investment decisions or other decisions in whole or in part based on the information in this Prospectus. For the meaning of the defined terms used in the Prospectus, please refer to the "Definitions and abbreviations" section below. Potential investors should carefully consider all information disclosed in this Prospectus, particularly regarding the specific factors outlined under the section "Risk factors" below, describing certain risks that an investment in the Company's shares may entail. Aktieinvest FK AB is the issuing agent in connection with the Offering.

## Certified adviser

The Company has engaged FNCA Sweden AB as Certified Adviser. FNCA Sweden AB does not own any shares in the Company.

## Forward-looking information and information related to the industry and market

This Prospectus contains certain forward-looking statements reflecting the Company's current view of future events and financial and operational performance. Such forward-looking statements are based on current expectations, assumptions, estimates and forecasts about the business, market and industry in which the Group operates and is associated with both known and unknown risks and uncertainties. All statements in this Prospectus other than statements of historical or current facts or circumstances are forward-looking statements. Forward-looking statements are made in several sections of the Prospectus and can be identified by the use of terms or expressions such as "may", "could", "should", "anticipated", "believed", "estimated", "expected", "likely", "forecasted", "planned", "plans to", "aims to", "attempts to" or conjugations of such terms or similar terms. The "Risk factors" section contains a description of some but not all factors that may cause the Company's future earnings and development to deviate significantly from those expressed or implied in any forward-looking statement. The Company has chosen not to give any profit forecast or estimate. The Company has only shared its ambitions and aspirations in this regard.

Although it is the Company's belief that the view of future events and financial and operational performance reflected in the forward-looking statements are reasonable, forward-looking statements never constitute a guarantee of future earnings or development. All potential investors should note that all forward-looking statements are subject to uncertainties and circumstances beyond the Company's control and that actual results and future events could deviate significantly from results and events expressed or implied in any forward-looking statement. Thus, potential investors are advised not to place undue reliance on any forward-looking statement in the Prospectus. The "Risk factors" section contains a description of some but not all factors that may cause the Company's future earnings and development to deviate significantly from those expressed or implied in any forward-looking statement. The forward-looking statements only apply as of the date of this Prospectus. The Company have no intent or obligation to publish updated forward-looking statements or any other information contained in this Prospectus based on new information, future events etc. other than required by applicable law, regulation or regulatory framework.

This Prospectus also contains certain statements regarding the market and the industry in which the Group operates and its position in relation to its competitors that may be based on third party information as well as the Company's own estimates based on information from third parties. The Company has accurately reproduced such third-party information and, as far as the Company's board of directors is aware and may be ascertained by comparing to other information made public by the third party from which the information has been collected, no facts have been omitted in a manner that would make the reproduced information inaccurate or misleading. However, the Company has not independently verified the correctness or completeness of any third-party information, and the Company cannot thus guarantee its correctness or completeness.

## Presentation of financial information

Unless otherwise specified or otherwise required by the context, all references in this Prospectus to "ILS" are to Israeli shekel and all references to "SEK" are to Swedish krona. Some amounts and percentages stated in the Prospectus have been rounded off and may therefore not always correctly sum up. Other than expressly stated in the Prospectus, no information in the Prospectus has been examined or audited by any of the Group Companies' auditors.

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## Important dates

First day of trading on First North:

18 July 2019

Half-year report for the period 1 January – 30 June 2019:

30 August 2019

Annual general meeting:

29 April 2020

# Summary

This summary is made up of disclosure requirements (hereinafter referred to as “Elements”). The Elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for these types of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the reference of “not applicable”.

## SECTION A – INTRODUCTION AND WARNINGS

<b>A.1</b>	<b>Introduction and warnings</b>	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on an assessment of the Prospectus in its entirety by the investor. Where statements in respect of information contained in the Prospectus are challenged in a court of law, the plaintiff investor may, in accordance with member states’ national legislation, be forced to pay the costs of translating the Prospectus before legal proceedings are initiated. Under civil law, only those individuals who have produced the summary, including translations thereof, may be enjoined, but only if the summary is misleading, incorrect or inconsistent with the other parts of the Prospectus or if it does not, together with other parts of the Prospectus, provide key information to help investors when considering whether to invest in the securities.
<b>A.2</b>	<b>Financial intermediaries</b>	Not applicable. Financial intermediaries are not entitled to use the Prospectus for subsequent trading or final placement of securities.

## SECTION B – ISSUER

<b>B.1</b>	<b>Legal and commercial name</b>	The legal name and trading name of the Company is EWPG Holding AB (publ) and the corporate registration number is 559202-9499. Trading symbol on First North will be EWP.
<b>B.2</b>	<b>Domicile and legal form</b>	The Company is a Swedish public limited liability company, domiciled in Stockholm, Sweden, founded in Sweden and operating under Swedish law. The Company’s form of association is governed by the Swedish Companies Act (Sw. aktiebolagslag (2005:551)).
<b>B.3</b>	<b>Current operations and principal activities</b>	<p>The Group’s operations are mainly conducted through the, EWPG Holding AB’s (publ), wholly-owned Israeli subsidiary Eco Wave Power Ltd.</p> <p>The Group has developed a patented, smart and cost-efficient technology for turning ocean and sea waves into green energy and offer products and services based on said technology.</p>
<b>B.4a</b>	<b>Trends</b>	<p>Solar and wind power recently crossed a new threshold, moving from mainstream to preferred energy sources across much of the globe. As they reach price and performance parity with conventional sources, demonstrate their ability to enhance grids, and become increasingly competitive via new technologies, deployment obstacles and ceilings are dissolving. Already among the cheapest energy sources globally, solar and wind have much further to go: the enabling trends have not even run their full course yet. Costs are continuing to fall, and successful integration is proceeding apace, undergirded by new technologies that are bringing even greater efficiencies and capabilities.</p> <p>Meanwhile, the demand for renewables is inexorably growing. Solar and wind power now come closest to meeting three energy consumer priorities: reliability, affordability, and environmental responsibility. In leading renewable markets such as Denmark, supranational, national, and local community interests are aligned on these goals. In others, such as the United States and Australia, where the national leadership is retreating on decarbonization efforts, cities, communities, and corporations have become the most relevant actors. They have stepped up to fill the vacuum and demand has continued to grow. Finally, the emerging markets will see the most significant growth in electricity demand as they develop. The case for renewables has never been stronger.<sup>1</sup></p>

1. Deloitte, Global Renewable Energy Trends.

**B.5 Group structure** EWPG Holding AB (publ) is the parent company to the wholly-owned subsidiary Eco Wave Power Ltd., reg. no. 514593722, a private limited liability company incorporated under the laws of Israel. Eco Wave Power Ltd. is the parent company of the wholly- and part-owned subsidiaries Eco Wave Power (Gibraltar) Limited, reg. no. 113264, a private limited liability company incorporated under the laws of Gibraltar, Eco Wave Power Mexico, reg. no. 507055 a private limited liability company incorporated under the laws of Mexico, Eco Wave Manzanillo I, reg. no. 562840 a private limited liability company incorporated under the laws of Mexico and Suzhou Eco Wave Power Technology Co., Ltd., reg. no. 913205810942967451, a private limited liability company incorporated under the laws of the PRC.

**B.6 Ownership structure** A new corporate structure was established prior to the Offering. Pursuant to the new structure EWPG Holding AB (publ) is the parent company of Eco Wave Power Ltd. and the previous shareholders of Ltd., are today shareholders in EWPG Holding AB (publ).

Per the date of this Prospectus, the Company's shares are owned by 15 different shareholders (previously shareholders of Eco Wave Power Ltd). In the table below the Company's major shareholders (five (5) per cent or more) are listed.

SHAREHOLDER, HOLDINGS PRIOR TO THE OFFERING	SHARES/VOTES	PER CENT
Inna Braverman	11,750,000	40.74 %
David Leb	11,750,000	40.74 %
Pirveli Investments Ltd.	1,951,500	6.77 %
Others	3,387,750	11.75 %
<b>Total</b>	<b>28,839,250</b>	<b>100.00 %</b>

**B.7 Summary of financial information** The Company acquired on the 10th of June, 2019, through an issue in kind, all shares in Eco Wave Power Ltd. The issue in kind was accounted at a value corresponding to the share capital that was newly issued following a decision at the Extraordinary General Meeting on the 21st of May, 2019, EUR 54,160 (SEK 576,785). As of the 10th of June, the consolidated balance sheet is presented in EWPG Holding AB (publ) including the underlying consolidated balance sheet in Eco Wave Power Ltd. The goodwill reported by the Company on the acquisition date on the 10th of June is thus the difference between the book value of the shares in Eco Wave Power Ltd in the issue in kind and the book value of Eco Wave Power Ltd's consolidated equity attributable to the parent company's owners on the same date.

EWPG Holding AB (publ) acquired Eco Wave Power Ltd on the 10th of June, 2019 through an issue in kind and then became the parent company of the newly formed Group. At the time of acquisition, EWPG Holding AB (publ) had no assets or operations and the acquisition therefore had no effect on the operational activities or on the ownership of the Company. Operations have been carried out and will continue to be carried out in Eco Wave Power Ltd and its subsidiaries. The purpose of the acquisition was to incorporate the operations according to Swedish law prior to the listing on Nasdaq First North.

As a consequence, the Board of Directors considers that Eco Wave Power Ltd's historical reports provide a true and fair view of how the history would have looked in the new legal structure with EWPG Holding AB (publ) as the parent company of the Group. No pro forma has therefore been established.

Financial reports are presented for 2017, 2018 and for the first quarter of 2019 for Eco Wave Power Ltd. The reports have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the Israeli Securities Regulations (Annual Financial Statements). The financial reports for 2017 and 2018 have been audited by KPMG and the financial report for the first quarter of 2019 has been reviewed by KPMG. The financial reports constitute a consolidation of the Group's subsidiaries and have been prepared specifically for this Prospectus.

The issue in kind and the acquisition affected the Company's balance sheet. These effects are shown in the balance sheet of EWPG Holding AB (publ) on the closing date of the 10th of June 2019, the date on which the Swedish Companies Registration Office registered the issue in kind. This balance sheet has been prepared in accordance with International Financial Reporting Standards ("IFRS") and has been audited by KPMG. In order to demonstrate the financial history of the parent company EWPG Holding AB (publ) prior to the date of the issue in kind, an income statement and a cash flow statement for the period March 27 - March 31 2019 in addition to a balance sheet as of March 31 2019 have been prepared. These reports have been prepared in accordance with International Financial Reporting Standards ("IFRS") and have been audited by KPMG.

All in all, the Board of Directors considers that the financial reports presented in the Prospectus give potential investors a true and fair view of the history and how the Company will be presented in future reports.

#### The parent company EWPG Holding AB (publ)'s Balance sheet as per March 31, 2019

EUR	NOTE	MARCH 31, 2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents		0
Short-term deposits		0
Other receivables	4	4,791
		4,791
<b>FIXED ASSETS</b>		
Property, plant and equipment		0
Intangible fixed assets		0
		0
<b>TOTAL ASSETS</b>		<b>4,791</b>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Credit from banks		0
Trade payables		0
Other accounts payables		0
		0
<b>NON-CURRENT LIABILITIES</b>		
Shareholders		0
Related parties		0
		0
<b>EQUITY</b>		
	5	
Share capital		4,791
Share premium		0
Foreign currency translation reserve		0
Retained earnings		0
Equity attributable to shareholders		4,791
Non-controlling interests		0
<b>TOTAL EQUITY</b>		<b>4,791</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>4,791</b>

**The parent company EWPG Holding AB (publ)'s Income statement for the period March 27-31, 2019**

EUR	MARCH 27 – 31, 2019
Revenue	0
Operating costs	0
<b>Gross profit</b>	<b>0</b>
General and administrative costs	0
<b>Operating income (EBIT)</b>	<b>0</b>
Financial income	0
Financial expenses	0
<b>Net income</b>	<b>0</b>
Attributable to:	
Shareholders	0
Non-controlling interest	0
	<b>0</b>

**The parent company EWPG Holding AB (publ)'s Cash flow statement for the period March 27-31, 2019**

EUR	MARCH 27 – 31, 2019
<b>Cash flow from operating activities:</b>	
<b>Net income</b>	<b>0</b>
Adjustments to the profit or loss items:	
Depreciation and amortization	0
	<b>0</b>
Cash flow from changes in working capital	
Decrease (increase) in other accounts receivable	0
Increase (decrease) in trade payables	0
Increase (decrease) in other accounts payable	0
<b>Net cash provided by (used in) operating activities</b>	<b>0</b>
<b>Cash flow from investing activities:</b>	
Purchases of fixed assets	0
Investments in bank deposits	0
<b>Net cash provided by (used in) investing activities</b>	<b>0</b>
<b>Cash flow from financing activities:</b>	
Issue of shares	0
Issue of shares to non-controlling interest	0
Change in non-controlling interest	0
Increase (repayment) of long-term loans and other liabilities	0
Credit from banks	0
<b>Net cash provided by (used in) financing activities</b>	<b>0</b>
Cash flow for the period	0
Cash and cash equivalents at the beginning of the period	0
<b>Cash and cash equivalents at the end of the period</b>	<b>0</b>

## Consolidated balance sheet for EWPG Holding AB (publ) as per June 10, 2019

I EUR	JUNE 10, 2019
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	736,503
Short-term deposits	35,510
Other receivables	132,455
	<b>904,468</b>
<b>Fixed assets</b>	
Property, plant and equipment	1,009,101
Intangible fixed assets	194,110
	<b>1,203,211</b>
<b>Total assets</b>	<b>2,107,679</b>
<b>Liabilities and Equity</b>	
<b>Current Liabilities</b>	
Credit from banks	0
Trade payables	4,794
Other accounts payables	83,329
	<b>88,123</b>
<b>Non-current liabilities</b>	
Shareholders	880,081
Related parties	527,571
	<b>1,407,652</b>
<b>Equity</b>	
Share capital	54,160
Share premium	0
Foreign currency translation reserve	0
Retained earnings	0
<b>Equity attributable to shareholders</b>	<b>54,160</b>
Non-controlling interests	557,744
<b>Total equity</b>	<b>611,904</b>
<b>Total liabilities and equity</b>	<b>2,107,679</b>

## Income Statements for Eco Wave Power Ltd.

IN EUR	Q1 2019	Q1 2018	2018	2017
Revenue	0	0	0	0
Operating Costs	-50,579	-50,821	-267,282	-331,606
<b>Gross Profit</b>	<b>-50,579</b>	<b>-50,821</b>	<b>-267,282</b>	<b>-331,606</b>
General and administrative costs	-90,435	-133,626	-565,684	-558,563
<b>Operating income</b>	<b>-141,014</b>	<b>-184,447</b>	<b>-832,966</b>	<b>-890,169</b>
Financial income	0	28,335	37,459	0
Financial expenses	-17,225	-493	-753	-50,189
<b>Net income</b>	<b>-158,239</b>	<b>-156,605</b>	<b>-796,260</b>	<b>-940,358</b>
Attributable to:				
the Company's shareholders	-154,199	-151,519	-745,550	-802,890
Minority interest	-4,040	-5,085	-50,710	-137,468
	<b>-158,239</b>	<b>-156,604</b>	<b>-796,260</b>	<b>-940,358</b>

## Balance sheets for Eco Wave Power Ltd.

IN EUR	Q1 2019	Q1 2018	2018	2017
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	48,946	93,909	225,002	330,306
Short-term deposits	35,510	25,918	25,006	25,843
Other receivables	132,455	111,748	110,240	91,056
	<b>216,911</b>	<b>231,575</b>	<b>360,248</b>	<b>447,205</b>
<b>Fixed assets</b>				
Property, plant and equipment	1,009,101	932,313	956,878	923,307
Intangible fixed assets	882,847	0	0	0
	<b>1,891,948</b>	<b>932,313</b>	<b>956,878</b>	<b>923,307</b>
<b>Total assets</b>	<b>2,108,859</b>	<b>1,163,888</b>	<b>1,317,126</b>	<b>1,370,512</b>
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Credit from banks	0	238	0	0
Trade payables	4,794	6,505	9,446	37,793
Other accounts payables	83,329	27,816	79,544	24,282
	<b>88,123</b>	<b>34,559</b>	<b>88,990</b>	<b>62,075</b>
<b>Non-current liabilities</b>				
Shareholders	880,081	834,621	832,459	868,037
Related parties	527,571	510,904	503,561	512,371
	<b>1,407,652</b>	<b>1,345,525</b>	<b>1,336,020</b>	<b>1,380,408</b>
<b>Equity</b>				
Share capital	55,340	212	212	212
Share premium	0	1,446,241	2,094,025	1,446,241
Foreign currency translation reserve	0	2,444	-6,126	-2,998
Retained earnings	0	-2,110,043	-2,749,699	-1,953,439
<b>Equity attributable to shareholders</b>	<b>55,340</b>	<b>-661,146</b>	<b>-661,588</b>	<b>-509,984</b>
Non-controlling interests	557,744	444,950	553,704	438,013
<b>Total equity</b>	<b>613,084</b>	<b>-216,196</b>	<b>-107,884</b>	<b>-71,971</b>
<b>Total liabilities and equity</b>	<b>2,108,859</b>	<b>1,163,888</b>	<b>1,317,126</b>	<b>1,370,512</b>

## Cash flow statements for Eco Wave Power Ltd.

IN EUR	Q1 2019	Q1 2018	2018	2017
<b>Cash flow from operating activities</b>				
<b>Net loss</b>	<b>-158,239</b>	<b>-156,605</b>	<b>-796,260</b>	<b>-940,358</b>
Adjustments to the profit and loss items:				
Depreciation and amortization	4,821	4,853	19,462	18,579
	<b>4,821</b>	<b>4,853</b>	<b>19,462</b>	<b>18,579</b>
Changes in assets and liabilities items:				
Decrease (increase) in other accounts receivables	-16,447	-24,397	-22,133	-25,024
Increase (decrease) in trade payables	-5,146	-29,752	-27,123	26,026
Increase (decrease) in other accounts payables	-378	4,522	56,048	5,270
	<b>-21,971</b>	<b>-49,627</b>	<b>6,792</b>	<b>6,272</b>
<b>Net cash provided by (used in) operating activities</b>	<b>-175,389</b>	<b>-201,379</b>	<b>-770,006</b>	<b>-915,507</b>
<b>Cash flow from investing activities</b>				
Purchase of fixed assets	-9,742	-30,694	-72,778	-63,806
Investment in bank deposits	-9,196	-1,127	837	-25,843
<b>Net cash provided by (used in) investing activities</b>	<b>-18,938</b>	<b>-31,821</b>	<b>-71,941</b>	<b>-89,649</b>
<b>Cash flow from financing activities</b>				
Issue of shares	0	0	647,784	743,910
Issue of shares to non-controlling interests	0	1,852	64,981	285,488
Change in non-controlling interests	4,040	5,085	50,710	137,468
Increase/Repayment of long-term loans and other liabilities	14,229	-10,373	-26,832	-104,561
Credit from banks	0	238	0	0
<b>Net cash provided by (used in) financing activities</b>	<b>18,269</b>	<b>-3,198</b>	<b>736,643</b>	<b>1,062,305</b>
<b>Cash flow for the period</b>	<b>-176,058</b>	<b>-236,398</b>	<b>-105,304</b>	<b>57,149</b>
Cash and cash equivalents at the beginning of the period	225,002	330,306	330,306	273,157
<b>Cash and cash equivalents at the end of the period</b>	<b>48,944</b>	<b>93,908</b>	<b>225,002</b>	<b>330,306</b>

**Key figures not defined in accordance with IFRS and the Israeli Securities Regulations  
(Annual Financial Statements, 2010 for EWPG Holding AB (publ))**

KEY FIGURES	DEFINITION AND REASON FOR PRESENTATION	RECONCILIATION TO FINANCIAL STATEMENTS	JUNE 10 2019
Equity ratio, %	Equity in relation to total assets at the end of the period. Equity ratio is a measurement that provides information, in order to allow investors to assess the financial stability of the Company and the Company's ability to manage in the longer term.		29,0 %

**Key figures defined in accordance with IFRS and the Israeli Securities Regulations (Annual Financial Statements), 2010 for Eco Wave Power Ltd.**

KEY FIGURES IN EUR	Q1 2019	Q1 2018	2018	2017
Earnings per share	-1.54	-1.52	-7.73	-9.12
Net revenue	0	0	0	0

**Key figures not defined in accordance with IFRS and the Israeli Securities Regulations (Annual Financial Statements), 2010 for Eco Wave Power Ltd.**

KEY FIGURES	DEFINITION AND REASON FOR PRESENTATION	RECONCILIATION TO FINANCIAL STATEMENTS	Q1 2019	Q1 2018	2018	2017
Equity ratio, %	Equity in relation to total assets at the end of the period. Equity ratio is a measurement that provides information, in order to allow investors to assess the financial stability of the Company and the Company's ability to manage in the longer term.	Total equity	-269,763	-216,196	-107,884	-71,971
		Total assets	1,226,012	1,163,888	1,317,126	1,370,512
		Total equity/Total assets	-22.0 %	-18.6 %	-8.2 %	-5.3 %
EBITDA (in EUR)	Operating income before depreciation/amortization and impairment of tangible and intangible fixed assets. EBITDA provides a supplementary information of the profit generated by the continuing operations.	Operating income (EBIT)	-141,014	-184,447	-832,966	-890,169
		Depreciation and amortization	4,821	4,853	19,462	18,579
		EBITDA	-136,193	-179,594	-813,504	-871,589
No. Employees average (FTE)	Not applicable	Not applicable	13	13	14	16
No. Outstanding shares at year end	Not applicable	Not applicable	103,064	103,064	103,064	103,064

**Consolidated balance sheet for EWPG Holding AB (publ) as per 10 June 2019***Assets*

Total assets amounted to MEUR 2.1 as of June 10, 2019.

*Cash and bank balances*

As of June 10, 2019, cash and bank balances amounted to kEUR 737.

*Trade receivables*

Trade receivables were EUR 0 as of June 10, 2019.

*Other receivables*

Other receivables amounted to kEUR 132 as of June 10, 2019. Other receivables mainly consisted of receivables from governmental authorities – VAT, amounting to kEUR 85 as of June 10, 2019.

*Current liabilities*

Current liabilities consist of trade payables owed to outside suppliers and other accounts payable which are mainly accrued payroll related liabilities. Trade payables amounted to kEUR 5 as of June 10, 2019.

Other accounts payable mainly consist of payroll related liabilities for social security, income tax and salaries, both to authorities and employees. Payables to payroll authorities amounted to kEUR 14 and payroll accruals amounted to kEUR 9 as of June 10, 2019.

*Equity related to the parent company's shareholders*

Equity attributable to the parent company's shareholders amounted to kEUR 54 as of June 10, 2019.

Outgoing balance as of June 10, 2019 is the new Group EWPG Holding AB (publ)'s closing balance. This Group was formed on June 10, 2019, when EWPG Holding AB (publ) acquired 100 per cent of the shares in the former parent company Eco Wave Power Ltd, Israel, through an issue in kind.

**Consolidated income and results of the operations for Eco Wave Power Ltd.****First quarter of 2019 compared to the first quarter of 2018***Revenue*

Sales during the first quarter of 2019 amounted to EUR 0, which was the same as for the corresponding quarter of 2018.

*Other Operating Income*

Other operating income during the first quarter of 2019 amounted to EUR 0, which was the same as the corresponding quarter in 2018.

*Costs*

Personnel costs and other external costs decreased by 3 per cent and amounted to kEUR 141. The largest cost in the first quarter 2019 as well as the corresponding quarter in 2018 was employee cost. Employee cost in the first quarter 2019 amounted to kEUR 76 compared to kEUR 102 for the corresponding quarter in 2018. The decrease in employee cost was due to the decrease in the number of employees which amounted to 13 employees during the first quarter 2019.

The decrease in employee costs during the first quarter 2019 compared to the first quarter in 2018 was offset by an increase in costs related to professional services and continuing education. Depreciation cost was kEUR 5 in the first quarter 2019 the same as in the corresponding quarter in 2018.

**Full year of 2018 compared to the full year of 2017***Revenue*

The Group's generated no revenue in 2018, which was the same compared 2017.

*Costs*

There were some changes in Eco Wave Power Ltd.'s employee structure during 2017 and 2018, where the average number of full-time employees in 2018 was 14 compared to 16 employees at the end of 2017. The number of employees in Israel increased from decreased from 7 to 6. The number of employees in Mexico decreased from 7 at the end of 2017 to 3 employees at the end of 2018. Total employee cost in 2017 and 2018 were kEUR 358 and kEUR 342 respectively. Employee costs accounted for approximately 41 per cent of Eco Wave Power Ltd.'s total costs in 2018 and are expected to remain a large cost going forward.

Travel costs during 2018 were mainly international flights and accommodation for Eco Wave Power Ltd.'s sales and marketing team visiting customers and marketing events. Marketing costs are mainly stand costs at well-established trade fairs and events all over the world and only amounted to kEUR 10. Travel costs decreased during 2018 and amounted to kEUR 96 compared to kEUR 130 during 2017.

Eco Wave Power Ltd. has registered patents in Israel and an ongoing international PCT application to protect Eco Wave Power Ltd.'s patent portfolio in most countries of the world. The Group will continue to apply for and develop new patents. The world-wide coordination of the registration of patents is through a Law firm named Meir Dahan Patent Law Firm. Legal expenses and patent registration costs amounted to kEUR 79 during 2018 compared to kEUR 44 during 2017. Such costs are expected to continue to increase.

In 2018, tax expense increased significantly and amounted to kEUR 77 compared to kEUR 20 during 2017. The tax expense is mainly related to payments in the Mexican subsidiary for the land and are attributable to the Company's holdings of fixed assets.

**Consolidated balance sheet for Eco Wave Power Ltd.  
First quarter of 2019 compared to the first quarter of 2018**

*Assets*

Total assets amounted to MEUR 1.2 by the end of the first quarter of 2019, corresponding to an increase of approximately 5 per cent compared to the end of the corresponding quarter of 2018. The increase was mainly attributable to an increase in plant and equipment.

*Cash and bank balances*

By the end of the first quarter of 2019, cash and bank balances amounted to kEUR 49, compared to kEUR 94 during the corresponding period in 2018.

*Trade receivables*

Trade receivables were to EUR 0 at the end of the first quarter in both 2019 and 2018.

*Other receivables*

Other receivables at the end of the first quarter 2019 amounted to kEUR 132 compared to kEUR 112 at the end of the corresponding period in 2018. Other receivables mainly consisted of receivables from Governmental authorities – VAT, constituting of kEUR 85 at the end of the first quarter 2019 compared to kEUR 70 in the end of the first quarter 2018.

*Current Liabilities*

Current liabilities consist of trade payables owed to outside suppliers and other accounts payable which are mainly accrued payroll related liabilities. Trade payables amounted to kEUR 5 at the end of the first quarter in 2019, which corresponded to a change of 26 per cent compared to the of the first quarter in 2018.

Other accounts payable mainly consist of payroll related liabilities for social security, income tax and salaries, both to authorities and employees. Payables to payroll authorities amounted to kEUR 14 and payroll accruals amounted to kEUR 9 at the end of the first quarter in 2019.

*Equity related to the parent company's shareholders*

Equity attributable to the parent company's shareholders amounted to kEUR -828 as of 31 March of 2019, compared to kEUR -661 as of 31 March 2018. The change was mainly attributable to the net losses the Company has reported but was somewhat offset by an increase in the share premium with the amount of kEUR 647.

**Full year of 2018 compared to the full year of 2017**

*Assets*

Eco Wave Power Ltd. has kEUR 957 in fixed assets, mainly consisting of equipment and technology tied to the power stations in Gibraltar and Jaffa Port, as well as land in Mexico.

*Cash and bank balances*

Cash and bank balances amounted to kEUR 225 at the end of 2018 compared to kEUR 330 at the end of 2017. The decrease in cash and bank balances was due to reported net losses.

*Trade receivables*

At 31 December 2018, the Eco Wave Power Ltd. had no trade receivables, since Eco Wave Power Ltd. had no revenue in 2018. Other receivables amounted to kEUR 110, primarily related to government VAT.

*Current liabilities*

The current liabilities amounted to kEUR 89 at 31 December 2018, compared to kEUR 62 at 31 December 2017. The difference was primarily caused by increased other payables related to higher activity with patent lawyers and increase in EWP Gibraltar's account balance.

*Equity related to the parent company's shareholders*

The equity related to the parent company's shareholders amounted to kEUR -662 at 31 December 2018 and kEUR -510 at 31 December 2017.

**Consolidated cash flow for Eco Wave Power Ltd.****First quarter 2019 compared to the first quarter of 2018**

During the first quarter of 2019, cash flow used in operating activities equaled kEUR -175, for the corresponding period the previous year, the cash flow from operating activities amounted to kEUR -201. The change is mainly explained by increase in account receivables and decrease in trade receivables.

*Investments*

Investment costs were during the first quarter of 2019 amounted to kEUR 19. During the first quarter of 2018, these costs amounted to kEUR 32 mainly relating to purchase fixed assets.

**Full year of 2018 compared to the full year of 2017**

In 2017, the shareholders invested an amount of kEUR 744 which was reflected in the movement in share capital and share premium during 2017. In 2018 the share premium increased by kEUR 648 and amounted to MEUR 2.1.

*Investments*

Capital expenditures in both 2018 and 2017 were low. The investment costs amounted to kEUR 72 and kEUR 90 in 2018 and 2017 respectively.

**Investments in progress and future investments**

The Group has no significant investments in progress and, as of the date of this Prospectus, no definitive undertakings have been given regarding individual significant investments in the immediate future.

**Intangible fixed assets**

On June 10 2019, EWPG Holding AB (publ)'s intangible fixed assets amounted to EUR 194,110..

**Tangible fixed assets**

On June 10 2019, EWPG Holding AB (publ)'s tangible fixed assets amounted to MEUR 1.0 and consisted of land, plant and equipment. There are no significant security interest registrations or similar encumbrances on such assets, and there are also no significant restrictions on the disposition or use of tangible fixed assets.

**Research and development**

Eco Wave Power Ltd.'s costs for research and development amounted to approximately kEUR 47 in 2018. In 2017 costs for research and development amounted to kEUR 87. The Group does not capitalize its development costs on an ongoing basis.

**Marketing**

Eco Wave Power Ltd.'s costs for marketing amounted to kEUR 10 in 2018 compared to kEUR 13 in 2017.

**Significant events since 31 march 2019**

Except for what is mentioned above, no significant change in the financial or trading position of the Group has occurred since June 10 2019.

**Trends and political measures**

Except for what is mentioned above, the board of directors is not aware of (i) any significant trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the Prospectus, (ii) any trends, uncertainties, potential claims or other demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for the current financial year, or (iii) any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, Eco Wave Power's operations.

**SECTION B – ISSUER**

<b>B.8</b>	<b>Selected pro forma financial information</b>	Not applicable. No selected pro forma financial information has been presented.
<b>B.9</b>	<b>Profit/Loss forecast</b>	Not applicable. No profit/loss forecast has been presented.
<b>B.10</b>	<b>Auditor's remarks</b>	Not applicable. There are no remarks from the auditor for the financial information presented in the Prospectus.
<b>B.11</b>	<b>Working capital</b>	<p>The Board of Directors' assessment is that existing working capital (working capital before the implementation of the Offering) is insufficient to operate the business in accordance with the business plan during the upcoming twelve-month period. As of June 10, 2019, the Company has liquidity amounting to EUR 0.8 million.</p> <p>Given the business plan, including investments in the projects in Gibraltar and the UK, the Company makes the assessment that it currently does not have sufficient working capital for the next twelve months. The existing working capital, at the date of the Prospectus, is deemed sufficient to run operations in accordance with the business plan described in the Prospectus for about three months. Including investments in accordance with the Company's business plan the Company estimates that the deficit in working capital for the next twelve months amounts to approximately EUR 2.3 million. The working capital requirement is deemed to arise in October 2019. The board considers that the planned Offering, together with existing liquidity, is sufficient to finance the business for at least the next twelve months. If the Offering is not implemented, the Company would be forced to seek other financing opportunities in the form equity, loans or public contributions and grants, among others. In addition, the Company would have to re-examine the rate of the expansion in the existing business plan and review the Company's organization and cost structure.</p>

**SECTION C – SECURITIES**

<b>C.1</b>	<b>Securities offered</b>	The Offering is in respect of new shares in Eco Wave Power (ISIN code SE0012569663).
<b>C.2</b>	<b>Denomination</b>	The shares are denominated in Swedish krona, SEK.
<b>C.3</b>	<b>Total number of shares and quotient value</b>	As of the date of this Prospectus, the share capital of Eco Wave Power amounts to SEK 576,785 divided into 28,839,250 shares, giving each share a quotient (par) value of SEK 0.02. The shares are issued in accordance with Swedish law and all shares are fully paid.
<b>C.4</b>	<b>Rights associated with the securities</b>	The Company only has one class of shares. Shareholders are entitled to vote for their full number of shares and each share entitles to one vote at shareholders' meetings. All shares in the Company give equal rights to dividends; share in the Company's profits and the Company's assets and any surplus in the event of liquidation. The shares will carry the right to dividend for the first time on the record date for a distribution that occurs after completion of the Offering. Rights associated with the shares may only be modified or altered in accordance with Swedish law.
<b>C.5</b>	<b>Transferability restrictions</b>	Not applicable. There are no restrictions on the right to freely transfer the shares.
<b>C.6</b>	<b>Admission for trading on regulated marketplace</b>	Not applicable. The shares will not be admitted to trading on a regulated marketplace. The board of directors of Eco Wave Power has applied for listing of Eco Wave Power's shares on First North. First North is an MTF and does not have the same legal status as a regulated marketplace. The first day of trading is expected to occur on or about 18th of July 2019.
<b>C.7</b>	<b>Dividend policy</b>	Eco Wave Power is in a phase where priority is put on exploiting the growth opportunities that have been identified. As a result, shareholders should not expect to receive any, or very low, dividends in the next few years. Eco Wave Power was founded in 2019 and thus have not yet paid any dividend.

**D.1 Risks related to the industry and the issuer**

An investment in shares is always associated with risks. The below described risks are not set out in a way of priority and are not described in detail. They have however been assessed by the Company to be the principal risks related to the shares of the Company.

**Risks related to the Group's intellectual property rights**

The value of the Group's assets is dependent on the ability to obtain and defend intellectual property rights. In countries where the protection of intellectual property is limited or missing, a third party could use the Group's intellectual properties and thereby reducing the value of the Group's registered or unregistered intellectual property rights. If the Group fails to maintain or prevent unauthorized usage of its existing intellectual properties, there is a risk that the Group's intellectual property protection and competitive advantages developed by the Group will be adversely affected. Third parties may also object to, or otherwise challenge, registered and unregistered intellectual properties. Currently, there are oppositions to two of the Group's patents. If such current or future oppositions were to be approved and the Group would lose its intellectual property right, or if any of the other risks related to the Group's intellectual property rights would materialize, this could adversely affect the Group's business, results and financial position.

**Immature market**

The market for renewable energy is expanding rapidly, but the wave energy sector is still at an early stage of development. There is a risk that relevant actors refrain from making large investments in new technology that is not sufficiently well-known or tested. There is a risk that relevant actors make special considerations about whether the Group's technology is sufficiently tested and takes a conservative approach to testing new technology. As the technology in the wave energy sector becomes more proven, a change is expected in this respect, but with it follows a risk that the Group cannot adapt to changing market conditions fast enough, which could have a material adverse effect on the Group's business, results and financial position.

**Market acceptance**

The wave energy as a renewable source of energy has developed over time without any large-scale success in the market. Thus, companies in the industry risk not being fully accepted in the renewable energy market. The Group's products are exposed to competition in terms of pricing, product quality, reliability, technology and financing conditions. If the Group fails to develop and follow technical development and compete effectively with both competitors in wave energy concepts and other actors in renewable energy, the commercialization of the Group's products can be delayed and the market for the Group's products will not be considered as favorable as expected. This could have a material adverse effect on the Group's business, results and financial position.

**Development of sales and markets**

The Group will eventually have to broaden its processing of local energy markets. Such processing may be resource-intensive as it involves large economic values for the markets. There is therefore a risk that future projects will take longer than expected, which may cause displacements for the Group's ability to generate revenue. There is a risk that a decision to integrate wave energy is delayed or postponed by political power changes or changed economic conditions. Such events and a delay in growth in the wave energy market could have a material adverse effect on the Group's business, results and financial position.

**Research and development**

The Group conducts research and development on wave-based energy. The results of such research and development can be unforeseen and undesirable and thus the Group's forecasted costs related to such research and development are associated with great uncertainty. Unforeseen results can also lead to the concept and development having to be reconsidered, which means that supplementary research and development may have to be carried out at significant costs or that the research and development must be completely shut down. There is a risk that the Group's investments in research and development are not in line with market expectations or that they prove insufficient. A delay or non-existent launch of the Group's products or an insufficient investment could have a material adverse effect on the Group's business, results and financial position.

**Environmental responsibility and responsibility for damages**

The Group must comply with all applicable legislation and all rules for environmental protection and environmental impact, but incidents with the Group's products can still occur. The products may damage the environment or third-party assets in such a way that it can lead to disruption of business, loss of assets in such a way that it can lead to disruption of business, loss of assets, damage to employees or the public. In connection with this, the Group may be required to pay damages or be subject to restitution responsibility. Such impact on the environment can also lead to negative publicity. The cost of complying with current regulations could have a material adverse effect on the Group's business, results and financial position.

**Permits**

Several permits are required to conduct the Group's business for example to use land. It may be difficult, or take longer time than expected, to obtain the necessary permits in some countries that the Group expects to become key markets for the Group's products. The authorization process may be capital-intensive, which can delay the launch of products based on the Group's technology onto the market. If the Group does not comply with the requirements set for the activities in the permits, the Group can lose the granted permits or not receive them at all. Should any of these risks occur it could have a material adverse effect on the Group's business, results and financial position.

**Changes in the regulatory framework**

The Group's activities are affected by environmental and safety laws, as well as changes to other laws and regulations. Many countries have introduced, or will introduce, legislation governing the production, construction, operation and decommissioning of marine energy-based technologies. There may be unforeseen changes in the existing legislation that make the projects more difficult and/or more expensive to plan, deliver and operate, which could have a material adverse effect on the Group's business, results and financial position.

**National electricity markets**

National electricity markets are politically regulated and complex. In some markets, the political system may prove to be beneficial to local suppliers, while there may be a more open climate in other markets. In some of the Group's markets it may turn out that it is not economically viable for the Group to accept local conditions, which could have a material adverse effect on the Group's business, results and financial position.

**Risks related to agreements**

The Group have several ongoing projects that are not based on written agreements but rather on, for example, letters of intent where both parties have expressed a mutual interest to cooperate. The lack of written agreements can lead to uncertainty about what applies between the parties, which can lead to deteriorated relationships and increased risk of disputes, which can adversely affect the Group's business, results and financial position.

There is also a risk that the Group breaches an agreement that has been entered into, regarding for example use of land, and that the other party therefore has the right to remedies or, in worst case, the right to terminate the agreement, which can adversely affect the Group's business, results and financial position.

The projects for which agreements are of intention character with few or none binding provisions are those where a counterparty evaluates the Group's technology and / or where the conditions for an installation for production are investigated. The absence of formal agreements in such situations has not been considered to expose the Group to material risks. When a project moves from the test or evaluation phase, written agreements are signed whereby all relevant conditions are clearly documented.

**Risk related to certain markets**

The Group operates in some less developed markets such as China and Mexico. The business climate in these markets is generally not as stable and predictable as in more developed markets. The Group is thus exposed to an increased risk of, for example, bribery and corruption. There is a risk that the Group does not have sufficient internal policies in place to assure anti-bribery and anti-corruption. The Group's operations in these markets also entail increased political, legal and financial risks for the Group. These risks could affect the stakeholders' perception of the Group and its brands and have a negative impact on the Group's business, results and financial position.

**D.3 Risks related to the securities**

An investment in shares is always associated with risks. The below described risks are not set out in a way of priority and are not described in detail. They have however been assessed by the Company to be the principal risks related to the shares of the Company.

**The market price of the Company share**

An investment in shares is always associated with risks and risk-taking. The share price of newly listed shares is often volatile for a period subsequent to the listing. The share market in general, and for smaller companies in particular, may be subject to significant price and volume fluctuations, which are not possible to predict based on the Company's developments or disclosed results. Eco Wave Power is not able to predict how liquid the First North market may become and to what extent the interest in investing in the Company's shares will increase or maintain. The distance between the sell and purchase price may from time to time be significant, making it difficult for a shareholder to sell shares at a moment and to a price deemed appropriate.

**Future dividends**

Payment of dividends is decided by the shareholders' meeting and proposed by the board of directors. Any future dividends depend on several factors, such as future results, financial position, working capital, liquidity and the Company's need of investments. Eco Wave Power is in a phase where priority is put on exploiting the growth opportunities that have been identified. As a result, shareholders should not expect to receive any, or very low, dividends in the next few years. Under such circumstances the possible return for the shareholders during the next few years will mainly be reliant to the share price.

**First North**

The Company's shares will be listed on First North, given that the Company's application is granted. First North is an MTF (multilateral trading facility), i.e. not a regulated marketplace. Companies with shares listed on First North are not obliged or forced to comply with the same rules as companies with shares traded on a regulated marketplace, but to less extensive rules and regulations. Such rules and regulations are preferably adapted for smaller and growth companies, why an investment in a company listed on First North may imply more risk than an investment in a company with shares traded on a regulated marketplace.

**Existing shareholders selling their shares**

Future sales of large quantities of the Company's shares, especially sales made by the Company's board members, senior management or major shareholders, may have an adverse impact on the share price. Some of the major shareholders in the Company have committed to lock-up restrictions under a period of 18 months from the date of listing. However, such restrictions will no longer be applicable after the period, meaning that the shares can be offered for sale. This can have a negative impact on the share price.

**E.1 Issue proceeds and issue costs**

In connection with the Offering, the Company is conducting a new share issue that is expected to raise gross proceeds of SEK 150.1 million and net proceeds of approximately SEK 138.1 million following deductions of the Company's transaction costs (including fees to the Company's advisers), which are estimated to a total of about SEK 12.0 million, depending on the outcome of the Offering.

In addition, the Board of Directors has the option to extend the Offering up to SEK 50 million, which would increase net proceeds by up to 47 million following additional transaction costs of up to SEK 3.0 million.

**E.2a Reasons for the Offering and use of proceeds**

The Company is a Swedish company that through subsidiaries, including in Israel, has developed a patented, smart and cost-effective technology for extracting green energy from ocean waves. The Israeli subsidiary was founded in 2011 in Tel Aviv. Eco Wave Power is offering a technology being the only company in the world with a nationally grid connected wave energy array, operating in accordance with a Power Purchase Agreement (PPA).

The Company is now ready for commercial take-off starting with the installation of a 10 MW power plant in the UK as well as the expansion of the power plant in Gibraltar to 5 MW.<sup>1</sup> It is the Company's assessment that the existing working capital based on the Company's current business plan is not sufficient to cover the required capital requirement over the next twelve months. Including investments in accordance with the Company's business plan, the Company estimates that the working capital deficit for the coming twelve months amounts to approximately MEUR 2.3. In light of the above, the Board, with the support of authorization from the Extraordinary General Meeting, has decided to carry out the Offer with subsequent listing of the Company's shares on Nasdaq First North. If the expected issue proceeds do not come in as planned and if the Company failed to generate more revenue or carry out cost reductions, the Company may be forced to seek additional external financing and postpone or cancel the commercialization and market establishment according to the plans that have been decided. This may ultimately mean that the Company's operations may need to be limited.

Eco Wave Power chooses to publicly list the Company's share on Nasdaq First North in Sweden is due to several underlying factors. One reason is that the Company's wants an increased presence in Europe as a large part of the Company's project pipeline is in Europe. Furthermore, the knowledge and awareness of renewables is extensive in Sweden, which is underlined by the large presence of renewable energy in the country's energy production, the interest among investors regarding renewable energy in addition to a number of comparable companies that are publicly listed. Finally, the Company sees Nasdaq in Sweden as a good steppingstone towards Nasdaq in the United States. The Company's goal is to be publicly listed on Nasdaq in the United States as well, within a number of years.

**Use of the proceeds**

The purpose of the Offering is to increase the rate of the commercialization in a manner that would not be possible without external financing. The numbers below are listed in order of priority.

The proceeds from the Offering will be used for the following:

1. Installation projects and engineering costs – approximately 80 per cent of total proceeds.<sup>2</sup>
2. Reinforcement of support functions - preferably sales and marketing – approximately 20 percent of total proceeds

Should the Board of Directors use the option to extend the Offering, the additional proceeds will be split in accordance with above.

1. The Company's view.

2. Installation projects and engineering costs also include the coverage of the working capital deficit which arises because of the investments in the projects in Gibraltar and the UK, in accordance with the Company's business plan.

**E.3 Offering terms and conditions****The Offering**

The Offering is made to the general public in Sweden, Denmark and Norway, as well as international professional investors and comprises a maximum of 7,900,000 newly issued shares in the Company to a total amount of SEK 150,100,000. The Offering amounts to approximately 21.5 per cent of the total number of shares in the Company.

In addition, the Board of Directors has the option to extend the Offering up to SEK 50 million, corresponding to up to 2,631,580 newly issued shares in the Company.

**Offering price**

The Offering price is SEK 19.00 per share, corresponding to a company value of SEK 548 million prior to the Offering.

**Subscription**

The subscription of shares is to be made during the period 27th of June – 10th of July, 2019 and should be a minimum of 400 shares.

**Terms and conditions for completion of the Offering**

The Offering is conditioned on that the interest in the Offering, according to the judgement of the board of directors, is sufficient for a satisfactory trading in the shares, that the Company receives necessary working capital to be considered a going concern the upcoming twelve months, and that Nasdaq's admission requirements are met by the Offering. The Offering is further conditioned on the absence of any events deemed to have such materially negative effect on the Company that it would be inappropriate to complete the Offering. If the above conditions are not met, the Offering may be canceled. A possible cancellation of the Offering will be announced by a press release as soon as possible, and no later than the 10th of July 2019. In the event the Offering is canceled, neither delivery nor payment for shares within the Offering will be made.

**E.4 Interests and conflicts of interest**

Certain members of the Board of Directors and senior management have economic interest through shareholding in the Company.

Naventus have the rights to a pre-agreed compensation for their services in connection with the Offering. Törngren Magnell receives ongoing compensation for services rendered. If any conflicts of interest should occur during the process of the Offering, Naventus will immediately inform the Company of such conflict. Besides compensation for their services neither Naventus nor Törngren Magnell has any economic or other interests in the Company. No conflicts of interest are deemed to exist between the parties.

<b>E.5 Selling shareholders and Lock-up agreement</b>	<p>In connection with the Offering, Inna Braverman and David Leb, who are majority shareholders and members of the board of the Company, have committed not to sell or transfer any shares owned directly or indirectly, without Naventus' prior written consent, for a period of 18 months following the first day of trading of the shares (so-called lock-up agreements). The following circumstances shall not entail a breach of the lock-up agreements by a party who has entered into a lock-up agreement:</p> <p>(1) accepting a general offer made to all holders of shares made in accordance with applicable takeover rules on terms which treat all such holders alike; or</p> <p>(2) executing and delivering an irrevocable commitment or undertaking to accept a general offer as referred to in (1) above; or</p> <p>(3) transferring shares to any entity in the same group of companies as the undersigned, whether a direct or indirect parent, subsidiary or sister company, or to any other entity which is otherwise, directly or indirectly, wholly owned by the undersigned, provided that such entity agrees in writing to Naventus to abide by the restrictions on the sale of shares hereunder; or</p> <p>(4) selling or otherwise disposing of shares pursuant to any redemption of shares which is made on identical terms to all holders of shares in the Company; or</p> <p>(5) selling any subscription rights or similar rights allotted in a rights issue or other pre-emptive offering by the Company; or</p> <p>(6) transferring shares to a capital insurance (Sw. kapitalförsäkring) or to an Investment Savings Accounts (Sw. investeringssparkonton) held by the undersigned; or</p> <p>(7) transferring shares for bona fide purposes to any holding company of the undersigned or any of its shareholders which has signed and delivered a duly authorized lock-up undertaking substantially in the form of this agreement to Naventus; or</p> <p>(8) transferring shares where a disposal is required by law or by any competent authority or by order of a court of competent jurisdiction.</p> <p>Prior to the Offering, shares amounting to 81.49 per cent of the shares and votes in Eco Wave Power are subject to lock-up agreements.</p>
<b>E.6 Dilution</b>	<p>Provided that the Offering is fully subscribed, the Company's share capital will increase with SEK 158,000 and will following completion of the Offering amount to SEK 734,785, divided into 36,739,250 shares, of which the new shares issued in the Offering will represent approximately 21.5 per cent of the total number of shares in the Company. The dilution effect for existing shareholders who do not subscribe for shares in the Offering amounts to approximately 27.4 per cent. Should the Board of Directors use the option to extend the Offering, the Company's share capital would increase by up to an additional SEK 52,632, and the number of shares would increase by up to an additional amount of 2,631,580 shares, to a total of 39,370,830 shares, which will represent approximately 26.8 per cent of the total number of shares in the Company, corresponding to a total dilution of 36.5 per cent.</p>
<b>E.7 Costs charged to investor</b>	<p>Not applicable. Eco Wave Power does not charge the investors any costs.</p>

# Risk factors

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An investment in the shares of Eco Wave Power is associated with risks. The business of Eco Wave Power is affected, and could be affected, by a number of factors which are not possible for the Company to control, either in part, or at all. These factors could have an adverse impact on the Group's business, financial position and profits in the future, or could lead to that the share price is decreasing and as a result of that, the investors may lose their investment, in part or in full. Some of the risks are associated with the Group, while other risks do not have any particular connection to the Group. Any investor considering an investment in the shares should carefully analyze the risk factors described below as well as any other information in this Prospectus before deciding on whether to make an investment in Eco Wave Power. The described risks are not stated in any priority or other particular order, and the Group may be subject to other risks than described. In addition, the risks are not described in detail, but a complete evaluation must contain any information referred to in this Prospectus as well as general business intelligence. Moreover, there are other risks and uncertainties that the Company currently is not aware of, or deems to be immaterial that later could prove to be material. This Prospectus contains forward-looking statements which may be affected by future events, risks and uncertainties. The Group's actual result may be significantly different from those anticipated in these forward-looking statements due to many factors, among them, but not limited to, the risks described below and elsewhere in this Prospectus.

## Risks relating to the Group's business and market

### Financing and future capital requirements

The Company may, depending on the development of the Group's business and its ability to generate cash flow, require additional capital offered on terms acceptable to the Company, to be able to acquire assets and to develop assets and new products or services. The conditions for future financing will depend on how the Group's business develops, but it will also depend on other factors outside the Company's control, such as the macroeconomic development and the capital market's will to finance companies in the segment where the Group operates. In any case, it is not ensured that the Group will receive the necessary financial resources in due time, in the required amount and/or at acceptable conditions. In particular, higher interest rates may prevent the Group from being able to access the necessary financing or force the Group to enter financing agreements on disadvantageous terms. This could result in the Group not being able to make important investments or that the necessary liquidity for the expansion of the business is not available and, as a result, the corporate strategy has to be adjusted or changed completely, putting the Group at a disadvantage compared to its competitors that may be less indebted and subject to less restrictive financial covenants.

### Dependence on key personnel and employees

Within the Group there are key personnel and employees who are important for the continuing successful development of the Group's business. The Group is dependent on qualified and motivated personnel within all functions. It is essential that the Group manages to attract and retain existing key personnel and that the personnel consider the Group as a stimulating employer. It is not guaranteed that the Group will manage to retain such key personnel or attract and gain new personnel with the required qualifications in a timely manner. If key personnel and employees leave the Group, this will likely have a negative impact on the Group's business, result and financial position.

### Currency risks

The Group assumes to have part of its revenues and expenses in foreign currencies in the future. This means that exchange rate fluctuations between the foreign currencies may have a negative impact on the Group's business, result and financial position.

### Risks related to the Group's intellectual property rights

The value of the Group's assets is dependent on the ability to obtain and defend intellectual property rights. In countries where the protection of intellectual property is limited or missing, a third party could use the Group's intellectual properties and thereby reducing the value of the Group's registered or unregistered intellectual property rights. If the Group fails to maintain or prevent unauthorized usage of its existing intellectual properties, there is a risk that the Group's intellectual property protection and competitive advantages developed by the Group will be adversely affected. Third parties may also object to, or otherwise challenge, registered and unregistered intellectual properties. Currently, there are oppositions to two of the Group's patents. If such current or future oppositions were to be approved and the Group would lose its intellectual property right, or if any of the other risks related to the Group's intellectual property rights would materialize, this could adversely affect the Group's business, results and financial position.

### Risk of infringement of intellectual property rights of third parties

There is a risk that the Group has infringed or may infringe intellectual property rights, or that third parties claim that such infringement (also without justification) has taken place. Therefore, it cannot be excluded that competitors enforce their own intellectual property rights against the Group and/or defend themselves against the infringement of intellectual property rights. Legal disputes regarding intellectual property rights can, irrespective of their justification, result in a time consuming and cost intensive defense and can absorb management capacity and other resources. Payment obligations may arise for the Group or the Group may have to enter into license agreements, which are not available at economically viable conditions. This could have

a material adverse effect on the Group's business, results and financial position.

#### **The Group may become involved in legal disputes**

The Group may, as part of their ordinary business activity, become involved in legal disputes. If the Group fails to settle any legal proceedings it is party to the Group may be required to pay significant amounts of damages and fees, and claims may arise against the Group which may not be covered in full or in part by provisions or insurance. In such event, revenues, cash flow and profitability of the Group could be materially adversely affected. Such disputes are also time-consuming and detrimental to the day-to-day operation of the Group's business. This could have a material adverse effect on the Group's business, results and financial position.

#### **The Group consist of companies with no historical income**

As the Group has not yet begun its commercialization phase, the Group estimates that it will continue to report a loss in the next few years. The Group is therefore, to a greater extent than an established company with established sales, dependent on a successful development and commercialization work. If the commercialization of the Group's products is delayed, costly or failed, it would have a material adverse effect on the Group's business, results and financial position.

#### **The Group consists of companies within different legal systems**

The Group consists of companies with domicile in different countries and different legal systems. The current legislation in one country may differ in essential aspects from the legislation in another country. This may lead to difficulties when it comes to gathering information regarding the subsidiaries or conducting the business of the Company. This could have a material adverse effect on the Group's business, results and financial position.

#### **Risks related to tax**

The Group targets the international market for renewable energy. There is a risk that governments and authorities in any of the markets where the Group conducts activities change the tax legislation or raise the tax. Such changes could have a material adverse effect on the Group's business, results and financial position.

#### **Possible future revenue**

The Group's future earnings will be dependent on the Group being able to enter agreements for the sale of the Group's products and technology with countries and states that carry out a transition to an energy production that includes the Group's technology. If the Group fails to enter agreements for the sale of products on terms favorable to the Group, or if such agreements lead to delays or expenses or if payments according to the agreements are delayed or not made at all, it could have a material adverse effect on the Group's business, results and financial position.

#### **Immature market**

The market for renewable energy is expanding rapidly, but the wave energy sector is still at an early stage of development. There

is a risk that relevant actors refrain from making large investments in new technology that is not sufficiently well-known or tested. There is a risk that relevant actors make special considerations about whether the Group's technology is sufficiently tested and takes a conservative approach to testing new technology. As the technology in the wave energy sector becomes more proven, a change is expected in this respect, but with it follows a risk that the Group cannot adapt to changing market conditions fast enough, which could have a material adverse effect on the Group's business, results and financial position.

#### **Market acceptance**

The wave energy as a renewable source of energy has developed over time without any large-scale success in the market. Thus, companies in the industry risk not being fully accepted in the renewable energy market. The Group's products are exposed to competition in terms of pricing, product quality, reliability, technology and financing conditions. If the Group fails to develop and follow technical development and compete effectively with both competitors in wave energy concepts and other actors in renewable energy, the commercialization of the Group's products can be delayed and the market for the Group's products will not be considered as favorable as expected. This could have a material adverse effect on the Group's business, results and financial position.

#### **Development of sales and markets**

The Group will eventually have to broaden its processing of local energy markets. Such processing may be resource-intensive as it involves large economic values for the markets. There is therefore a risk that future projects will take longer than expected, which may cause displacements for the Group's ability to generate revenue. There is a risk that a decision to integrate wave energy is delayed or postponed by political power changes or changed economic conditions. Such events and a delay in growth in the wave energy market could have a material adverse effect on the Group's business, results and financial position.

#### **Future investments**

The Group will need to make significant investments in the future. It can be difficult to arrange the financing of large-scale energy projects at an attractive price, or to arrange such projects at all. This would force the Group to postpone or cancel planned projects, which could have a material adverse effect on the Group's business, results and financial position.

#### **Research and development**

The Group conducts research and development on wave-based energy. The results of such research and development can be unforeseen and undesirable and thus the Group's forecasted costs related to such research and development are associated with great uncertainty. Unforeseen results can also lead to the concept and development having to be reconsidered, which means that supplementary research and development may have to be carried out at significant costs or that the research and development must be completely shut down. There is a risk that the Group's investments in research and development are not in line with market expectations or that they prove insufficient. A delay or non-existent launch of the Group's products or an insufficient

investment could have a material adverse effect on the Group's business, results and financial position.

### Competition

There are many companies that develop renewable energy technology. The industry contains companies that can, or may, compete with the Group's products. There is a risk that competition will generally be harder on the market and that further development of competing projects or products will result in new wave products that are competitive and where large global companies can offer financial stability for such projects to gain or retain market dominance. If the company is unable to compete effectively in the market it could have a material adverse effect on the Group's business, results and financial position.

### Environmental responsibility and responsibility for damages

The Group must comply with all applicable legislation and all rules for environmental protection and environmental impact, but incidents with the Group's products can still occur. The products may damage the environment or third-party assets in such a way that it can lead to disruption of business, loss of assets in such a way that it can lead to disruption of business, loss of assets, damage to employees or the public. In connection with this, the Group may be required to pay damages or be subject to restitution responsibility. Such impact on the environment can also lead to negative publicity. The cost of complying with current regulations could have a material adverse effect on the Group's business, results and financial position.

### Political risk and authority decisions

The energy industry is largely affected by government policy and political decisions. The Group cannot predict political decisions and changes in countries' and governments' views on renewable energy. If there will be support for investments for the Group in the future is not certain. The Group's future economic scenarios are dependent on the survival and implementation of government support programs. A change in the Group's ability to receive investments, grants and subsidies from the state and government, as well as a general change in the public and state's attitude to renewable energy could have a material adverse effect on the Group's business, results and financial position.

The Company has operations in regions that from time to time are characterized by political instability that could have a material adverse effect on the Group's business, results and financial position.

### Permits

Several permits are required to conduct the Group's business for example to use land. It may be difficult, or take longer time than expected, to obtain the necessary permits in some countries that the Group expects to become key markets for the Group's products. The authorization process may be capital-intensive, which can delay the launch of products based on the Group's technology onto the market. If the Group does not comply with the requirements set for the activities in the permits, the Group can lose the granted permits or not receive them at all. Should any of these risks occur it could have a material adverse effect on the Group's business, results and financial position.

### Changes in the regulatory framework

The Group's activities are affected by environmental and safety laws, as well as changes to other laws and regulations. Many countries have introduced, or will introduce, legislation governing the production, construction, operation and decommissioning

of marine energy-based technologies. There may be unforeseen changes in the existing legislation that make the projects more difficult and/or more expensive to plan, deliver and operate, which could have a material adverse effect on the Group's business, results and financial position.

### National electricity markets

National electricity markets are politically regulated and complex. In some markets, the political system may prove to be beneficial to local suppliers, while there may be a more open climate in other markets. In some of the Group's markets it may turn out that it is not economically viable for the Group to accept local conditions, which could have a material adverse effect on the Group's business, results and financial position.

### Dependence on partners

To negotiate and enter complex agreements, during a commercialization phase, with countries and states where the financing of the Group's products takes place through, for example, government support and subsidies, entails the risk that the Group does not have the organization and capacity to increase the sales or may enter agreements on conditions unfavorable to the Group. The ability of the Group to enter agreements can therefore depend on the Group's credibility as a potential partner, the quality of the Group's products and the robustness of the Group's intellectual property rights. Potential partners may, in order to enter agreements, impose requirements on adaptation, other quality or development of the Group's products, which may lead to delays and expense for the Group. There is also a risk that the Group's future partners choose to end the cooperation with the Group, and it can also be costly and/or take longer than the Group expects to establish such collaborations. Should any of these risks occur, it could have a material adverse effect on the Group's business, results and financial position.

### Risks related to agreements

The Group has several ongoing projects that are not based on written agreements but rather on for example letters of intent where both parties have expressed a mutual interest to cooperate. The lack of written agreements can lead to uncertainty about what applies between the parties, which can lead to deteriorated relationships and increased risk of disputes, which can adversely affect the Group's business, results and financial position.

There is also a risk that the Group breaches an agreement that has been entered into, regarding for example use of land, and that the other party therefore has the right to remedies or, in worst case, the right to terminate the agreement, which can adversely affect the Group's business, results and financial position.

The projects for which agreements are of intention character with few or none binding provisions are those where a counterparty evaluates the of intention character with few or none binding provisions technology and / or where the conditions for an installation for production are investigated. The absence of formal agreements in such situations has not been considered to expose the Group to material risks. When a project moves from the test or evaluation phase, written agreements are signed whereby all relevant conditions are clearly documented.

### Risks related to grants

Some of the Group's ongoing and future projects related to developing wave power plants are intended to be partly financed through grants, for example within the framework of the Horizon 2020 program described below. There is a risk that the Group will

not receive the full grant within the framework of Horizon 2020 programme or within the framework of other grant programs. If the Group does not receive a full grant within the framework of Horizon 2020 or if the Group otherwise does not qualify as eligible for future contributions, this may have a negative impact on the Group's ongoing and future projects, as well as the Group's business, results and financial position.

There is also a risk that the Group will not be able to fulfill the conditions imposed on the Group in connection with the grants received by the Group. If the Group violates any of the conditions stipulated in any of the Group's grant agreements, this may imply an obligation to repay the contributions already received. An obligation to repay contributions may have a negative impact on the Group's ongoing and future projects, as well as the Group's business, results and financial position.

### Dependence on suppliers

The Group's operations are dependent on the suppliers meeting agreed requirements in terms of quantity, quality and delivery time. Incorrect, delayed or no delivery from component suppliers may entail increased costs. If deliveries to projects or customers fail or are delayed, the Group's customer relations and the Group's business, results and financial position can be adversely affected.

### Legal risks

The Group must cooperate with parties on several markets, locally and globally. It may prove to be difficult to arrange such arrangements in an efficient manner and on favorable terms. The Group must enter agreements with companies in different countries with different cultures and ethics, which can be difficult to understand. Risks can arise as a result of differences in legal systems and changes in legislation as well as other relevant regulations for the Group's activities in the international market. Rules, regulations and legal principles can differ in terms of both substantive law and court proceedings and application of law. The Group may encounter difficulties in evaluating agreements due to differences in business culture and practices, the legal environment or due to communication difficulties. The Group's ability to exercise or enforce its rights and obligations may differ from country to country and any disputes or legal proceedings can be expensive, time-consuming and the outcome uncertain. The above-mentioned factors may have a material adverse effect on the Group's business, results and financial position.

### Risks related to certain markets

The Group operates in some less developed markets such as for example China and Mexico. The business climate in these markets is generally not as stable and predictable as in more developed markets. The Group is thus exposed to an increased risk of, for example, bribery and corruption. There is a risk that the Group does not have sufficient internal policies in place to assure anti-bribery and anti-corruption. The Group's operations in these markets also entail increased political, legal and financial risks for the Group. These risks could affect the stakeholders' perception of the Group and its brands and have a negative impact on the Group's business, results and financial position.

### Risk related to the processing of personal data

The Group collects and processes personal data to a certain extent in its operations, for example in relation to its personnel. When processing personal data, it is of great importance that the Group's processing of personal data takes place in accordance with applicable data protection legislation. For example, require-

ments are set for the data subject to be informed of the personal data processing and that it is done in a manner that is not incompatible with the purpose that applied when the personal data was collected. If the Group fails in its personal data processing or if the Group is subjected to an infringement or otherwise inadvertently violates the law, there is a risk, among other things, that other parties claim damages for the damage and violation resulting therefrom.

The General Data Protection Regulation (European Parliament and Council Regulation (EU) 2016/679) ("GDPR") is directly applicable in Sweden and in all EU Member States. GDPR entails stringent requirements for companies that handle personal data. Undertakings not complying with GDPR may receive administrative fines of up to EUR 20 million or 4 per cent of its annual global turnover by the regulatory authority.

There is a risk that the measures taken by the Group to ensure and maintain confidentiality and privacy regarding personal data prove to be inadequate or otherwise not in accordance with applicable legislation. There is also a risk that the measures taken by the Group to ensure compliance with applicable legislation, for example GDPR, are insufficient, which may entail considerable costs for the Group. There is also a risk that stricter requirements from regulatory authorities regarding processing of personal data in general will result in higher costs and require more resources from the company management. If the Group does not handle personal data in a manner that meets the applicable requirements regarding the handling of personal data in each jurisdiction this can have a material adverse effect on the Group's operations, financial position and results and reputation.

### Insurance coverage

There is a risk that the Group will suffer damage or compensation claims that are completely or partly not covered by the Group's insurance coverage. It is in line with the Group's expectations for future markets for the Group's products that operations are conducted in several places and several countries around the world. The Group may then be exposed to completely different regulations regarding, for example, environmental impact and damages, which entail risks for compensation obligation, which may mean that the Group must change its insurance coverage. Claims against the Group can also lead to an increase in insurance premiums. Not having enough insurance coverage can have a material adverse effect on the Group's business, results and financial position.

### Increasing cost following the Listing

As a listed company, Eco Wave Power will be subject to additional rules and regulations. In order to be compliant, the Company may need to establish certain positions as well as adopt certain policies. This may have an impact on the Company's means and increase its costs. Such increased costs may adversely impact Group's business, financial position and profits in the future.

## Risks relating to the shares and the Offering

### The market price of the Company share

An investment in shares is always associated with risks and risk-taking. The share price of newly listed shares is often volatile for a period subsequent to the listing. The share market in general, and for smaller companies in particular, may be subject to significant price and volume fluctuations, which are not possible to predict based on the Company's development or disclosed

results. Eco Wave Power is not able to predict how liquid the First North market may become and to what extent the interest in investing in the Company's shares will increase or maintain. The distance between the sell and purchase price may from time to time be significant, making it difficult for a shareholder to sell shares at a moment and to a price deemed appropriate.

#### Existing shareholders selling their shares

Future sales of large quantities of the Company's shares, especially sales made by the Company's board members, senior management or major shareholders, may have an adverse impact on the share price. Some of the major shareholders in the Company have committed to lock-up restrictions under a period of 18 months from the date of listing. However, such restrictions will no longer be applicable after the period, meaning that the shares can be offered for sale. This can have a negative impact on the share price. (Please refer to the "Share capital and ownership" section for more information regarding the lock-up arrangements).

#### New issues

In order to, inter alia, raise capital or enable acquisitions the Company may issue additional shares or share related instruments in the future. Such issues may decrease the proportional ownership and share of voting power as well as profit per share of the shareholders in the Company. Moreover, such issues may adversely affect the market price of the shares.

#### Future dividends

Payment of dividends is decided by the shareholders' meeting and proposed by the board of directors. Any future dividends depend on several factors, such as future results, financial position, working capital, liquidity and the Company's need of investments. Eco Wave Power is in a phase where priority is put on exploiting the growth opportunities that have been identified. As a result, shareholders should not expect to receive any, or very low, dividends in the next few years. Under such circumstances the possible return for the shareholders during the next few years will mainly be reliant to the share price.

#### First North

The Company's shares will be listed on First North, given that the Company's application is granted. First North is an MTF (multilateral trading facility), i.e. not a regulated marketplace. Companies with shares listed on First North are not obliged or forced to comply with the same rules as companies with shares traded on a regulated marketplace, but to less extensive rules and regulations. Such rules and regulations are preferably adapted for smaller and growth companies, why an investment in a company listed on First North may imply more risk than an investment in a company with shares traded on a regulated marketplace.



# Invitation to subscribe for shares in Eco Wave Power

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**The Company and the majority shareholders have decided on an initial public offering of newly issued shares in the Company followed by a listing of the Company's shares on First North. The board of directors of the Company has applied for listing and the first day of trading is planned to be on or around the 18th of July 2019, provided that the Company's application regarding admission of trading is approved, which among other things presupposes that the distribution requirements for the Company's shares are met by the listing day, at the latest.**

Pursuant to the terms and conditions set forth in the Prospectus, investors are hereby invited to subscribe for newly issued shares in the Company at a price of SEK 19.00 per share, corresponding to a total market value of SEK 548 million prior to the Offering. The price of the shares in the Offering has been decided by the Company's board of directors and the majority shareholders in consultation with their financial adviser, Naventus, based on a number of factors, including discussions with certain institutional investors, a comparison with the market price of other comparable listed companies, prevailing market conditions, the Group's historical, operational and financial performance as well as estimates of the Company's business potential and earning prospects, which are based on the Company's future development. In addition, a valuation has been made in the form of a mixed DCF and peer analysis, to obtain an indicative value of the Company as a basis for discussions with institutional investors.

With support from the extraordinary general meeting held on the 21st of May 2019, the board of directors has resolved on the Offering on 26th of June 2019. The Offering comprises maximum 28,839,250 newly issued shares in the Company at a subscription price of SEK 19.00 per share. The Offering is made to the general public in Sweden, Denmark and Norway. Provided that the Offering is fully subscribed, the Company's share capital will increase with SEK 158,000 and will following completion of the Offering amount to SEK 734,785, divided into 36,739,250 shares, of which the new shares issued in the Offering will represent approximately 21.5 per cent of the total number of shares in the Company. The dilution effect for existing shareholders who do not subscribe for shares in the Offering amounts to approximately 27.4 per cent. In addition, the Board of Directors has the option to extend the Offering up to SEK 50 million, corresponding to up to 2,631,580 newly issued shares in

the Company. Should the Board of Directors use the option to extend the Offering, the Company's share capital would increase by up to an additional SEK 52,632, and the number of shares would increase by up to an additional amount of 2,631,580 shares, to a total of 39,370,830 shares, which will represent approximately 26.8 per cent of the total number of shares in the Company, corresponding to a total dilution of 36.5 per cent. The outcome of the Offering will be published on the Company's website ([ecowavepower.com](http://ecowavepower.com)) as well as by press release around 1 day after the end of the subscription period.

Through the Offering, Eco Wave Power will receive gross proceeds of SEK 150 million, before transaction costs. The transaction cost is estimated at about SEK 12.0 million, depending on the outcome of the Offering. In addition, the Board of Directors has the option to extend the Offering up to SEK 50 million, which would increase net proceeds by up to 47 million following additional transaction costs of up to SEK 3.0 million. Investors are hereby invited to subscribe for shares in Eco Wave Power, in accordance with the terms of this Prospectus.

## **The board of director's insurance of liability**

The board of directors is responsible for the contents of this Prospectus. It is hereby assured that all reasonable cautionary measures have been observed to ensure that the information provided in this Prospectus, in so far as the board is aware, conform with the actual conditions and that nothing that could affect its meaning has been left out.

Stockholm 26th of June 2019

**EWPG Holding AB**  
Board of Directors

# Background and reasons

## Background

The Company is a Swedish company that through subsidiaries, including in Israel, has developed a patented, smart and cost-effective technology for extracting green energy from ocean waves. The Israeli subsidiary was founded in 2011 in Tel Aviv. Eco Wave Power is offering a technology being the only company in the world with a nationally grid connected wave energy array, in accordance with a Power Purchase Agreement (PPA).

The technology has significant advantages

- The technology is easy to build and fully modular, which makes it easy to scale up.
- Cost-efficient - total CAPEX<sup>1</sup> per MW is about EUR 1.8 million, of which the system and components is about 50 per cent.
- In commercial scale, the LCOE<sup>2</sup> is competitive at EUR 42/ MWh (SEK 0.45/kWh).<sup>3</sup>
- Land-based wave power technology, which means with low installation, maintenance and transmission cost related to deliver electricity to the grid. Several patents, i.a., a storm protection mechanism.
- Fully insurable for i.a. damage protection, provided by global reputable insurance companies.
- Limited environmental impact – due to primarily connecting the system to existent man-made structures.<sup>4</sup>

Eco Wave Power has received significant international recognition for its technological and environmental advantages. Eco Wave Power believes it is at the forefront when it comes to limiting environmental impact, compared to its competitors who focus on developing their technology offshore. For example, a study shows that wave and tidal energy have no influence on the animal and plant life over long term.<sup>5</sup> Since the Company mostly installs its technology to fixed coastal structures, the Company does not need to construct large concrete foundations on the ocean floor, to which cables and other equipment are attached.<sup>6</sup>

The project pipeline is building up quickly and is currently 190 MW.<sup>7</sup> 30 MW of the project pipeline consist of signed commercial agreements.

The Company is now ready for commercial take-off starting with the installation of a 10 MW power plant in the UK as well as the expansion of the power plant in Gibraltar to 5 MW.<sup>8</sup> In order to deliver in accordance with the Company's expansion strategy, the board of directors has, with support from an authorization of an extraordinary shareholders' meeting, resolved to carry out the Offering with subsequent

listing of the Company's shares on Nasdaq First North. Please see below for the use of the proceeds.

Eco Wave Power chooses to publicly list the Company's share on Nasdaq First North in Sweden is due to several underlying factors. One reason is that the Company's wants an increased presence in Europe as a large part of the Company's project pipeline is found in Europe. Furthermore, the knowledge and awareness of renewables is extensive in Sweden, which is underlined by the large presence of renewable energy in the country's energy production, the interest among investors regarding renewable energy in addition to a number of comparable companies that are publicly listed. Finally, the Company sees Nasdaq in Sweden as a good steppingstone towards Nasdaq in the United States. The Company's goal is to within a number of years be publicly listed on Nasdaq in the United States as well.

At the time of the issuance of this Prospectus, Eco Wave Power has four approved Israeli patents and nine ongoing patent applications. Additional patents are under development.

## Working capital explanation

The Board of Directors' assessment is that existing working capital (working capital before the implementation of the Offering) is insufficient to operate the business in accordance with the business plan during the upcoming twelve-month period. As of June 10, 2019, the Company has liquidity amounting to EUR 0.8 million.

Given the business plan, including investments in the projects in Gibraltar and the UK, the Company makes the assessment that it currently does not have sufficient working capital for the next twelve months. The existing working capital, at the date of the Prospectus, is deemed sufficient to run operations in accordance with the business plan described in the Prospectus for about three months. Including investments in accordance with the Company's business plan the Company estimates that the deficit in working capital for the next twelve months amounts to approximately EUR 2.3 million. The working capital requirement is deemed to arise in October 2019. The board considers that the planned Offering, together with existing liquidity, is sufficient to finance the business for at least the next twelve months. If the Offering is not implemented, the Company would be forced to seek other financing opportunities in the form equity, loans or public contributions and grants, among others. In addition, the Company would have to re-examine

1. Means capital expenditures

2. LCOE means levelized cost of energy

3. [https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2018/Jan/IRENA\\_2017\\_Power\\_Costs\\_2018.pdf](https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2018/Jan/IRENA_2017_Power_Costs_2018.pdf)

4. The Company's view.

5. <http://www.emec.org.uk/press-release-wave-and-tidal-energy-study-finds-no-long-term-disturbance-to-wildlife/>

6. The Company's view.

7. The Company's view.

8. The Company's view.

the rate of the expansion in the existing business plan and review the Company's organization and cost structure.

#### **Use of proceeds**

The purpose of the Offering is to increase the tempo of the commercialization in the manner that would not be possible without external financing. The proceeds from the Offering will primarily be used for the installation projects in the UK and Gibraltar, but also to enable revenue growth through investments in support functions such as sales and marketing.

Assuming a fully subscribed Offering, the Company will receive SEK 150.1 million before deduction the transaction cost estimated at about SEK 12.0 million. In addition, the Board of Directors has the option to extend the Offering up to SEK 50 million, which would increase net proceeds by up to 47 million following additional transaction costs of up to SEK 3.0 million.

The funds are expected to be allocated as follows and are listed in order of priority:

#### **1. Installation projects and engineering costs – approximately 80 per cent of total proceeds<sup>9</sup>**

The majority of the proceeds will be used for the engineering, development and installation of projects in the UK and Gibraltar. Hardware is expected to amount to approximately 50 per cent and increased headcount to approximately 50 per cent. The headcount will be a mix of technical engineers and project managers.

#### **2. Reinforcement of support functions - preferably sales and marketing – approximately 20 percent of total proceeds**

The use of proceeds for sales and marketing will mainly be used for increased headcount within commercial sales and sale support but also for a representation office in Stockholm, Sweden.

Should the Board of Directors use the option to extend the Offering, the additional proceeds will be split in accordance with above.

Stockholm 26th of June 2019

**EWPG Holding AB**

Board of Directors

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9. Installation projects and engineering costs also include the coverage of the working capital deficit which arises because of the investments in the projects in Gibraltar and the UK, in accordance with the Company's business plan.

# Words from the managing director

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**Dear Investors,**

**Thank you for dedicating the time to read our prospectus, and for considering investing in our company. If you invest with us, you will be embarking on a journey with Eco Wave Power, and in this letter, I, Inna Braverman, the CEO of the Company, would like to share with you some of our thoughts and beliefs of the future.**

Eco Wave Power is an unconventional company. From the beginning and throughout the development of Eco Wave Power, as a privately held energy company, we have managed our company differently in comparison to many other companies.

We have always emphasized an atmosphere of creativity and challenge, which has helped us to reach this point in time where we have developed and currently operate the only grid connected wave energy array in the world, connected to the grid through a PPA (Power Purchase Agreement). I am very proud that this power plant in Gibraltar has now been producing energy to the grid for more than two years. The success is underlined by the agreement with the Gibraltar government to extend the power station to 5 MW. Wave energy has for a long time been but a dream – Eco Wave Power is now making it a reality.

Wave energy can produce twice the amount of electricity that the world produces now!<sup>1</sup> However, many companies trying to develop wave energy are “stuck” in research and development.

As opposed to that, Eco Wave Power always believed that building a revolutionary technology means taking risks. This can be scary and prevents most companies from doing bold things. However, in an ever-changing world, not taking risks is a guarantee for failure. The idea of Eco Wave Power is more than just to build a company. It was founded to change the energy sector and make the world a better place. It was built to accomplish a social mission — to significantly improve and impact our world and to improve the quality of lives for worldwide populations and our children. We expect everyone at Eco Wave Power to focus every day on how to create real value for the world in everything they do.

I always had a strong passion and desire to change the way in which we currently produce energy, where approximately 80 per cent come from polluting or dangerous sources (i.e. coal, oil, nuclear).

My passion for this subject was born due to a personal experience with the dangers of traditional energy production.

I was born on the 11th of April in Ukraine, in a city located only 200 miles away from Chernobyl. On the 26th of April in 1986, a meltdown in the Chernobyl nuclear power plant caused the worst nuclear disaster in history in terms of both cost and number of casualties.

The radiation caused defects in new-borns, respiratory diseases, cancer, and death, but I was fortunate. Although I experienced a clinical death, my mother, a nurse, was able to bring me back to life through mouth to mouth resuscitation.

I was given a second chance in life and I feel the urge to do something good with it, and I truly believe Eco Wave Power will have a significant impact on our global energy mix.

At Eco Wave Power, we are inspired by technologies that will revolutionize energy production. We do not simply attempt to push the boundaries of technology—instead we seek to harness technological improvements to expand the traditional boundaries of the energy market.

Inventions such as solar and wind are often spoken of. By simply changing energy production to become more renewable focused, they led a complete transformation of many important parts of society; giving more people access to electricity, encouraging progress, and changing the way society was organized. These new technologies have brought us together and reduced the negative carbon footprint.

Today, our society has reached another tipping point due to three main reasons:

1. The World Health Organization (WHO) now characterizes air pollution as “the world’s largest single environmental health risk.” According to WHO, 91 per cent of the world’s population live in places where air quality subceeds WHO guideline limits<sup>2</sup>. Air pollution accounts for 1 in 8 deaths worldwide - approximately 7 million deaths in 2012. New data from WHO shows air pollution accounts for one of eight deaths worldwide, which corresponded to approximately 7 million deaths in 2012. It was double the amount of deaths caused by air pollution in 2008<sup>3</sup>.
2. 1.1 billion people currently lack access to electricity<sup>4</sup>.
3. Almost half of the world’s population is living within 100 kilometers of the coastline<sup>5</sup>.

Eco Wave Power aspires to build wave energy power stations which shall give people access to electricity in proximity to their residence without creating air pollution.

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1. <http://brimesenergy.com/brimes/ocean-waves/>

2. <https://www.who.int/airpollution/en/>

3. <https://www.who.int/mediacentre/news/releases/2014/air-pollution/en/>

4. <https://www.weforum.org/agenda/2018/06/1-billion-people-lack-electricity-solution-mini-grid-ia/>

5. <https://www.un.org/sustainabledevelopment/wp-content/uploads/2017/05/Ocean-fact-sheet-package.pdf>



"Wave energy can produce twice the amount of electricity that the world consumes now!"

There is significant need, which means there is a large opportunity to connect everyone in the world to the grid and to give everyone access to clean electricity to help transform society for the better. This is underlined by the international recognition that Eco Wave Power has received for its technological and environmental advantages. The project pipeline is building up quickly and is currently approx. 190 MW, with relatively high power prices achieved due to our unique position. The company is now ready for commercial take-off starting with the expansion of the power plant in Gibraltar to 5 MW, while we also intend to build to a new power plant in the UK of 10 MW.

Even if our mission sounds big, it starts in smaller scale and will later develop and grow to a global magnitude.

Our vision is installing hundreds of thousands of wave energy power stations all over the world, leaving a positive mark and impact on the world, while profiting our shareholders and creating work opportunities. Clean electricity is a fundamental need in today's society.

By helping people solve the above-mentioned problems, we hope to transform the way people access and consume electricity. We think the world's electricity infrastructure should move from its' traditional path that has existed to date.

Through this IPO, our goal is to help accelerate this transformation.

As mentioned, to shy away from challenges is not in Eco Wave Power's DNA. As a shareholder of Eco Wave Power, you can rest

assured that we will stick to our ideals, be ourselves, focus on the future and adhere to the principles of integrity and transparency in our corporate governance. We will act in a way to safeguard the long-term value of Eco Wave Power. Your trust and support will be our greatest asset, and our creed is to not forsake the trust that people have in us.

Our strategies will be implemented with mission-driven, long-term development in mind. Our people, capital, technology and resources will be utilized to safeguard the sustainable development and growth of Eco Wave Power. We welcome investors with the same long-term mindset.

Lastly, I would like to thank you for considering investing in Eco Wave Power. Our continued success will come from stellar execution and the strength of the Eco Wave Power technology which we are working so hard to develop and constantly improve. Our engineering and product teams are solving some of the most difficult problems of the energy world, and our regional operations teams will let us build and run our business as true citizens of the cities we serve.

I want to close with my commitment to you: I won't be perfect, but I will listen to you; I will ensure that we treat our investors, colleagues, and the global cities and countries which shall adopt wave power with respect; and I will run our business with passion, transparency, and integrity.

**Inna Braverman**  
CEO

# Terms and conditions

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## The Offering

The Offering is made to the general public in Sweden, Denmark and Norway and international professional investors, and comprises a maximum of 7,900,000 newly issued shares in the Company to a total amount of 150.1 MSEK. The Offering amounts to approximately 21.5 of the total number of shares in the Company.

## Offering price

The Offering price is 19.00 SEK per share, corresponding to a company value of 548 MSEK prior to the Offering.

## Subscription

Application for subscription of shares shall take place as from 27th of June 2019 until and including 10th of July 2019. An application for subscription of shares should relate to a minimum of 400 shares.

The subscription shall be made via a special subscription form that can be obtained from the company or Aktieinvest. The subscription form is available on the Company's website: [www.ecowavepower.com](http://www.ecowavepower.com) and on Aktieinvest's website: [www.aktieinvest.se](http://www.aktieinvest.se).

The subscription can also be made electronically via Mobilt BankID at [www.aktieinvest.se/ewpg2019](http://www.aktieinvest.se/ewpg2019).

The subscription form must be received by Aktieinvest no later than 15:00 CET on the 10th of June 2019. No amendments or additions may be made to pre-printed text. Incomplete or incorrectly completed subscription forms may be left out of consideration. Only one subscription per investor may be made. In case more than one subscription is made, only the last one received will be considered. Please note that the subscription is binding. Completed and signed subscription form must be sent per post or submitted to:

Aktieinvest FK AB  
Emittentservice  
BOX 7415  
103 91 Stockholm  
Telephone: 08-5065 1795  
E-mail: [emittentservice@aktieinvest.se](mailto:emittentservice@aktieinvest.se)

For persons who do not have a VP-account or a depository account, a VP account or a depository account must be opened before the subscription form is submitted. Please note that the opening of a VP account or a depository account may take time.

## Subscription over 15,000 EUR, if you are PEP (Politically Exposed Person) or exposed outside EU / EEA

If you have answered that you are a PEP or related party to a PEP, or if you sign an individual amount or together with other subscriptions a total amount equivalent to EUR 15,000, or if you are resident outside the EU/EEA, you must:

### Natural person:

- Answer the customer knowledge questions that are in the form on [www.aktieinvest.se/pep](http://www.aktieinvest.se/pep), via download of a form or electronic with BankID.

- Attach a certified valid ID document (Swedish driving license, passport or similar document). If the customer knowledge form above is filled in by BankID a certified ID document is not required.

### Legal entity

- Attach a copy of the registration certificate and a copy of the signatories ID document.
- Attach copies of ID documents to real principals.
- Answer the customer information questions that are available at [www.aktieinvest.se/pep](http://www.aktieinvest.se/pep), to download or to sign electronically with BankID.

### Note

Investors who have an account with specific rules for securities transactions, such as an endowment insurance or an investment savings account (ISK), for subscription of shares, should confer with their nominee if and how they can subscribe within the framework of the Offering.

The Board of Directors of the Company reserves the right to extend the subscription period. Decisions on any such extension will be published by press release approximately the 10th of July 2019 and will contain information on the new timetable for the Offering.

## Specific instructions for subscribers in Denmark and Norway

Shares will only be subscribed for, paid and traded in SEK and any future dividend will be paid in SEK. The Company's shares are not intended to be listed in Denmark or Norway and are not intended to be registered at the central securities depository in Denmark or Norway.

Subscribers amongst the public in Denmark and Norway who wish to apply for subscription of shares in the Offering are recommended to contact its local Danish and Norwegian bank or other securities institution for information on what kind of securities account could be used and how a subscription application can be made through the Danish or Norwegian administrator. A subscriber who do not have any Danish or Norwegian securities account through which Swedish shares, denominated in SEK and registered with Euroclear can be held, must contact a Danish or Norwegian bank or other securities institution to open a securities account before an application for subscription is made. Please note that this could take some time. Also note that application and payment shall be made in accordance with the agreement, rules and customs applied at the relevant administrator and that the last day for application may be earlier than the last day of the application period.

A person in Denmark or Norway who has an owner account (VP-account), service account or a securities account in a Swedish bank or other Swedish securities institution, and who applies for participation in the Offering through such Swedish securities account or account, shall follow the instructions set out above as well as the application form for the Offering.

### **Application for subscription through Nordnet in Denmark and Norway**

Nordnet securities account customers in Denmark or Norway shall apply through Nordnet's internet service since the Offering will be available at Nordnet's website in Denmark and Norway. Anyone who is not a securities account customer in Nordnet but wish to apply electronically in Denmark or Norway must open a securities account in Nordnet before an application for subscription is made, this may be done through [www.nordnet.dk](http://www.nordnet.dk) respectively [www.nordnet.no](http://www.nordnet.no).

### **Allotment**

Allotment of shares will be resolved upon by the board of directors of the Company in consultation with Naventus. The goal of the allotment will primarily be to achieve a broad distribution of the shares and facilitate a regular and liquid trading in the Company's shares on First North. Allotment is not depending on when during the application period the application is submitted. In the event of over-subscription, allotment may be made with a lower number of shares than subscribed for or not at all. Further, allotment may be resolved upon in whole or part on a discretionary basis or be made by random selection. In addition to the above, the board of directors of the Company will consider investors who can contribute with strategic values for the Company.

### **Information regarding allotment**

Notice of allotment will be made by sending out contract notes. Contract notes will be sent out to those who have received allotment in the Offering. No notice is given to those who have not received allotment.

### **Payment**

Payment for allotted shares shall be made in accordance with the instructions on the contract note. If full payment is not made in time, allotted shares may be transferred and sold to another party. Should the sale price in such a transfer be less than the price according to the Offering, the person who received the allotment of these shares in the Offering may have to account for the difference.

### **Listing of shares**

The board of directors of the Company has applied for a listing of the Company's shares on Nasdaq First North. Expected first day of trading is the 18th of July, 2019 under the condition that the distribution requirements for the Company's shares are met by the first day of trading. The share will be traded on Nasdaq First North under the ticker EWP and with the ISIN-code SE0012569663.

### **Registration and accounting of allotted paid-up shares**

Registration with Euroclear of allotted and paid-up shares is estimated to commence in connection with the repayment of the settlement note, which is expected to take place around the 16th of July 2019, after which Euroclear sends out a notification that shows the number of shares in the Company that have been registered on the recipient's VP-account. Notification to shareholders whose holdings are nominee registered takes place in accordance with the respective manager's procedures.

### **Entitlement of dividends**

The offered shares carry the right to dividends, given that dividends are decided, from the first dividend record date following the registration of the shares in the register of shareholders, held by Euroclear. Payment of any dividend is handled by Euroclear Sweden.

### **Terms and conditions for completion of the Offering**

The Offering is conditioned on that the interest in the Offering, according to the judgement of the board of directors, is sufficient for a satisfactory trading in the shares, that the Company receives necessary working capital to be considered a going concern the upcoming twelve months, and that Nasdaq's admission requirements are met by the Offering. The Offering is further conditioned on the absence of any events deemed to have such materially negative effect on the Company that it would be inappropriate to complete the Offering. If the above conditions are not met, the Offering may be canceled. A possible cancellation of the Offering will be announced by a press release as soon as possible, and no later than the 10th of July 2019. In the event the Offering is canceled, neither delivery nor payment for shares within the Offering will be made.

### **Announcement of the outcome of the Offering**

The outcome of the Offering will be announced through a press release, which is expected to be made around the 11th of July 2019.

### **Other information**

If there is too much money paid by a subscriber, Aktieinvest will ensure that the excess amount is repaid. However, amounts less than SEK 100 will not be paid. An incomplete or incorrectly filled subscription form may be left without consideration.

Aktieinvest acts as the issuing agent for the Company. Before the Offering, Aktieinvest does not hold any shares in the Company. No customer relationship is considered established between Aktieinvest and the subscriber as a result of a subscription. The consequence of Aktieinvest not considering the subscriber of the shares as a customer for the investment is that the rules on the protection of investors in the Act 2007:528 on the securities market will not be applied to the investment. This means, among other things, that Aktieinvest will not make a customer categorization or assess whether the subscription for the instrument is suitable or not. The subscriber is responsible for having sufficient experience and knowledge to understand the risks associated with the placement.

# Market overview

According to the Intergovernmental Panel on Climate Change, the oceans potentially hold twice the amount of energy the world produces today<sup>1</sup> and the potential global energy production from waves is estimated to amount to 29,500 TWh of electricity.<sup>2</sup>

The International Renewable Energy Agency estimates that by using solely 2 per cent of the world's 800,000 kilometres of coastline which exceed a wave power density of 30 kW/m, the global technical potential for wave energy is about 500GW of electrical energy, based on a conversion efficiency of 40 per cent.<sup>3</sup>

In addition, a significant share of the total human population, nearly 2.4 billion people, lives within a 100 km (60 miles) range from an oceanic coast, which means that the implementation of wave energy and its commercialization as an additional renewable energy source, will transform electricity production as the world currently knows it.<sup>4</sup> The World Energy Council estimates that the deployment of wave and tidal energy in the global market could be worth as much as GBP 460 billion (circa SEK 5,610bn) between 2010-2050.<sup>5</sup>



Source: <https://assets.rockefellerfoundation.org/app/uploads/20130528215816/Vulnerable-Natural-Infrastructure-in-Urban-Coastal-Zones.pdf>

1. Edenhofer, O., Pichs-Madruga, R., Sokona, Y., Seyboth, K., Matschoss, P., Kadner, S., ... & von Stechow, C. (2011) IPCC special report on renewable energy sources and climate change mitigation.

2. <https://academic.oup.com/ce/article/2/1/10/4924611>

3. Ellabban, O., Abu-Rub, H., & Blaabjerg, F. (2014). Renewable energy resources: Current status, future prospects and their enabling technology. Renewable and Sustainable Energy Reviews.

4. <https://www.un.org/sustainabledevelopment/energy/>

5. (<https://www.worldenergy.org/wp-content/uploads/2016/10/World-Energy-Resources-Full-report-2016.10.03.pdf>).

## The energy industry

### Growth

The global energy production is expected to continue to grow. Although the global population is expected to grow by approximately 25 per cent, from 7.4 billion people today to 9.2 billion people in 2040, global economic output is expected to nearly double in the same time period. To put it in perspective, if world energy demand grew as fast as estimated GDP, energy demand growth could be about four times the projected amount. The vast majority of growth will be in non-OECD countries, led by India and China. The demand is expected to increase about 40 per cent in this area of the world. Such increase in energy demand corresponds to the amount of energy used by the Americas today.<sup>6</sup>

Emerging markets in non-OECD countries will account for essentially all growth in energy demand growth, primarily due to expanding economies and increases standards of living. By 2030, the world's economic middle class will likely expand from 3 billion people to 5 billion people. In addition to a significant expansion of the middle class, continuing urbanization will result in vastly improved living standards. People in many developing countries will start modern businesses at a larger scale, increasing industrial demand. Furthermore, increased access to cars, appliances and air-conditioned homes will all contribute to a rising use of energy.

The increase in electricity demand will primarily drive the increase in energy consumption. Human activity continues to be dependent on reliable supplies of electricity. Global electricity demand will rise by 60 per cent between 2016 and 2040. Similar to total energy use, the increase in electricity demand will be led by non-OECD countries. Power demand in these countries is expected to nearly double during that specific time period.<sup>7</sup>

### Shift towards renewables

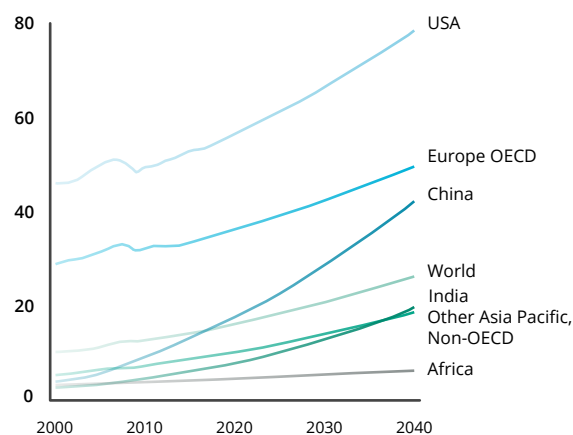
Solar and wind energy are two of the most rapidly expanding energy supplies. Together these sectors are expected to grow by about 400 per cent by 2040, meaning that the combined share of solar and wind energy will to global electricity supplies is likely to triple by 2040. The increase in production from renewable energy sources would help the carbon dioxide intensity of delivered electricity to fall by more than 30 per cent.<sup>8</sup>

While the increase in global energy consumption has to be met, there is also a need for reduced pollution emerging from the energy sector. Today, there is a large public awareness regarding the detrimental impact pollution has on the environment. There is an existent consensus that humans are the largest contributor to global warming. Unless global warming is not limited, the average temperature on earth in 2021 will exceed the average temperature in 1900 by more than 2 degrees Celsius, according to IPCC, the UN's climate panel. In case the 2-degree Celsius goal is unmet, there is a significant risk the world's climate and eco system will face irreversible consequences.<sup>9</sup>

The scenario has resulted in several political efforts to assume responsibility and provide solutions to a sustainable future. These

### Purchasing power expands

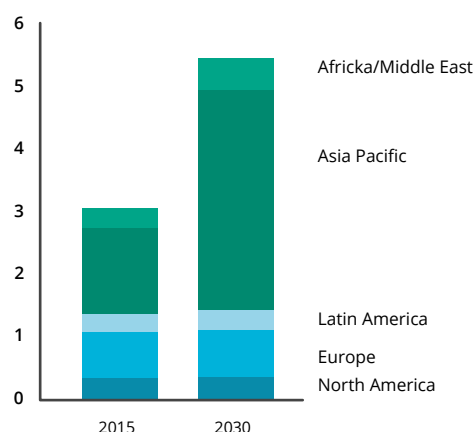
GDP per capita – thousands of purchasing power parity dollars



Source: EXXONMOBIL, 2018 Outlook for Energy: A View to 2040.

### Unprecedented middle-class growth

Global middle class - billions of people



Source: EXXONMOBIL, 2018 Outlook for Energy: A View to 2040.

political efforts are a largely contributing factor to the increased demand in renewable energy. Political initiatives include, but are not limited to:

- The Paris climate agreement which was agreed upon at the UN's annual climate conference in 2015. By signing the agreement countries agree to take specific measures to reduce emissions and slow down global warming.<sup>10</sup> To this date, 185 Parties have ratified of 197 Parties to the Convention.<sup>11</sup>
- The European Union's climate and energy goal states that GHG emissions by 2030 shall be reduced by 40 per cent by the end of 2030 compared to 1990. In 2030, 27 per cent of total energy consumption shall originate from renewable energy sources.

6. EXXONMOBIL, 2018 Outlook for Energy: A View to 2040

7. EXXONMOBIL, 2018 Outlook for Energy: A View to 2040

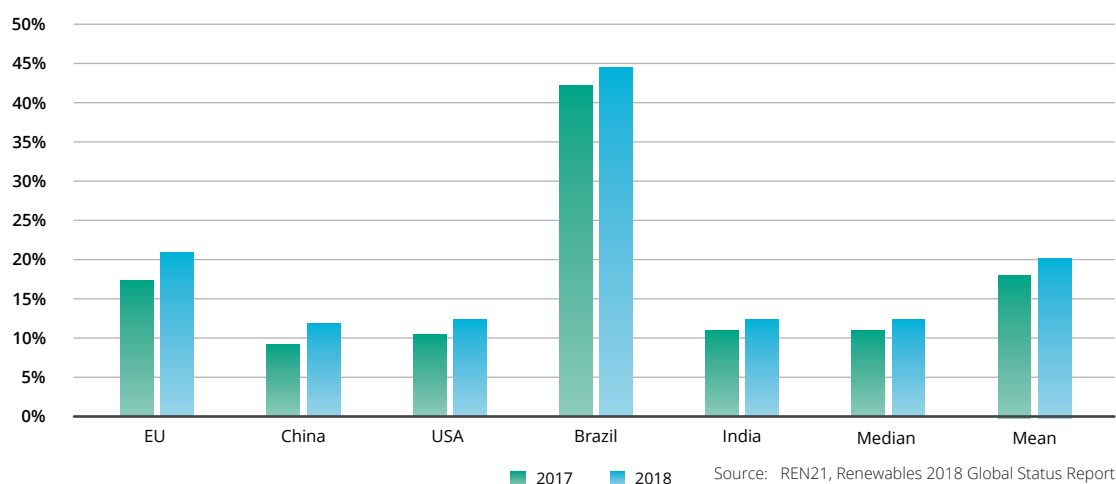
8. EXXONMOBIL, 2018 Outlook for Energy: A View to 2040

9. Intergovernmental Panel on Climate Change, IPCC Fourth Assessment Report & IPCC Fifth Assessment Report

10. <https://unfccc.int/process-and-meetings/the-paris-agreement/what-is-the-paris-agreement>

11. <https://unfccc.int/process-and-meetings/the-paris-agreement/status-of-ratification>

## Percentage of renewables of total energy consumption



- China has committed to have 20 per cent of its total energy consumption to be produced from renewable energy resources by 2030. The Chinese government deposited approximately EUR 320 billion in 2017 to be invested in renewable energy by the end of 2020. This was an initiative to assist in accelerating the shift from using coal to renewable energy resources. Approximately EUR 38 billion were earmarked solely for investments in tidal and geothermal energy.<sup>12</sup>
- India has set up goals to significantly expand capacity from renewable energy sources. It is estimated that 57 per cent of India's total energy consumption will be generated from renewable energy sources by 2027.<sup>13</sup>

The convergence of cheaper renewable energy technologies, digital applications and the rising role of electricity is a crucial vector change. It is central to the prospects for meeting many of the world's sustainable development goals. Momentum in the power sector is positive, but the power sector alone will not deliver the emission reductions demanded by the Paris climate agreement. Neither can it fulfill the aspirations of Sustainable Development Goal 7. Policies continue to remain critically important for the future of renewables. The heat, electricity and transport sectors together account for 80 per cent of the global total final energy demand. In order to meet long term climate and other sustainable goals, renewable energy development in these sectors must accelerate. If progress continues at the currently forecasted pace, renewables would only have a share of approximately 18 per cent in final energy consumption by 2040. This is well below the International Energy Agency (IEA) Sustainable Development Scenario's benchmark, where the share of renewables in final energy consumption is 28 per cent. Should governments introduce measures to tackle policy and regulatory uncertainties as well as grid integration and financing challenges before 2020, growth in renewable energy could be accelerated. If the expansion of renewable energy is accelerated, China, the European Union, India, and the United States together amount to for nearly two thirds of the potential upside. As a result, renewable capacity growth could

reach 1.3 TW over the period 2018-2023, putting the renewable electricity sector fully on track to meet long-term climate and sustainability goals.<sup>14</sup>

Wind- and solar power are two well established renewable energy sources. These have continuously been successful in lowering the energy cost per produced kilowatt hour (kWh). In combination with several political efforts, these renewable energy resources have now grown to become attractive to investors also from a financial perspective. The possibility of long-term returns is higher compared to fossil fuels. In 2017, the Norwegian Sovereign Wealth Fund, the world's largest state fund, recommended the Norwegian government to divest all the fund's holdings in oil and gas companies. Such holdings amounted to approximately SEK 300 billion.<sup>15</sup> One of the world's largest insurance groups, AXA, announced divestments of holdings in coal assets equivalent to approximately SEK 6.7 billion.<sup>16,17</sup> The Swedish pension funds are actively working towards divesting and opting out companies who have a negative impact on the environment. AP4 has been using strategies including low carbon dioxide to minimize the environmental risk in its investments<sup>18</sup> and AP2 has used analysis on financial environmental risks. As a result, the fund has divested 83 of its holdings because of financial environmental risks.<sup>19</sup>

At a meeting in Paris, earlier this year, the Network for Greening the System, an alliance of 34 central banks and financial regulators, published a letter in which they clarified that they can no longer ignore the obvious threat and risk that comes from climate change. The Bank of England recently announced that they will require the banks and insurance companies they monitor to disclose how they handle the economic risks associated with climate change.<sup>20</sup>

## Renewables

The global renewable energy market was valued at USD 1,406 billion (circa SEK 12,982 billion) in 2016 and is projected to reach a value of USD 2,153 billion (circa SEK 19,880 billion) by 2025, growing at a CAGR<sup>21</sup> of 4.9 per cent from 2017 to 2025. In recent

12. <https://uk.reuters.com/article/us-china-energy-renewables/china-to-plow-361-billion-into-renewable-fuel-by-2020-idUKKBN14P06P>

13. [http://cea.nic.in/reports/committee/nep/nep\\_dec.pdf](http://cea.nic.in/reports/committee/nep/nep_dec.pdf)

14. International Energy Agency, Renewables 2018

15. <https://www.di.se/nyheter/norska-oljefonden-vill-dumpa-olje-och-gasaktier/>

16. <https://www.ft.com/content/f349dbb0-0072-11e5-b91e-00144feabdc0>

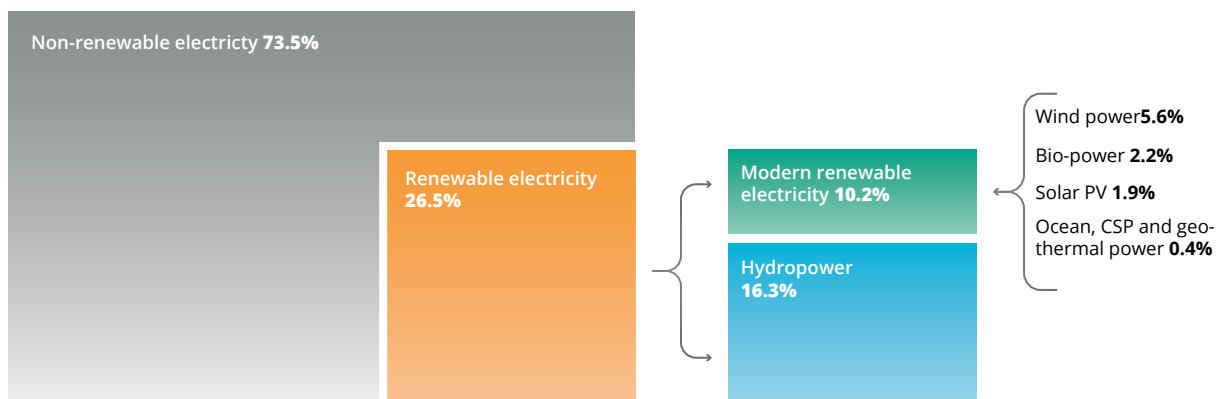
17. <https://www.reuters.com/article/axa-coal/axas-fund-management-arm-to-cut-investment-in-coal-companies-idUSL8N1HX4ZZ>

18. <http://www.ap4.se/hallbarhet-och-agarstyrning/klimat-och-miljo/>

19. <http://www.ap2.se/sv/hallbarhet-agarstyrning/klimat/finansiella-klimatrisker/>

20. <http://fortune.com/2019/05/08/data-sheet-green-investing-startups-beyond-meat/>

21. Compounded annual growth rate



Source: REN21, Renewables 2018 Global Status Report.

years, the share of renewable energy in the global energy mix has continuously growing. Renewable energy is generated from natural processes that are constantly replenished, including sunlight, geothermal heat, water, wind, tides, and various forms of biomass. Market growth has so far been somewhat restrained due to the high cost of investment. However, increased government funding and development in the technologies present new opportunities for future growth.<sup>22</sup> Global renewable energy consumption increased by more than 5 per cent in 2017, which is three times the growth rate in total final energy consumption. In the power sector, renewables accounted for half of annual global electricity generation growth, driven by wind, solar PV and hydropower.<sup>23</sup> Renewable energy consumption is expected to grow by more than 27 per cent from 2017 to 2023, where the electricity sector will generate the fastest growth.<sup>24</sup>

No renewable energy resource has the capability or capacity to replace fossil fuel alone and solve the world's energy consumption needs. To replace fossil fuels in full, the world needs energy from a variety of renewable energy sources. By combining solar, wind and water energy sources, the joint energy consumption can be met. According to the Renewables 2018 Global Status Report (REN21), globally, fossil fuel consumption is 79.5 per cent of the total share of energy consumption, followed by renewable energy sources with 18.2 per cent. Traditional biomass accounts for 7.8 per cent, while modern renewable energy has a percentage of 10.4 per cent. Modern renewable energy is dominated by solar and wind. Despite a number of initiatives to boost the role of renewables and the electrification of heating and transport, progress in these sectors continues to be relatively slow. Policy makers have paid much less attention to renewable heating and cooling compared to renewable power generation. Consequently, renewable heating and cooling has been identified as "the sleeping giant of renewable energy potential" for the past decade. The supply of modern renewable heat increased 20.5 per cent in the period from 2007 to 2015. During the same time period

the renewable electricity generation increased 56.6 per cent during this period. 92 per cent of global energy need, within the transporting sector, is still being met by the use of oil.<sup>25</sup>

If recent progress from the renewable energy sector is taken into account, the gap between fossil fuel consumption and the renewable market can be closed in the near future. Excluding hydropower, the global renewable energy sector grew from 85 GW to approximately 560 GW, an increase by more than 450 per cent, between 2004 and 2013. The wind industry dominated the growth in the renewable energy sector in terms of capacity, where it grew from 48 GW to 318 GW between 2004 and 2013. In percentage, the photovoltaic sector grew much more with an increase in capacity from only 2.6 GW to 139 GW during the same time period. The average growth rate of renewables over the past decade has been 5.4 per cent. The growth in the renewable sector has been due to a number of factors including political support, financial incentives and reduction in the costs of technology making renewable energy cost competitive.<sup>26</sup>

#### Solar

Solar capacity expanded by 97 GW in 2017 alone, and solar capacity is expected to increase by almost 600 GW by 2023, which is more than all other renewable power technologies combined. By 2023 solar PV capacity will reach 1 terawatt (TW). China remains the absolute solar PV leader by far, despite recent policy changes.<sup>27</sup> In 2017, China added more solar PV capacity (nearly 53.1 GW) than was added worldwide in 2015 (51 GW). For the first time, China's leading source of new power capacity was solar power. By the end of the year, total installations approached 131.1 GW, far surpassing the government's minimum target for 2020 (105 GW), announced in 2016 with the aims of advancing economic development, poverty alleviation and environmental protection.<sup>28</sup> It is expected to hold almost 40 per cent of the globally installed PV capacity in 2023.<sup>29</sup> The average capacity factor in solar photovoltaic energy in 2018 was 26.1 per cent.<sup>30</sup>

22. <https://www.alliedmarketresearch.com/renewable-energy-market>

23. IEA Renewables 2018.

24. <https://www.iea.org/renewables2018/>

25. REN21, Renewables 2018 Global Status Report

26. REN21, The First Decade: 2004-2014, 10 Years of Renewable Energy Progress

27. International Energy Agency, Renewables 2018

28. REN21, Renewables 2018 Global Status Report

29. International Energy Agency, Renewables 2018

30. [https://www.eia.gov/electricity/monthly/epm\\_table\\_grapher.php?t=epmt\\_6\\_07\\_b](https://www.eia.gov/electricity/monthly/epm_table_grapher.php?t=epmt_6_07_b)

### *Wind*<sup>31</sup>

Wind power saw its third strongest 12-month period, with more than 52 GW added globally in 2017, meaning cumulative capacity increased nearly 11 per cent, to around 539 GW. As in 2016, there was a decline in Chinese installations accounted for much of the contraction, while several other markets, including Europe and India, had record years. More than 90 countries had seen commercial wind power activity, and 30 countries – representing every geographic region – had more than 1 GW in operation by the end of 2017. Nonetheless, the trend towards greater geographic diversification reversed, with a concentration of new wind power capacity in a smaller number of markets. The average capacity factor in wind energy in 2018 was 37.4 per cent.<sup>32</sup>

Wind energy has become a highly competitive way to add new generating capacity. It is less expensive than existing fossil power in a small but growing number of markets. However, increased competition and the scramble for market share in 2017 resulted in lower profits throughout the supply chain. Several large manufacturers saw an increase in turbine orders but a decline in profits.

The global shift to auctions is driving down the cost of wind power, though it is causing fierce competition in the industry, forcing turbine manufacturers to look for ways to further reduce their costs and contributing to consolidation in the industry.

### *Geothermal*

Geothermal resources provide electricity and thermal energy services (process heat, space heating and cooling). Total useful energy in 2017 was an estimated 613 PJ (or 170 TWh), with electricity and thermal output each providing approximately equal shares. However, due to lack of data there are uncertainties regarding the estimates of thermal energy consumption (also known as “direct use”). Some geothermal plants produce both electricity and thermal output for various heat applications. In 2017 an estimated 0.7 GW of new geothermal power generating capacity came online, which brought the global total to an estimated 12.8 GW.

Geothermal energy is not unique in having to contend with high upfront project costs. However, the inherent high risk of geothermal exploration and project development, and the lack of adequate risk mitigation, continues to be a focus of attention for the industry. Because of the uncertainty in knowing the geothermal resource in any given location it is difficult to mobilize enough capital, especially private capital, to fund the expensive exploratory drilling that must occur at the outset to establish the size, temperature and other parameters that define the viability of a resource.<sup>33</sup>

### *Biomass/Bioenergy*

The role of renewables in the transportation and heating sectors remains critical to the energy transition, considering electricity only accounts for a fifth of the global energy consumption. Bioenergy, the world's largest source of renewable energy is often overlooked. It represents a “blind spot” in the global debate regarding renewables. Bioenergy is a significant contributor across the energy system, predominantly in the heat and transport sectors.<sup>34</sup> The contribution of bioenergy to final energy

consumption for heat in buildings and industry exceeds its use in electricity and transport, even when the traditional use of bioenergy is excluded; however, the electricity sector has seen the highest rate of growth in bioenergy consumption. (REN 21 – Renewables 2018 – Global Status Report)

### *Hydropower*

Global additions to hydropower capacity in 2017 were an estimated 19 GW, bringing total capacity to approximately 1,114 GW. While significant, this is the smallest annual increment seen over the last five years. The leading countries for cumulative capacity remain to be China, Brazil, Canada, the United States, the Russian Federation, India. Together they represented about 63 per cent of installed capacity at the end of 2017.

Many hydropower facilities around the world are decades old, sometimes dating back over a century. Modernization and rehabilitation of existing plants is a significant part of industry operations and serves to extend plant life, to increase maintenance intervals and reduce associated costs and downtime, and to improve reliability.<sup>35</sup>

### *Ocean Energy*

The increase in solar and wind energy cannot singlehandedly solve the world's energy consumption needs. There is not enough capacity to replace fossil fuels. However, these sectors have proven it possible to invest in new technologies, from which large amounts of energy can be harvested in a reliable manner.

Oceans, lakes, and rivers, which contain huge amounts of kinetic energy, cover 75 per cent of the earth's surface. The kinetic energy in water is 832 times as high as in wind. The average water flow in all of earth's rivers is a million cubic meters per second. The gulf stream alone is estimated to have a water flow of 150 times as large.<sup>36</sup>

Despite decades of development efforts, ocean energy remains a largely untapped renewable energy source. Two tidal barrage facilities represented more than 90 per cent of the approximately 529 MW of operating capacity at the end of 2017. Ocean energy technologies deployed in open waters (excluding tidal barrage) saw positive development in 2017, as both tidal stream and wave energy deployments saw new capacity come online, particularly in the waters of Scotland. The year ended with net capacity additions of at least 4 MW, for a year-end total of 17 MW of tidal stream and 8 MW of wave energy capacity.

Tidal stream and wave energy converters, which are other open-water technologies, are generally in an earlier stage of development, with various prototypes deployed. Tidal stream technologies are considered closer to technological maturity and have shown a significant convergence around the use of horizontal-axis turbines, combined with a variety of mooring techniques. In 2017, the first tidal turbine arrays (a cluster of multiple interconnected turbines) were deployed.<sup>37</sup>

Energy security means a country's uninterrupted access to energy resources at an affordable price and is a central of today's society and its ability to function. In order to secure the national energy consumption, many countries are today dependent on

31. REN21, Renewables 2018 Global Status Report. The reference refers to the entire paragraph for the information regarding the average capacity factor for windpower.

32. [https://www.eia.gov/electricity/monthly/epm\\_table\\_grapher.php?t=epmt\\_6\\_07\\_b](https://www.eia.gov/electricity/monthly/epm_table_grapher.php?t=epmt_6_07_b)

33. REN21, Renewables 2018 Global Status Report

34. International Energy Agency, Renewables 2018

35. REN 21 - Renewables 2018 - Global Status Report

36. <https://oceancurrents.rsmas.miami.edu/glossary.html#S>

37. REN21, Renewables 2018 Global Status Report

importing energy. These countries often have a large dependency on fossil fuels. The European Union imports more than half of the energy consumed within the EU. The estimated cost amounts to roughly EUR 1 billion per day. The member states of the European Union are 90 per cent dependent on imports of oil and 69 per cent dependent on imports of natural gas. Natural gas is imported from countries such as Russia. In 2009, a conflict between Russia and Ukraine caused a serious deficit in energy consumption for many European countries.<sup>38</sup>

A conversion to more locally produced, renewable energy resources would decrease geopolitical risks associated with high dependency on imports and consequently it would increase energy security.

Hydropower, wind power, and solar power are considered the more mature, cost efficient, and technically advanced technologies within renewable energy. Hydropower has the largest installed capacity among the renewable energy resources, but given limited possibilities for expansion, solar and wind power are expected to generate the largest growth in the foreseeable future.<sup>39</sup> Solar and wind power will make up for a large part of the future energy mix. Like all other energy resources, they have their disadvantages and they need to be complemented by other renewable energy resources in order to meet future sustainability goals. Both solar and wind power demand large areas of land, which has an environmental as well as visual impact on the landscape. In many parts of the world it prevents large expansion.

The energy production from solar- and wind power is unpredictable, especially in areas where the climate prerequisites are not optimal. Solar power only produces energy while the sun is shining, therefore not during nighttime, and wind power only produces energy while the wind blows. An example is a study.<sup>40</sup> Wind and solar power could account for 50 per cent of the UK energy production by 2040, if the weather conditions would always be favorable, but during longer time periods, sometimes months, solar and wind energy would not be able to cater more than 20 per cent of the energy need in the UK, due to changing weather conditions. During time periods with weather conditions of no wind or when the weather is often cloudy, solar and wind energy would not produce the same amount of energy and do not satisfy the same amount of the total energy need. Therefore, there is a large complementary need for predictable and cost-efficient renewable energy resources.

Compared to solar and wind, who are currently the two most popular renewable energy sources, water energy/power is much more reliable. Solar and wind energy currently only work when either the sun is up or the wind blows. Water energy, either it being offshore such as tidal energy or onshore works basically around the clock. In addition, waves, water streams and tides are easily predictable. Compared to wind energy, water energy requires almost no cost related to data collection. In addition, it has low environmental impact.<sup>41</sup>

About 2/3 of the world's population are today living near the coastline. This increases the demand for harvesting local energy right where the population lives. In Southeast Asia today, more than 65 million people has no access to electricity. These people

primarily live in Indonesia and the Philippines, which are countries made up of 17,500 and 7,000 islands respectively. Geographic factors make it both technically and economically unrealistic to integrate such large groups of islands to conventional electricity grids. Subsequently, there is a large need for building smaller scale plants locally to replace expensive diesel generators that are endangering the environment.<sup>42</sup> 1.06 billion people worldwide lived without electricity in 2016.<sup>43</sup>

## Wave power

### Size

Despite being an attractive power source, wave energy remains largely unexploited due to large construction costs. Marine energy technology is at an early stage of development, especially in the case of wave power. Specific environmental conditions are needed in order generate energy from waves. The energy is equally divided between: (i) the potential energy component where the water is forced against gravity from the wave trough and crests and (ii) the kinetic energy component, that is, the water oscillating velocity. Water contains large amounts of kinetic energy. It is 832 times as dense as air, which multiplies the kinetic energy in water compared to the wind by the same amount.<sup>44</sup>

In contradiction to the wind, most of the wave energy flux is concentrated near the sea surface; hence a wave farm at the sea surface can absorb a large part of the wave energy flux. When winds blow over the sea and ocean surface, waves are formed, and the water particles adopt circular motions. Due to the movements of these water particles, near the surface of the sea, wave energy occurs. Depending on the speed, duration and unchanged direction of the wind, the length of the sea, over which it blows (fetch), the water depth, sea bed conditions, and interactions with the tides, this motion carries different amounts of kinetic energy. The stronger the wind and the longer the distance over which it blows, the larger the waves and the more energy they carry.

### Growth

Waves are a concentrated form of wind energy capable of travelling large distances with minimal losses, and the wave energy sector could potentially equal and even exceed the offshore wind sector. Waves are divided into two categories: waves generated locally, called wind seas, and waves generated by distant waves, called swell. The total worldwide potential of wave power is estimated to be 29,500 TWh. Currently, only a small fraction of this potential is efficiently extracted near ocean coastlines, islands or semi enclosed basins defined by local "hotspots".

At this point in time, the future of the industry is difficult to predict, since there are no large-scale wave farms present. Though opportunities are expanding as the technology evolves. The successful development of wave technology in the European wave market could generate 188 GW (10 per cent) of Europe's electricity needs by 2050. In order for it to happen successful development and operation of new wave generation systems need to be planned for 2022-2040. Research and development on current projects have provided knowledge on how to cut costs on future wave technologies. Improvements in the next generation of wave technology could reduce the costs of power take-off (by

38. <https://ec.europa.eu/energy/en/topics/energy-strategy-and-energy-union/energy-security-strategy>

39. International Energy Agency, Renewables 2017

40. Bloomberg New Finance, Beyond Tipping Point, 2017) by Bloomberg in collaboration with the Renewable Energy Association

41. <http://www.emec.org.uk/press-release-wave-and-tidal-energy-study-finds-no-long-term-disturbance-to-wildlife/>

42. <https://www.ge.com/reports/powering-remote-islands-one-microgrid-time/>

43. REN21, Renewables 2018 Global Status Report

44. <https://academic.oup.com/ce/article/2/1/10/4924611#118560458>

22 per cent), installation (18 per cent), operation and maintenance (17 per cent), foundation and mooring (6 per cent) or grid connection (5 per cent).

Considering a renewable marine project is designed to be a sustainable project, it is important to understand its effect on the local marine ecosystem. In general, the fish population seems to benefit from marine energy, since there will be exclusion zones around the generators where fishing will be prohibited. In addition, because the wave energy converters will work similar to a breakwater, they will calm the sea, thus providing a nesting area for local bird species.<sup>45</sup>

## Trends<sup>46</sup>

Solar and wind power recently crossed a new threshold, moving from mainstream to preferred energy sources across much of the globe. As they reach price and performance parity with conventional sources, demonstrate their ability to enhance grids, and become increasingly competitive via new technologies, deployment obstacles and ceilings are dissolving. Already among the cheapest energy sources globally, solar and wind have much further to go: the enabling trends have not even run their full course yet. Costs are continuing to fall, and successful integration is proceeding apace, undergirded by new technologies that are bringing even greater efficiencies and capabilities.

Meanwhile, the demand for renewables is inexorably growing. Solar and wind power now come closest to meeting three energy consumer priorities: reliability, affordability, and environmental responsibility. In leading renewable markets such as Denmark, supranational, national, and local community interests are aligned on these goals. In others, such as the United States and Australia, where the national leadership is retreating on decarbonization efforts, cities, communities, and corporations have become the most relevant actors. They have stepped up to fill the vacuum and demand has continued to grow. Finally, the emerging markets that will see the most significant growth in electricity demand as they develop and/or electrify have leapfrogged into a position of solar and wind leadership. The case for renewables has never been stronger.

## Competition

The Company's competitors are all kinds of energy producers, particularly energy producers within renewable energy. Looking more specifically at ocean energy and wave energy, there have been several companies that have developed technologies to generate energy from ocean waves, currents and tides. Most of these companies have chosen to develop their technologies offshore, which means several kilometers from the coast.

An example on these companies is Minesto, a Swedish company listed on Nasdaq First North. Minesto is developing a technology to generate energy from tides. They have developed an underwater kite that moves in a path in the shape of an eight underneath the ocean surface. The technology has been placed offshore where the ocean is approximately 60-120 meters deep. Minesto is not yet in a commercial stage, but the Company has been performing tests for the past five years in scale model.<sup>47</sup>

Pelamis Wave Power Ltd is a company that developed a technology to generate energy from ocean waves. The technology was made up of 5 tubsections that are connected through universal joints which let the tubes move in two directions. Pelamis' technology is operational out at sea, 2-10 kilometers from the coast, on a sea depth of about 50 meters.<sup>48</sup> The attempt to generate wave energy offshore has proven to be problematic and is underlined by the fact there is still no wave power plant offshore that sells electricity and is connected to any country's electricity grid. After receiving large investments over a ten-year period, Pelamis resulted in a write-off of GDP 16,3 million in 2015.<sup>49</sup> The Orkney Council later acquired the Pelamis-2 prototype from the European Marine Energy Center for GDP 1, which would otherwise have been scrapped.<sup>50</sup>

45. <https://academic.oup.com/ce/article/2/1/10/4924611>

46. Deloitte, Global Renewable Energy Trends

47. <https://minesto.com/our-technology>

48. <https://www.solaralliance.org/%20pelamis-technology/>

49. <http://www.scottishenergynews.com/scottish-enterprise-reports-little-prospect-of-major-investment-in-scottish-wave-power-sector-after-pelamis-sinks-with-loss-of-16m-in-taxpayer-funds/>

50. <http://www.scottishenergynews.com/orkney-council-buys-wreck-of-once-pioneering-pelamis-wave-power-machine-for-1/>



# Business overview

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The Company is a Swedish company that through subsidiaries, including in Israel, has developed a patented, smart and cost-effective technology for extracting green energy from ocean waves. The Israeli subsidiary was founded in 2011 in Tel Aviv. Eco Wave Power is offering a unique technology being the only company in the world with a nationally grid connected wave energy array.

## Business concept

Based on its proprietary technology, Eco Wave Power's business concept is to develop, sell and deliver power plants as well as to sell self-produced clean energy.

## Vision

To establish wave power as cornerstone energy source within renewable energy.

## Targets

Eco Wave Power aims to capitalize on the Company's project pipeline amounting to 190 MW and show substantial growth the upcoming years through the construction of power plants corresponding to 135 MW. In order to achieve this the Company has adopted the following operational targets.

## Operational targets

2021 To have started selling electricity to the grid through the installation of two power stations, one 5.0 MW power station in Gibraltar and one 100 kW power station in Jaffa, Israel and be in advanced construction of a 10 MW power station in the UK.

2023 Given that the Company has secured debt financing in accordance with its business plan, the goal is to have installed additional power stations corresponding to a capacity of 60 MW.

2025 To have expanded the Company to Asia and Scandinavia and to have installed an additional capacity of 60 MW.

## Business model

Eco Wave Power offers a proprietary system for turning ocean and sea waves into cost-effective clean energy. The majority of the system parts consist of standard components and the Company cooperates with large suppliers such as Siemens and ABB in order to ensure supplier presence in most countries in the world. The heavy mechanical and civil works are built locally stimulating the country's economy, whereas the conversion unit is constructed in Israel and assembled on site. Research and development as well as sales and marketing are carried out internally. Customers are either governments or national electric companies or private companies or organizations.

## Revenue model

Eco Wave Power's revenue model can be divided into three parts:

- 1. BOO (Build, Own, Operate)** – the Company owns 100 per cent of the project. This revenue model means that the Company finances and provides the operations and maintenance for the power station. The electricity produced is sold to the grid in-line with long-term Power Purchase Agreements (up to 25 years). This model incurs a higher initial investment cost but gives a long-term recurring revenue stream from the amount of electricity the Company sells to the grid.
- 2. BOT (Build, Own, Transfer)** – the Company builds the power station and then sells it. Eco Wave Power's long-term fixed price revenue under its Power Purchase Agreements are attractive for institutional investors, which can pay a premium price to purchase the power stations due to their low required rate of return.
- 3. The project is held as a joint venture or turnkey project.** Eco Wave Power may collaborate with external parties who are willing to share the risk with Company. In such circumstances Eco Wave Power is responsible for construction and operations. When the construction is completed Eco Wave Power will invoice the partner the construction cost plus an agreed margin after which they will be joint owners of the power plant. Thereafter, the project adapts the BOO revenue model

and the coming revenue stream from electricity sales are split between the Company and its joint venture partner. In order to scale up the business quicker Eco Wave Power may sell projects on a turnkey basis since it provides the Company with a faster path to a positive cash flow.

## Product offering and services

### In-depth description of the technology

Eco Wave Power developed proprietary technology for the extraction of clean energy from ocean and sea waves and its efficient conversion into electricity. Eco Wave Power's unique wave energy system design is comprised of tailor-made floaters, which are attached to marine structures such as piers, breakwaters, and jetties.

The floaters draw energy from incoming waves by converting the rising and falling motion of the waves into an efficient energy generation process. More precisely, the movement of the floaters compresses and decompresses hydraulic pistons which transmit bio-degradable hydraulic fluid into land located accumulators. In the accumulators, at a pressure - which ranges between 50 and 160 bar, is being built. This pressure rotates a hydraulic motor, which rotates the generator, and then the electricity is transferred into the grid, via an inverter.

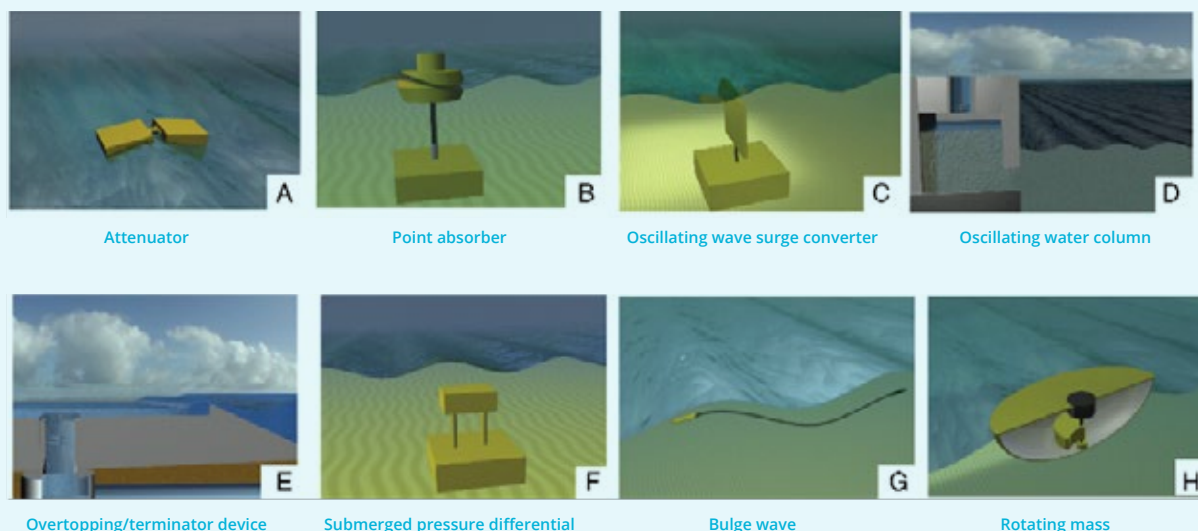
The hydraulic fluid, after decompression, flows back into the hydraulic fluid tank, where it is then re-used by the pistons, thus creating a closed circular system.

The system commences production of electricity from wave heights of 0.5 meters.

The whole operation of the system is controlled and monitored by a smart automation system. Also, when the waves are too high for the system to handle the floaters automatically rise above the water level and stay in the upward position until the storm passes. Once the storm passes, the floaters automatically go back into operation mode.

Figure: A power plant with an installed capacity of 5 MW consists of approximately 300 floaters.





Technologies for wave energy extraction

Source: <https://www.ctc-n.org/technologies/wave-energy>

### Strengths and Competitive Advantages

A wide range of methods have been developed to capture energy through Wave Energy Converters. To date, six main distinct types of WECs have been developed. These include (Fig): Attenuator; Point absorber; Oscillating wave surge converter; Oscillating water column; Overtopping/terminator device; and Submerged Pressure Differential. Most of these technologies were installed in the offshore, due to the belief that in the offshore there are more significant wave heights.

In search of the high energy potential available in offshore waves, several wave energy developers have located their systems offshore. However, these systems struggled to commercialize due to:

- **High costs:** The CAPEX<sup>1</sup> associated with offshore systems are high, as there are high costs implicit in the installation, maintenance, and connection to the electrical grid of such systems. Since their offshore deployment requires the use of ships, divers, underwater electrical transmission cables, and underwater mooring.
- **Low Reliability:** Off-shore ocean climates are often extremely harsh and can experience wave heights as high as twenty meters. Stationary man-made machinery struggles to survive in these types of conditions for extended periods of time. This is why the offshore systems deployed by the Scottish wave developer Pelamis and the Australian developer OCEANLINX ultimately failed.<sup>2</sup>
- **Lack of insurability surrounding off-shore systems:** The high-costs and low reliability associated with offshore wave energy systems, created an issue with getting insurance for the offshore wave energy power stations.
- **Negative environmental impact of offshore systems:** Environmental organizations have considerable say in the deployment of new technologies. However, many have objected

to the deployment of offshore wave energy systems as many of them require mooring to the ocean floor, which disturbs local marine habitats and to potentially impeded marine migration.

Resulting from the difficulties experienced by the offshore competitors in the wave energy sector, Eco Wave Power decided to take a different approach by installing its' systems in the onshore and nearshore environment & attaching it to marine structures, such as breakwaters.

A new study in the wave energy sector supports Eco Wave Power's approach.<sup>3</sup> For example, in Figure 1, we can see that although the maximum wave power is higher offshore, the exploitable level of power in the offshore and nearshore is practically the same, due to the following:<sup>4</sup>

In deep water, waves can travel in almost any direction, making it difficult to extract energy. As they approach the shore, they turn towards it, so WECs positioned in near-shore locations almost always encounter waves coming from the same direction. This significantly boosts the quantity of energy captured. Furthermore, wave profiles are usually milder closer to shore: maximum wave heights in near-shore areas are closer to average wave heights – implying that WECs in near-shore areas tend to encounter more stable sea states – providing highly exploitable wave energy resources compared to off-shore locations.

Another study<sup>5</sup> by the Indian Institute of Technology is also supporting the claim that the best location for energy generation is indeed breakwaters. While experimenting with different arrangements, scientists accidentally discovered that instead of a single structure, an array of OWC lined against breakwaters can extract greater power. Spacing these structures to optimize power generation was a critical issue- and this is exactly that technology that Eco Wave Power has been developing since 2011.<sup>6</sup> As a result, we can see that Eco Wave Power's proprietary technology is a

1. Means capital expenditures

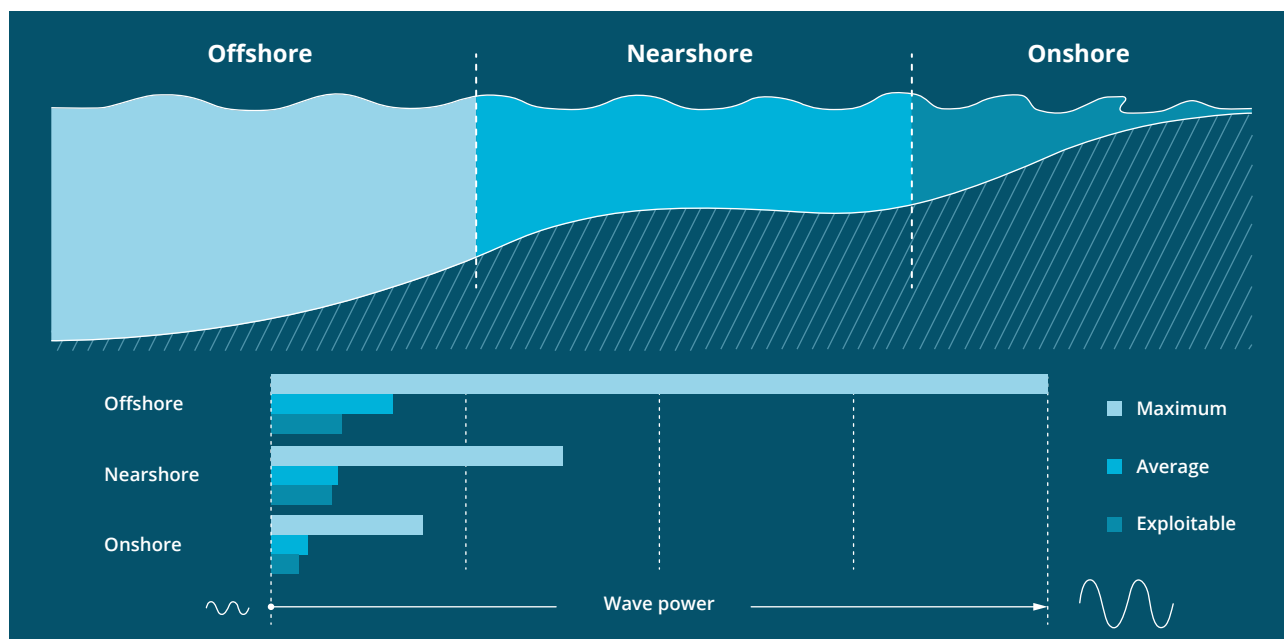
2. <https://www.abc.net.au/news/2010-05-25/oceanlinx-told-to-clean-up-sunken-energy-generator/839928>; <http://www.scottishenergynews.com/orkney-council-buys-wreck-of-once-pioneering-pelamis-wave-power-machine-for-1/>

3. <https://waveenergyconversiontamu15.weebly.com/theory-of-wave-energy--availability.html>

4. <https://waveenergyconversiontamu15.weebly.com/theory-of-wave-energy--availability.html>

5. <https://www.sciencedirect.com/science/article/pii/S002980181830903X>

6. <https://www.thehindubusinessline.com/news/science/new-technique-can-make-ocean-wave-energy-attractive/article24398195.ece>



Wave power variations relative to proximity of WEC to the shore

Source:

different and innovative approach to wave energy system design, which entails the following advantages:

- **Cost-Efficient:** The price of Eco Wave Power's wave energy power system is highly competitive with a total capex of EUR 1 to 1.8 million per MW (\*the price is dependent on the civil works that have to be performed for the installation of the systems and the proximity to the nearest substation). The price is significantly lower than the price of the offshore competition, due to the fact that during Eco Wave Power's installation and O&M activities, Eco Wave Power does not require the use of ships, divers, underwater cabling and mooring associated with offshore systems. As to the LCOE, at a price of EUR 1.1 million per 1 MW the min LCOE is 69 EUR per 1 MWh and in commercial scales the price will fall as low as EUR 42 per 1 MWh.
- **Reliable:** Eco Wave Power's technology is extremely reliable as most of the cost of the system located on land, and only the floater mechanisms are located in the water. Therefore, the Eco Wave Power conversion unit is not subject to an aggressive offshore marine environment. Furthermore, the Company utilizes storm protection mechanism, which prevents damages to the floaters during storms.
- **Full insurability:** The reduced CAPEX and high reliability associated with the Eco Wave Power system has allowed the Company to receive insurance for its power stations. To date, the Company's installations in Gibraltar and Israel are insured by notable insurance companies the Argus Group and Migdal Insurance, respectively.
- **Modular:** The Eco Wave Power system is fully modular, allowing the Company to scale projects, which minimizes the common risks entailed in scalability.
- **Environmentally friendly:** The Eco Wave Power system is environmentally friendly as it does not connect to the ocean floor.

A support to such advantages of onshore wave energy can be seen in a recent study by the Institute of Marine Sciences and Technology at Dokuz Eylül University which determines that onshore technologies have significantly higher survivability and is more cost effective than offshore solutions.<sup>7</sup>

Moreover, Eco Wave Power appeared in a recent study by Dr. Peter Harrop which finds that interest in waterpower is on the rise again as large orders are landed.<sup>8</sup> The new vibrancy primarily concerns avoiding huge infrastructure and putting simpler devices particularly in the sea. At last, marketing led approaches satisfy new needs, particularly in a vast number of cases where cost of electricity is not key. He also mentioned Eco Wave Power in his detailed study as one of the most dominant technology and provides deep technology analysis. In his study, he is forecasting that the market will rise to at least USD 100 billion.

- **Patented Technology** - Eco Wave Power's technology for electricity production is protected by four approved Israeli patents and nine ongoing patent applications.
- **Vast Experience** - Eco Wave Power has significant experience in working in real sea conditions. The Company is operating the power station in Jaffa Port since 2014, and its' grid connected power station in Gibraltar since 2016. The Gibraltar power station is the only grid connected wave energy technology in the world, selling electricity to the grid under a commercial PPA (Power Purchase Agreement)
- **Validated technology** - Eco Wave Power's technology was assessed by independent experts from Solar Impulse Foundation for its technological feasibility, environmental and socio-economic benefits, and economic profitability, and received an Efficient Solution Label.<sup>9</sup> Eco Wave Power also recently received a Seal of Excellence from the European Commission<sup>10</sup> and funding for phase 1 by Horizon 2020<sup>11</sup>.

7. [https://www.anmb.ro/buletinstiintific/buletine/2016\\_Issue1/FCS/408-417.pdf](https://www.anmb.ro/buletinstiintific/buletine/2016_Issue1/FCS/408-417.pdf)

8. <https://www.idtechex.com/en/research-report/wave-tidal-and-hydro-power-1w-10mw-2018-2038/607>

9. <https://solarimpulse.com/companies/eco-wave-power>

10. <https://marineenergy.biz/2019/02/13/eco-wave-power-founder-one-of-30-most-influential-women-of-21st-century/>

11. <https://renewablesnow.com/news/eco-wave-power-gets-eu-funding-for-wave-energy-power-plant-in-gibraltar-504577/>

- **Award Winning Technology** - Eco Wave Power is the first wave energy company to win the Frost & Sullivan Product Innovation Award.<sup>12</sup>
- Eco Wave Power has also received the following awards; the Energy Globe Award for “Best Project in Israel” sponsored by UNESCO<sup>13</sup> and The Energy Globe Award for “Best Project in Gibraltar” sponsored by UN Environment<sup>14</sup>, MIXiii Innovation Award from the Chief Scientist in Economics - the Israeli government<sup>15</sup>, the Erasmus Energy Award<sup>16</sup>, the New Energy Global Fest Award<sup>17</sup>, the Shenzhen Innovation Award<sup>18</sup>, and the Women4Climate Tech Challenge 2019<sup>19</sup>.

## Strong Partnerships

Eco Wave Power Collaborates with the Government of Gibraltar and Gibraltar's National Electric company for its' Gibraltar project & received funding from the ERDF (European Union Regional Development Fund) for the Gibraltar project. Recently, the Company also received funding from the Energy Ministry, Government of Israel to expand its Jaffa Port project and connect it to the grid. The Jaffa Port expansion will be done jointly with EDF (the French National Electric company) which is co-investing in the project.

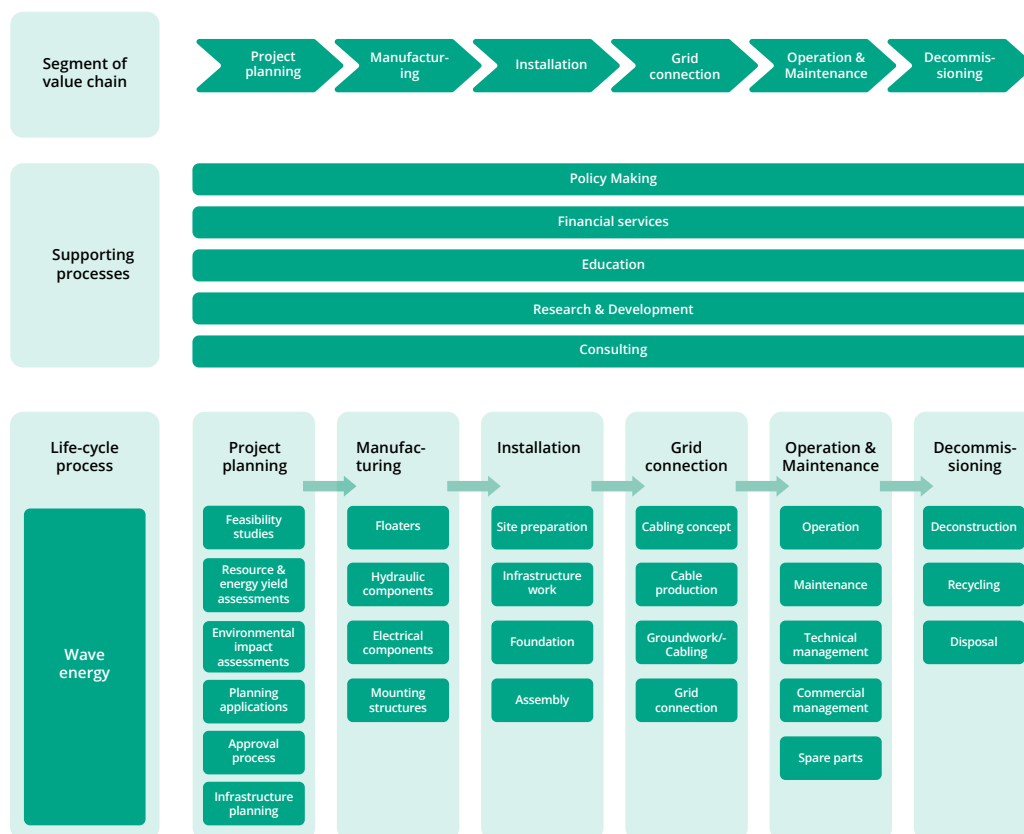
Eco Wave Power has made a strategic decision to cooperate with Siemens, which means that Siemens is the supplier for several of the components in the Company's system. One advantage of having Siemens as a supplier is that Siemens is a global player with factories across the world, which facilitates the logistics related to the Company's geographically spread project pipeline.

## Value chain

The Eco Wave Power value chain can be divided in six different steps; Project Planning, Manufacturing, Installation, Grid-connection, Operation and Maintenance, and De-commissioning. The Company is active in four of the six steps, namely Project Planning, Manufacturing, Installation and Operation and Maintenance. Please see figure below to get a detailed description on what is included in each step.

## Growth strategy

Eco Wave Power plans to leverage on its advanced technological stage, its project pipeline and its global spread, in order to become the first company to operate commercial scale wave farms, which positions the Company well for the future. The Company is planning on doing this by expanding its already functional power plant in Gibraltar as well as building a new power plant in the UK, where market conditions are favourable.



12. <https://www.prnewswire.com/news-releases/frost-sullivan-recognizes-eco-wave-power-for-its-path-breaking-innovation-in-the-field-of-wave-energy-generation-164409856.html>

13. <https://www.energyglobe.info/awards/details/awdid/83982/>

14. <https://www.energyglobe.info/gibraltar2018?cl=en&id=262742>

15. <http://israelnewtech.com/2014/05/28/eco-wave-power-won-wow-competition-during-mixiii-2014-innovation-conference/>

16. <https://www.littlegatepublishing.com/tag/erasmus-university/>

17. [www.sz.gov.cn/stztgs/szinvest/ne/news/201704/t20170418\\_6143530.htm](http://www.sz.gov.cn/stztgs/szinvest/ne/news/201704/t20170418_6143530.htm)

18. [www.sz.gov.cn/stztgs/szinvest/ne/news/201704/t20170418\\_6143530.htm](http://www.sz.gov.cn/stztgs/szinvest/ne/news/201704/t20170418_6143530.htm)

19. <https://w4c.org/tech-challenge/paris-tel-aviv-yafo-2019>

## Project Pipeline

With the use of the proceeds Eco Wave Power intends to build two commercial scale wave power stations, one in Gibraltar (expanding the existing power station) and one in the UK (most likely Dover). During the construction and operation of these two commercial scale wave power stations, Eco Wave Power will start moving additional projects from its pipeline into the ready-to-build phase.

While the new projects are being constructed, Eco Wave Power intends to actively work on expanding its project pipeline further.

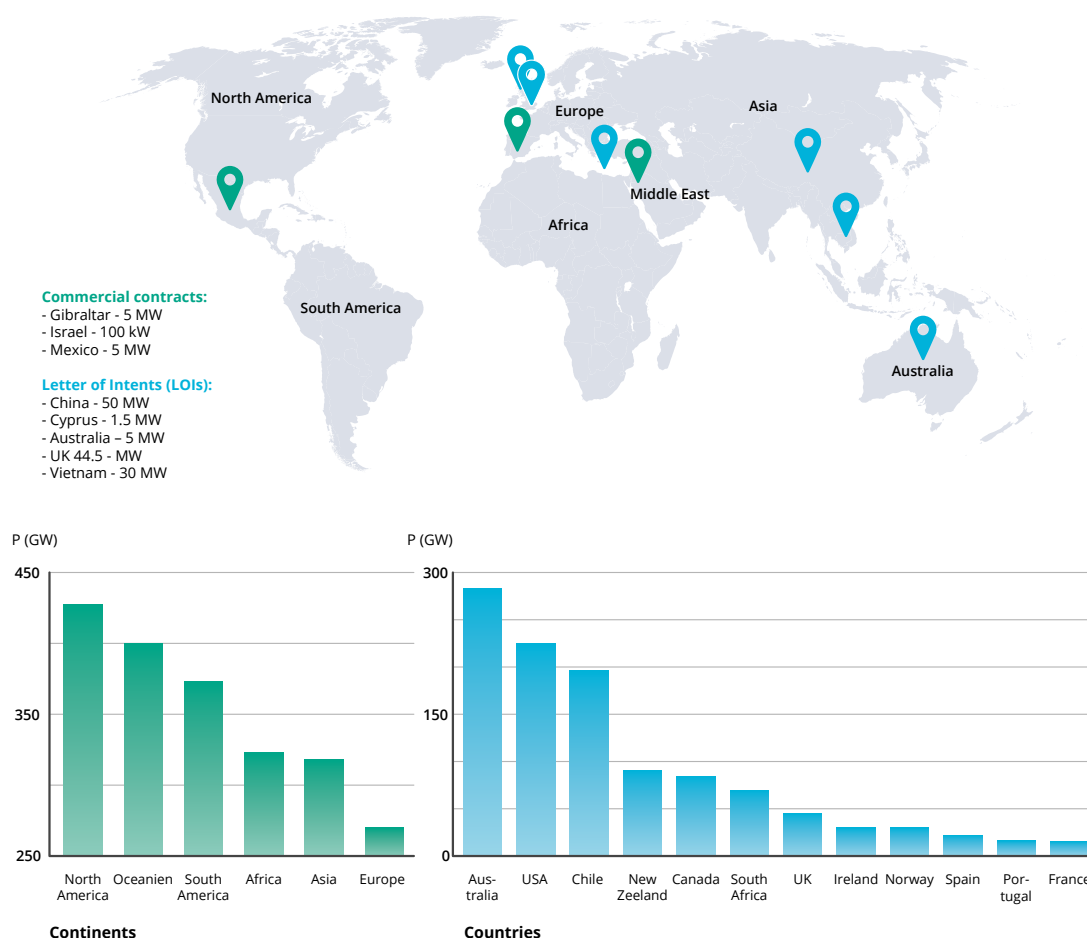
Eco Wave Power currently holds projects in the pipeline in Australia, the UK, Israel, Vietnam, Cyprus, China, Mexico and other countries. The individual projects can be divided into two categories, prioritized projects and other projects, depending on the degree of priority. Prioritized projects are projects to which the proceeds from the Offering shall be used and consist of the project in Gibraltar and one of the projects in the UK (most likely Dover). In addition, the project in Jaffa Port is also a prioritized project. The projects in Gibraltar and Jaffa Port already have signed commercial contracts while the projects in the UK are in an earlier stage of development. The Company also has a commercial contract for its project in Mexico, but has chosen to postpone the installation of the power plant in Mexico since the profitability is considered to be higher in the UK. The other 175 MW constitute of projects where the Company, with the exception of previously

mentioned project in Mexico, have letter of intents from counterparties regarding the development of commercial scale wave power plants. (For more information regarding said projects please see the section Legal considerations and supplementary information).

As mentioned above, the Company intends to use the proceeds to expand the already functional wave energy plant in Gibraltar and to build a new wave energy plant in the UK. In addition, the Company will build a wave energy plant in Jaffa Port, Israel, where external financing has been obtained to build 100 kW capacity. The fact that the Company chooses to prioritize these projects is due to beneficial signed commercial contracts in Gibraltar and Israel as well as favourable feed-in-tariffs in the UK.

Once Eco Wave Power has completed its first commercial installations, the Company expects, based on discussions with European banks, that it will be eligible for debt financing from financial institutions. As a result, using the option of debt financing, Eco Wave Power will be able to execute projects faster and to execute multiple projects in parallel.

The future commercial projects are expected to be in the markets in which the Company already has established relationships, such as Australia, U.K and others and in new markets such as the U.S., New Zealand, Canada, and South Africa which have large potential for wave energy.<sup>20</sup>



Total wave power: annual means estimated for (a) continents and (b) countries. (<https://academic.oup.com/ce/article/2/1/10/4924611>)

20. <https://academic.oup.com/ce/article/2/1/10/4924611>

## Calculating a project

### Revenues

Annual output is derived from the total installed capacity times number of hours during a year times the capacity factor. The capacity factor measures the efficiency of production and is relatively easy to estimate beforehand as wave data on a global basis is collected continuously via ports, satellites and MET offices. Consequently, it is not, as is the case in connection with construction of wind farms, necessary to carry out time consuming and expensive studies on the potential waves in the implementation site prior to commencing a project. Eco Wave Power secures most of its wave data from the New Zealand based consultancy company MetOcean Solutions.

Total yearly revenues equal annual output times the price per kWh. Some countries such as Gibraltar and the UK apply fixed prices, so called feed-in-tariffs.

### Costs

The average installation cost for a project is approximately USD 1.2 million per MW if the site has breakwater piers. Without breakwater piers the average cost is approximately USD 1.8 million per MW. Operational costs amount to approximately ten per cent of the total installation cost.

## Realizing a project – from wheat to bread

Including preparations, such as getting permissions in place from relevant governmental departments, which can take up to two years, a project can take up to three years to finalize. The permissions normally include planning approval, studies of the environment, and an approval to connect the power station to the specific country's electricity grid.

An important part of a project is to identify, assess and gain access to the physical location where the site will be established. It is not a requirement that the Company becomes the owner of the real estate where the installation is performed, but right to use the location for a sufficient period of time to justify the investment must be ensured. This is an important part of preparations and negotiations around projects and installations.

Installation of a wave power plant consists of four of the six phases in the value chain above, namely Project Planning, Manufacturing, Installation and Grid-connection. Assuming that the necessary permissions have been received, the Project Planning phase consists of infrastructure planning and takes approximately three to four months. The next phase is Manufacturing which includes the manufacturing of the floaters, the hydraulic and electric components as well as mounting structure. The Manufacturing phase takes approximately two to three months. The third phase is the Installation phase during which the different parts are assembled. Finally, in the fourth phase, the wave power plant is connected to the grid. The Installation phase and the Grid-connection phase take three months, respectively.

## Prioritized projects

### The Gibraltar project

Based on a commercial contract with the government of Gibraltar, Eco Wave Power will expand its 100 kW power plant in Gibraltar to a 5.0 MW power plant. In Gibraltar the feed-in-tariff is USD 180 per MWh and the capacity factor will amount to around 25 per

cent. The expansion of the power plant in Gibraltar is expected to take 24 months commencing July 2019. The company has obtained the necessary permits and approvals, and the project is thus in a ready-to-build phase. The proceeds from the Offering are planned to finance the expansion of the power plant in Gibraltar.

### The Dover project

Eco Wave Power has entered into a letter of intent with Dover Port, UK, and the negotiations regarding the construction of a 10 MW power plant are in an advanced stage. The feed-in-tariff in the UK is USD 380 per MWh and EWP's power station in Dover Port is forecasted to have a capacity factor amounting to 30 per cent. The installation of the power plant is expected to take 18 months commencing July 2020. The Dover project is in the project planning phase and in addition the Company has letter of intents regarding four other similar projects in the UK and are in advanced stages in terms of negotiations. These projects are found in Pembroke (2.5 MW), Highlands (10 MW), Orkney (10 MW) and Moray (12.5 MW) and are in the project planning phase. The Dover project is interchangeable with any of these other projects, which means that if negotiations in one of the projects are finalized before the Dover project the Company will prioritize that project instead of the Dover project. The proceeds from the Offering are planned to finance the project.

### The Jaffa project

In the first phase Eco Wave Power is building a 100 kW power plant which in the future is expected to be expanded to 20 MW. The Jaffa project has a feed-in-tariff of USD 298 per MWh (subject to FIT tariff setting by the Israeli Electric Authority) and a capacity factor amounting to 23 per cent. The installation of the phase 1 power plant is expected to take 6 months commencing in July 2019. Phase 2 is expected to commence in January 2022 and take 18 months. Phase 2 is subject to obtaining all relevant licenses and approvals from the Municipality of Tel Aviv and other relevant organizations. The financing for the 100 kW is made externally through the Israeli Energy Ministry and the French energy company EDF and thus the project is in the ready-to-build phase. These parties will each cover 50 per cent of the installation and building costs. EDF will, once the power station is finalized, receive 50 per cent of the revenues generated by the power station, while the Israeli Energy Ministry only acts as an external benefactor.

Since the Company has received financing from external parties it will not use the proceeds from the Offering to build the 100 kW power plant in Jaffa Port.

## Customers

The Company's customers can be divided into two segments; Business to Government (B2G) and Business to Business (B2B).

**A. B2G** - Eco Wave Power works on BOO (Build, Own, Operate) model, meaning that the Eco Wave Power signs on long term PPA (Power Purchase Agreements) with governments and national electric companies for buying the electricity produced by Eco Wave Power. The commercial contract in Gibraltar, the interconnection agreement with CFE in Mexico as well as the majority of the letters of intent the company currently has, including the projects in the UK, are found in this segment.

**B. B2B** - Eco Wave Power can also operate in the business to business model, meaning that Eco Wave Power establishes joint venture companies with local partners. Eco Wave Power brings the technology and know-how and an exclusive license for its technology to be held by the joint venture company in the respective country, and the partner will bring its knowledge and expertise in securing land, grid connection approval and funding for the power stations to be developed by such joint venture. Also, B2B will include selling the equipment in accordance with the turnkey revenue model to interested businesses, as well as selling the electricity to private electric utilities. Customers include harbours and seaside resorts, among others. The project in Israel, in which the Company has a joint venture agreement with the French energy company EDF, can be found in this segment. In addition, the Company has a letter of intent in Vietnam with a private player within the hotel sector as its counter party. The Company does currently not have any additional concrete projects within this segment, but the Company sees potential in the long term.

## Marketing

Eco Wave Power's has a diversified marketing approach. Among other things the Company attends relevant industry conferences and cleantech forums such as United Nations Summit on Climate Change, COP22 and COP23. The Company also hosts delegations and dignitaries for demonstration tours of the Company's power stations in Jaffa Port and Gibraltar as well as participates in Governmental Trade and Investment delegations. Eco Wave Power is also active on social media and has established certain partnerships in order to increase the knowledge about the Company. As an example of the latter, Google made a virtual reality video about Eco Wave Power as part of its "Female Planet" series.. United Nation Environment and Energy Observer and Solar Impulse have also made a short film about the Company.

Furthermore, being the only company in the world with a wave energy station connected to the energy grid, Eco Wave Power has also received frequent attention from international media. For example, the Company has featured in articles in Wired Magazine, CNN, MSN, BBC, SKY News, Morning Herald, and Reuters.

## Production and suppliers

Eco Wave Power primarily uses standard, off the shelf, components for its system and the Company works with large suppliers such as Siemens and ABB in order to ensure supplier presence in most countries around the world.

**Siemens:** Eco Wave Power has made a strategic decision to use Siemens as its supplier for the provision of the Eco Wave Power system's electrical components. SIEMENS is involved in the Project Planning, Manufacturing, and Installations stage of Eco Wave Power's value chain and Life Cycle process. Eco Wave Power purchases the electrical components for its stations from SIEMENS which is then tasked with the design and installation of the electrical systems.

**AFCON:** performed the installation of the electrical system for the Gibraltar station. The company was involved in the Installation stage of Eco Wave Power's value chain and Life cycle process for the Gibraltar power station.

**A.B.B.:** installed the Inverters for the Gibraltar project and assisted in having the inverters connected to the grid which was performed by GIB Electric. The company was involved in the installation and grid-connection stage of Eco Wave Power's value chain and life-cycle process for the Gibraltar project.

**ZIMAGTECH:** installed the hydraulic system and automation for the Gibraltar station. The company was involved in the installation stage of Eco Wave Power's value chain and life-cycle process for the Gibraltar station and is involved in supplying the parts and the hydraulic works for the expansion of the Jaffa Port project to 100 kW.

**INAMER:** performs maintenance works for the Gibraltar station, the company also performed some of the mechanical and civil engineering works for the station. The company is involved in the Installation and Operation & Maintenance stage of Eco Wave Power's Gibraltar station.

The hardware is built locally while the conversion unit is constructed in Israel and assembled on site. Eco Wave Power's engineers are always responsible for integration of the parts; thus, the Company keeps important know-how inhouse.

## Patents

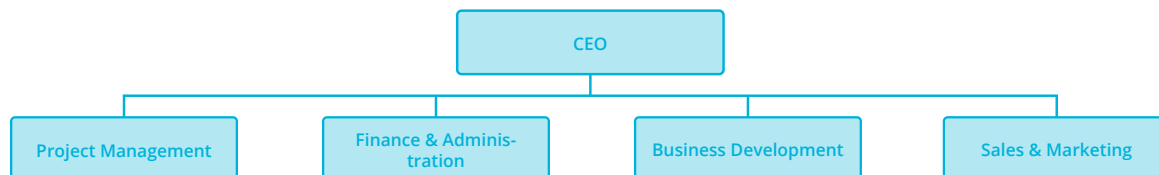
At the time of the issuance of this Prospectus, Eco Wave Power has four approved Israeli patents and nine ongoing patent applications. Additional patents are under development. Eco Wave Power understands the importance of the creation and protection of Intellectual Property, since it creates higher barriers to entry. Therefore, Eco Wave Power works well-known patent consultants within this field and invests significant resources in the maintenance of its global intellectual property portfolio.

### The Eco Wave Power patent portfolio includes:

- System design
- Unique mechanism for float's rise and submersion
- Control systems
- Innovative system for float's mobility
- Advanced corrosion prevention and maintenance
- Mechanism for protecting the system from shockwaves
- Lever regulation mechanism
- Float regulation mechanism
- Power conversion
- Wave farm architecture

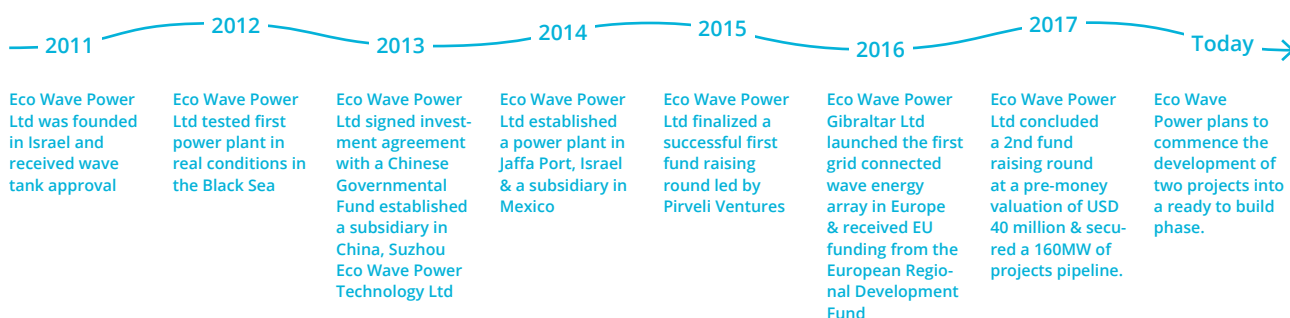
## Organisation and staff

### Operational organisational chart



## History of the Company and future possibilities

### History



Eco Wave Power Ltd. was founded in Israel and received approval for carrying out wave tank tests in 2011. In the following year, Eco Wave Power Ltd. tested its technology in real conditions in the Black Sea. In 2013, Eco Wave Power Ltd. signed an investment agreement with a Chinese government fund and formed a subsidiary in China, Suzhou Eco Wave Power Technology Ltd. this was followed up with the establishment of a power plant in Jaffa Port, Israel, in 2014. In 2015, Eco Wave Power Ltd. completed its first capital raising led by Pirveli Ventures, paving the way for the launch of Eco Wave Power Gibraltar Ltd.'s and Europe's first grid connected wave energy plant during 2016. The wave energy plant was installed in small scale of 100 kW as a proof of concept. This meant that the plant was connected to the electricity grid and

started production of electricity. However, the company has not started to charge Gibraltar for the electricity produced. In the same year, Eco Wave Power Ltd. received EU funding from the European Regional Development Fund. In 2017, Eco Wave Power Ltd. completed its second capital raising at a pre-money valuation of USD 40 million and secured a 160 MW project pipeline. Today Eco Wave Power Ltd. is developing two projects into a ready to build phase. With its signed commercial contract in Gibraltar, which means that the Company will sell the electricity it produces under a fixed price contract, Eco Wave Power has positioned itself become the first company in the world to have built a commercial wave power station, once the first project is completed.

## Future possibilities

There is a growing interest and significant possibility for future development of renewable energy, and specifically wave energy.

As to renewable energy, nowadays, there is a global shift towards investment in sustainable technologies specifically for investment in renewable forms of energy production, with USD 2.2 trillion invested in renewable energies alone between 2010 and 2017.<sup>21</sup>

As to wave energy, over the last year governments and large-scale energy utilities, such as San Miguel Corporation<sup>22</sup> and Enel Green Power<sup>23</sup>, have been making concerted efforts to promote wave energy implementation and commercialization in their countries.<sup>24</sup>

Eco Wave Power sees great interest and investments in the wave energy field made by the US Government, the UK, the EU, Sri Lanka & many other countries. For example:

- **In February 2019**, the U.S. Department of Energy announced an RFI for a Waves to Water prize, with the goal of funding innovative wave energy projects in the U.S.
- **In January 2019**, the government of Sri Lanka issued an RFP for exotic electricity production methods. Amongst the technologies included is wave energy.
- **During 2018**, the EU's Horizon 2020 Framework Program announced a call for Pre-Commercial Procurement Programme for Wave Energy Research & Development in order to prepare the European market for the commercialization of wave energy.

In addition, significant resources have been invested in studies of potential wave energy in the coastlines of different countries. For example:

- **In 2018**, the Commonwealth Scientific and Industrial Research Organisation (CSIRO) completed the Australian Wave Energy Atlas Project which studied and compiled the wave energy potential along Australia's coasts with the goal of making this information accessible to developers for their use in developing wave energy technologies in the country.<sup>25</sup>
- **In 2018**, the European Union undertook a market study of Ocean Energy potential.<sup>26</sup>
- **In 2018**, the Universidad Politécnica de Madrid conducted a Wave Energy Potential Assessment and Feasibility Analysis of Wave Energy Converters along the Spanish coast.<sup>27</sup>
- **In 2017**, Ataturk University compiled a study on wave energy potential and policy in Turkey.<sup>28</sup>

As a result, there is a growing demand for wave energy in both developed and developing countries. Therefore, due to Eco Wave Power's leading market position, where the Company is the only wave energy company with a power station array connected to the grid through a Power Purchase Agreement, it expects to be able to grasp a significant market share in wave energy production. By being the first to market, the Company is also expected to significantly benefit from a large number of the available grants, subsidies and other forms of incentives that are becoming available to the wave energy field. In doing so, Eco Wave Power foresees substantial company growth and the ability to become a dominant player in the renewable energy field.

21. [http://www.iberglobal.com/files/2018/renewable\\_trends.pdf](http://www.iberglobal.com/files/2018/renewable_trends.pdf)

22. <https://marineenergy.biz/2018/07/31/san-miguel-corp-opts-for-tidal-in-10gw-renewable-energy-dive/>

23. <https://marineenergy.biz/2018/07/31/italians-invest-e1-million-in-australian-wave/>

24. <https://marineenergy.biz/2018/07/31/san-miguel-corp-opts-for-tidal-in-10gw-renewable-energy-dive/> and <https://marineenergy.biz/2018/07/31/italians-invest-e1-million-in-australian-wave/>

25. <http://arena.gov.au/projects/australian-wave-energy-atlas/>

26. <https://www.oceanenergy-europe.eu/wp-content/uploads/2018/07/KL0118657ENN.en-1.pdf>

27. <https://bioone.org/journals/Journal-of-Coastal-Research/volume-85/issue-sp1/SI85-259.1/Wave-Energy-Potential-Assessment-and-Feasibility-Analysis-of-Wave-Energy/10.2112/SI85-259.1.short>

28. <http://pen.ius.edu.ba/index.php/pen/article/viewFile/108/143>

# Selected financial information

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The Company acquired on the 10th of June, 2019, through an issue in kind, all shares in Eco Wave Power Ltd. The issue in kind was accounted at a value corresponding to the share capital that was newly issued following a decision at the Extraordinary General Meeting on the 21st of May, 2019, EUR 54,160 (SEK 576,785). As of the 10th of June, the consolidated balance sheet is presented in EWPG Holding AB (publ) including the underlying consolidated balance sheet in Eco Wave Power Ltd. The goodwill reported by the Company on the acquisition date on the 10th of June is thus the difference between the book value of the shares in Eco Wave Power Ltd in the issue in kind and the book value of Eco Wave Power Ltd's consolidated equity attributable to the parent company's owners on the same date.

EWPG Holding AB (publ) acquired Eco Wave Power Ltd on the 10th of June, 2019 through an issue in kind and then became the parent company of the newly formed Group. At the time of acquisition, EWPG Holding AB (publ) had no assets or operations and the acquisition therefore had no effect on the operational activities or on the ownership of the Company. Operations have been carried out and will continue to be carried out in Eco Wave Power Ltd and its subsidiaries. The purpose of the acquisition was to incorporate the operations according to Swedish law prior to the listing on Nasdaq First North.

As a consequence, the Board of Directors considers that Eco Wave Power Ltd's historical reports provide a true and fair view of how the history would have looked in the new legal structure with EWPG Holding AB (publ) as the parent company of the Group. No pro forma has therefore been established.

Financial reports are presented for 2017, 2018 and for the first quarter of 2019 for Eco Wave Power Ltd. The reports have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the Israeli Securities Regulations (Annual Financial Statements). The financial reports for 2017 and 2018 have been audited by KPMG and the financial report for the first quarter of 2019 has been reviewed by KPMG. The financial reports constitute a consolidation of the Group's subsidiaries and have been prepared specifically for this Prospectus.

The issue in kind and the acquisition affected the Company's balance sheet. These effects are shown in the balance sheet of EWPG Holding AB (publ) on the closing date of the 10th of June 2019, the date on which the Swedish Companies Registration

Office registered the issue in kind. This balance sheet has been prepared in accordance with International Financial Reporting Standards ("IFRS") and has been audited by KPMG. In order to demonstrate the financial history of the parent company EWPG Holding AB (publ) prior to the date of the issue in kind, an income statement and a cash flow statement for the period March 27 - March 31 2019 in addition to a balance sheet as of March 31 2019 have been prepared. These reports have been prepared in accordance with International Financial Reporting Standards ("IFRS") and have been audited by KPMG.

All in all, the Board of Directors considers that the financial reports presented in the Prospectus give potential investors a true and fair view of the history and how the Company will be presented in future reports.

The information in this section should be read in conjunction with the sections "Operational and financial overview", "Capitalization, indebtedness, and other financial information", Eco Wave Power's audited consolidated balance sheet and related notes for EWPG Holding AB (publ) as of June 10, 2019, the audited consolidated financial statements with accompanying notes for Eco Wave Power Ltd for the financial years January 1, 2017 - December 31, 2017 and January 1, 2018 - December 31, 2018, the parent company's EWPG Holding AB (publ)'s audited balance sheet, income statement and cash flow statement for the period March 27 - March 31 2019, and the unaudited consolidated interim report and associated notes for Eco Wave Power Ltd for the first quarter of 2019, which also contains comparative figures for the corresponding period in 2018. In certain cases, amounts in this section have been rounded off and thus do not always sum up correctly.

## The parent company EWPG Holding AB (publ)'s Balance sheet as per March 31, 2019

EUR	NOTE	MARCH 31, 2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents		0
Short-term deposits		0
Other receivables	4	4,791
		4,791
<b>FIXED ASSETS</b>		
Property, plant and equipment		0
Intangible fixed assets		0
		0
<b>TOTAL ASSETS</b>		<b>4,791</b>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Credit from banks		0
Trade payables		0
Other accounts payables		0
		0
<b>NON-CURRENT LIABILITIES</b>		
Shareholders		0
Related parties		0
		0
<b>EQUITY</b>		
	5	
Share capital		4,791
Share premium		0
Foreign currency translation reserve		0
Retained earnings		0
Equity attributable to shareholders		4,791
Non-controlling interests		0
<b>TOTAL EQUITY</b>		<b>4,791</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>4,791</b>

## The parent company EWPG Holding AB (publ)'s Income statement for the period March 27-31, 2019

EUR	MARCH 27 - 31, 2019
Revenue	0
Operating costs	0
<b>Gross profit</b>	<b>0</b>
General and administrative costs	0
<b>Operating income (EBIT)</b>	<b>0</b>
Financial income	0
Financial expenses	0
<b>Net income</b>	<b>0</b>
Attributable to:	
Shareholders	0
Non-controlling interest	0
	<b>0</b>

## The parent company EWPG Holding AB (publ)'s Cash flow statement for the period March 27-31, 2019

EUR	MARCH 27 - 31, 2019
<b>Cash flow from operating activities:</b>	
<b>Net income</b>	<b>0</b>
Adjustments to the profit or loss items:	
Depreciation and amortization	0
	<b>0</b>
Cash flow from changes in working capital	
Decrease (increase) in other accounts receivable	0
Increase (decrease) in trade payables	0
Increase (decrease) in other accounts payable	0
<b>Net cash provided by (used in) operating activities</b>	<b>0</b>
<b>Cash flow from investing activities:</b>	
Purchases of fixed assets	0
Investments in bank deposits	0
<b>Net cash provided by (used in) investing activities</b>	<b>0</b>
<b>Cash flow from financing activities:</b>	
Issue of shares	0
Issue of shares to non-controlling interest	0
Change in non-controlling interest	0
Increase (repayment) of long-term loans and other liabilities	0
Credit from banks	0
<b>Net cash provided by (used in) financing activities</b>	<b>0</b>
Cash flow for the period	0
Cash and cash equivalents at the beginning of the period	0
<b>Cash and cash equivalents at the end of the period</b>	<b>0</b>

## Consolidated balance sheet for EWPG Holding AB (publ) as per June 10, 2019

I EUR	JUNE 10, 2019
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	736,503
Short-term deposits	35,510
Other receivables	132,455
	<b>904,468</b>
<b>Fixed assets</b>	
Property, plant and equipment	1,009,101
Intangible fixed assets	194,110
	<b>1,203,211</b>
<b>Total assets</b>	<b>2,107,679</b>
<b>Liabilities and Equity</b>	
<b>Current Liabilities</b>	
Credit from banks	0
Trade payables	4,794
Other accounts payables	83,329
	<b>88,123</b>
<b>Non-current liabilities</b>	
Shareholders	880,081
Related parties	527,571
	<b>1,407,652</b>
<b>Equity</b>	
Share capital	54,160
Share premium	0
Foreign currency translation reserve	0
Retained earnings	0
<b>Equity attributable to shareholders</b>	<b>54,160</b>
Non-controlling interests	557,744
<b>Total equity</b>	<b>611,904</b>
<b>Total liabilities and equity</b>	<b>2,107,679</b>

## Income statements for Eco Wave Power Ltd.

IN EUR	Q1 2019	Q1 2018	2018	2017
Revenue	0	0	0	0
Operating Costs	-50,579	-50,821	-267,282	-331,606
<b>Gross Profit</b>	<b>-50,579</b>	<b>-50,821</b>	<b>-267,282</b>	<b>-331,606</b>
General and administrative costs	-90,435	-133,626	-565,684	-558,563
<b>Operating income</b>	<b>-141,014</b>	<b>-184,447</b>	<b>-832,966</b>	<b>-890,169</b>
Financial income	0	28,335	37,459	0
Financial expenses	-17,225	-493	-753	-50,189
<b>Net income</b>	<b>-158,239</b>	<b>-156,605</b>	<b>-796,260</b>	<b>-940,358</b>
Attributable to:				
the Company's shareholders	-154,199	-151,519	-745,550	-802,890
Minority interest	-4,040	-5,085	-50,710	-137,468
	<b>-158,239</b>	<b>-156,604</b>	<b>-796,260</b>	<b>-940,358</b>

## Balance sheets for Eco Wave Power Ltd.

IN EUR	Q1 2019	Q1 2018	2018	2017
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	48,946	93,909	225,002	330,306
Short-term deposits	35,510	25,918	25,006	25,843
Other receivables	132,455	111,748	110,240	91,056
	<b>216,911</b>	<b>231,575</b>	<b>360,248</b>	<b>447,205</b>
<b>Fixed assets</b>				
Property, plant and equipment	1,009,101	932,313	956,878	923,307
	<b>1,009,101</b>	<b>932,313</b>	<b>956,878</b>	<b>923,307</b>
<b>Total assets</b>	<b>1,226,012</b>	<b>1,163,888</b>	<b>1,317,126</b>	<b>1,370,512</b>
<b>Liabilities and Equity</b>				
<b>Current Liabilities</b>				
Credit from banks	0	238	0	0
Trade payables	4,794	6,505	9,446	37,793
Other accounts payables	83,329	27,816	79,544	24,282
	<b>88,123</b>	<b>34,559</b>	<b>88,990</b>	<b>62,075</b>
<b>Non-current liabilities</b>				
Shareholders	880,081	834,621	832,459	868,037
Related parties	527,571	510,904	503,561	512,371
	<b>1,407,652</b>	<b>1,345,525</b>	<b>1,336,020</b>	<b>1,380,408</b>
<b>Equity</b>				
Share capital	212	212	212	212
Share premium	2,094,025	1,446,241	2,094,025	1,446,241
Foreign currency translation reserve	-13,806	2,444	-6,126	-2,998
Retained earnings	-2,907,938	-2,110,043	-2,749,699	-1,953,439
<b>Equity attributable to shareholders</b>	<b>-828,507</b>	<b>-661,146</b>	<b>-661,588</b>	<b>-509,984</b>
Non-controlling interests	557,744	444,950	553,704	438,013
<b>Total equity</b>	<b>-269,763</b>	<b>-216,196</b>	<b>-107,884</b>	<b>-71,971</b>
<b>Total liabilities and equity</b>	<b>1,226,012</b>	<b>1,163,888</b>	<b>1,317,126</b>	<b>1,370,512</b>

Exchange rate 31/3 2019 SEK / EUR (source [www1.oanda.com](http://www1.oanda.com)): 10,4225

## Cash flow statements for Eco Wave Power Ltd.

IN EUR	Q1 2019	Q1 2018	2018	2017
<b>Cash flow from operating activities</b>				
<b>Net loss</b>	<b>-158,239</b>	<b>-156,605</b>	<b>-796,260</b>	<b>-940,358</b>
Adjustments to the profit and loss items:				
Depreciation and amortization	4,821	4,853	19,462	18,579
	<b>4,821</b>	<b>4,853</b>	<b>19,462</b>	<b>18,579</b>
Changes in assets and liabilities items:				
Decrease (increase) in other accounts receivables	-16,447	-24,397	-22,133	-25,024
Increase (decrease) in trade payables	-5,146	-29,752	-27,123	26,026
Increase (decrease) in other accounts payables	-378	4,522	56,048	5,270
	<b>-21,971</b>	<b>-49,627</b>	<b>6,792</b>	<b>6,272</b>
<b>Net cash provided by (used in) operating activities</b>	<b>-175,389</b>	<b>-201,379</b>	<b>-770,006</b>	<b>-915,507</b>
<b>Cash flow from investing activities</b>				
Purchase of fixed assets	-9,742	-30,694	-72,778	-63,806
Investment in bank deposits	-9,196	-1,127	837	-25,843
<b>Net cash provided by (used in) investing activities</b>	<b>-18,938</b>	<b>-31,821</b>	<b>-71,941</b>	<b>-89,649</b>
<b>Cash flow from financing activities</b>				
Issue of shares	0	0	647,784	743,910
Issue of shares to non-controlling interests	0	1,852	64,981	285,488
Change in non-controlling interests	4,040	5,085	50,710	137,468
Increase/Repayment of long-term loans and other liabilities	14,229	-10,373	-26,832	-104,561
Credit from banks	0	238	0	0
<b>Net cash provided by (used in) financing activities</b>	<b>18,269</b>	<b>-3,198</b>	<b>736,643</b>	<b>736,643</b>
<b>Cash flow for the period</b>	<b>-176,058</b>	<b>-236,398</b>	<b>-105,304</b>	<b>57,149</b>
Cash and cash equivalents at the beginning of the period	225,002	330,306	330,306	273,157
<b>Cash and cash equivalents at the end of the period</b>	<b>48,944</b>	<b>93,908</b>	<b>225,002</b>	<b>330,306</b>

## Selected key figures

Key figures defined in accordance with IFRS and the Israeli Securities Regulations (Annual Financial Statements), 2010, are presented separately below from key figures not defined in accordance with IFRS and the Israeli Securities Regulations (Annual financial Statements), 2010<sup>3</sup>). The key figures that have not been defined in accordance with IFRS and the Israeli Securities Regulations (Annual Financial Statements), 2010, are not recognized as measurements of financial performance in accordance with IFRS and the Israeli Securities Regulations (Annual Financial Statements), 2010, but key figures that the Company uses to monitor the Company's operations, financial condition and results, and hence useful information for investors of other dimensions defined in accordance with IFRS and the

Israeli Securities Regulations (Annual Financial Statements), 2010. These financial measures have not been audited or audited and shall not be considered separately from or as a substitute to, the performance measures that are produced according to IFRS and the Israeli Securities Regulations (Annual Financial Statements), 2010. Since all companies do not always define these measures in the same way, it is also possible that such key figures are not always comparable with key figures with corresponding names as used by other companies. For a description of the calculation of financial key figures that have not been defined in accordance with IFRS and the Israeli Securities Regulations (Annual Financial Statements), 2010, see "Key figures not defined under IFRS and the Israeli Securities Regulations (Annual Financial Statements), 2010" below.

## Key figures not defined in accordance with IFRS and the Israeli Securities Regulations (Annual Financial Statements, 2010 for EWPG Holding AB (publ))

KEY FIGURES	DEFINITION AND REASON FOR PRESENTATION	RECONCILIATION TO FINANCIAL STATEMENTS	JUNE 10 2019
Equity ratio, %	Equity in relation to total assets at the end of the period. Equity ratio is a measurement that provides information, in order to allow investors to assess the financial stability of the Company and the Company's ability to manage in the longer term.		29,0 %

## Key figures defined in accordance with IFRS and the Israeli Securities Regulations (Annual Financial Statements), 2010 for Eco Wave Power Ltd.

KEY FIGURES IN EUR	Q1 2019	Q1 2018	2018	2017
Earnings per share	-1.54	-1.52	-7.73	-9.12
Net revenue	0	0	0	0

## Key figures not defined in accordance with IFRS and the Israeli Securities Regulations (Annual Financial Statements), 2010 for Eco Wave Power Ltd.

KEY FIGURES	DEFINITION AND REASON FOR PRESENTATION	RECONCILIATION TO FINANCIAL STATEMENTS	Q1 2019	Q1 2018	2018	2017
Equity ratio, %	Equity in relation to total assets at the end of the period. Equity ratio is a measurement that provides information, in order to allow investors to assess the financial stability of the Company and the Company's ability to manage in the longer term.	Total equity	-269,763	-216,196	-107,884	-71,971
		Total assets	1,226,012	1,163,888	1,317,126	1,370,512
		Total equity/Total assets	-22.0 %	-18.6 %	-8.2 %	-5.3 %
EBITDA (in EUR)	Operating income before depreciation/ amortization and impairment of tangible and intangible fixed assets. EBITDA provides a supplementary information of the profit generated by the continuing operations.	Operating income (EBIT)	-141,014	-184,447	-832,966	-890,169
		Depreciation and amortization	4,821	4,853	19,462	18,579
		EBITDA	-136,193	-179,594	-813,504	-871,589
No. Employees average (FTE)	Not applicable	Not applicable	13	13	14	16
No. Outstanding shares at year end	Not applicable	Not applicable	103,064	103,064	103,064	103,064

# Operational and financial review

The information in this section should be read in conjunction with the sections "Selected financial information", "Capitalization, indebtedness, and other financial information", Eco Wave Power's audited consolidated balance sheet and related notes for EWPG Holding AB (publ) as of June 10, 2019, the audited consolidated financial statements with accompanying notes for Eco Wave Power Ltd for the financial years January 1, 2017 - December 31, 2017 and January 1, 2018 - December 31, 2018, the parent company's EWPG Holding AB (publ)'s audited balance sheet, income statement and cash flow statement for the period March 27 - March 31 2019, and the unaudited consolidated interim report and associated notes for Eco Wave Power Ltd for the first quarter of 2019, which also contains comparative figures for the corresponding period in 2018. In certain cases, amounts in this section have been rounded off and thus do not always sum up correctly.

## Comments to the financial development

### Consolidated balance sheet for EWPG Holding AB (publ) as per 10 June 2019

#### Assets

Total assets amounted to MEUR 2.1 as of June 10, 2019.

#### Cash and bank balances

As of June 10, 2019, cash and bank balances amounted to kEUR 737.

#### Trade receivables

Trade receivables were EUR 0 as of June 10, 2019.

#### Other receivables

Other receivables amounted to kEUR 132 as of June 10, 2019. Other receivables mainly consisted of receivables from governmental authorities – VAT, amounting to kEUR 85 as of June 10, 2019.

#### Current liabilities

Current liabilities consist of trade payables owed to outside suppliers and other accounts payable which are mainly accrued payroll related liabilities. Trade payables amounted to kEUR 5 as of June 10, 2019.

Other accounts payable mainly consist of payroll related liabilities for social security, income tax and salaries, both to authorities and employees. Payables to payroll authorities amounted to kEUR 14 and payroll accruals amounted to kEUR 9 as of June 10, 2019.

#### Equity related to the parent company's shareholders

Equity attributable to the parent company's shareholders amounted to kEUR 54 as of June 10, 2019.

Outgoing balance as of June 10, 2019 is the new Group EWPG Holding AB (publ)'s closing balance. This Group was formed on June 10, 2019, when EWPG Holding AB (publ) acquired 100 per cent of the shares in the former parent company Eco Wave Power Ltd, Israel, through an issue in kind.

### Consolidated income and results of the operations for Eco Wave Power Ltd. First quarter of 2019 compared to the first quarter of 2018

#### Revenue

Sales during the first quarter of 2019 amounted to EUR 0, which was the same as for the corresponding quarter of 2018.

#### Other Operating Income

Other operating income during the first quarter of 2019 amounted to EUR 0, which was the same as the corresponding quarter in 2018.

#### Costs

Personnel costs and other external costs decreased by 3 per cent and amounted to kEUR 141. The largest cost in the first quarter 2019 as well as the corresponding quarter in 2018 was employee cost. Employee cost in the first quarter 2019 amounted to kEUR 76 compared to kEUR 102 for the corresponding quarter in 2018. The decrease in employee cost was due to the decrease in the number of employees which amounted to 13 employees during the first quarter 2019.

The decrease in employee costs during the first quarter 2019 compared to the first quarter in 2018 was offset by an increase in costs related to professional services and continuing education. Depreciation cost was kEUR 5 in the first quarter 2019 the same as in the corresponding quarter in 2018.

### Full year of 2018 compared to the full year of 2017

#### Revenue

The Group's generated no revenue in 2018, which was the same compared 2017.

#### Costs

There were some changes in Eco Wave Power Ltd.'s employee structure during 2017 and 2018, where the average number of full-time employees in 2018 was 14 compared to 16 employees at the end of 2017. The number of employees in Israel decreased from 7 to 6. The number of employees in Mexico decreased from 7 at the end of 2017 to 3 employees at the end of 2018. Total employee cost in 2017 and 2018 were kEUR 358 and kEUR 342 respectively. Employee costs accounted for approximately

41 per cent of Eco Wave Power Ltd.'s total costs in 2018 and are expected to remain a large cost going forward.

Travel costs during 2018 were mainly international flights and accommodation for Eco Wave Power Ltd.'s sales and marketing team visiting customers and marketing events. Marketing costs are mainly stand costs at well-established trade fairs and events all over the world and only amounted to kEUR 10. Travel costs decreased during 2018 and amounted to kEUR 96 compared to kEUR 130 during 2017.

Eco Wave Power Ltd. has registered patents in Israel and an ongoing international PCT application to protect Eco Wave Power Ltd.'s patent portfolio in most countries of the world. The Group will continue to apply for and develop new patents. The world-wide coordination of the registration of patents is through a Law firm named Meir Dahan Patent Law Firm. Legal expenses and patent registration costs amounted to kEUR 79 during 2018 compared to kEUR 44 during 2017. Such costs will continue to increase.

In 2018, tax expense increased significantly and amounted to kEUR 77 compared to kEUR 20 during 2017. The tax expense is mainly related to payments in the Mexican subsidiary for the land and are attributable to Eco Wave Power Ltd.'s holdings of fixed assets.

#### **Consolidated balance sheet for Eco Wave Power Ltd. First quarter of 2019 compared to the first quarter of 2018**

##### *Assets*

Total assets amounted to MEUR 1.2 by the end of the first quarter of 2019, corresponding to an increase of approximately 4 per cent compared to the end of the corresponding quarter of 2018. The increase was mainly attributable to an increase in plant and equipment.

##### *Cash and bank balances*

By the end of the first quarter of 2019, cash and bank balances, including short-term deposits, amounted to kEUR 84, compared to kEUR 120 during the corresponding period in 2018.

##### *Trade receivables*

Trade receivables were EUR 0 at the end of the first quarter in both 2019 and 2018.

##### *Other receivables*

Other receivables at the end of the first quarter 2019 amounted to kEUR 132 compared to kEUR 112 at the end of the corresponding period in 2018. Other receivables mainly consisted of receivables from governmental authorities – VAT, amounting to kEUR 85 at the end of the first quarter 2019 compared to kEUR 70 in the end of the first quarter 2018.

##### *Current liabilities*

Current liabilities consist of trade payables owed to outside suppliers and other accounts payable which are mainly accrued payroll related liabilities. Trade payables amounted to kEUR 5 at the end of the first quarter in 2019, which corresponded to a change of 26 per cent compared to the end of the first quarter in 2018..

Other accounts payable mainly consist of payroll related liabilities for social security, income tax and salaries, both to authorities and employees. Payables to payroll authorities amounted to

kEUR 14 and payroll accruals amounted to kEUR 9 at the end of the first quarter in 2019.

##### *Equity related to the parent company's shareholders*

Equity attributable to the parent company's shareholders amounted to kEUR -828 as of 31 March of 2019, compared to kEUR -661 as of 31 March 2018. The change was mainly attributable to the net losses the Company has reported but was somewhat offset by an increase in the share premium with the amount of kEUR 647.

#### **Full year of 2018 compared to the full year of 2017**

##### *Assets*

Eco Wave Power Ltd. has kEUR 957 in fixed assets, mainly consisting of equipment and technology tied to the power stations in Gibraltar and Jaffa Port, as well as land in Mexico.

##### *Cash and bank balances*

Cash and bank balances amounted to kEUR 225 at the end of 2018 compared to kEUR 330 at the end of 2017. The decrease in cash balance was due to reported net losses.

##### *Trade receivables*

At 31 December 2018, Eco Wave Power Ltd. had no trade receivables, since Eco Wave Power Ltd. had no revenue in 2018. Other receivables amounted to kEUR 110, primarily related to Government VAT.

##### *Current liabilities*

The current liabilities amounted to kEUR 89 at 31 December 2018, compared to kEUR 62 at 31 December 2017. The difference was primarily caused by increased other payables related to higher activity with patent lawyers and increase in EWP Gibraltar's account balance.

##### *Equity related to the parent company's shareholders*

The equity related to the parent company's shareholders amounted to kEUR -662 at 31 December 2018 and kEUR -510 at 31 December 2017.

#### **Consolidated cash flow for Eco Wave Power Ltd.**

##### **First quarter 2019 compared to the first quarter of 2018**

During the first quarter of 2019, cash flow used in operating activities equaled kEUR -175, for the corresponding period the previous year, the cash flow from operating activities amounted to kEUR -201. The change is mainly explained by increase in account receivables and decrease in trade receivables.

##### *Investments*

Investment costs were during the first quarter of 2019 amounted to kEUR 19. During the first quarter of 2018, these costs amounted to kEUR 32 mainly relating to purchase fixed assets.

#### **Full year of 2018 compared to the full year of 2017**

In 2017, the shareholders invested an amount of kEUR 744 which was reflected in the movement in share capital and share premium during 2017. In 2018 the share premium increased by kEUR 648 and amounted to MEUR 2.1.

##### *Investments*

Capital expenditures in both 2018 and 2017 were low. The investment costs amounted to kEUR 72 and kEUR 90 in 2018 and 2017, respectively.

### **Investments in progress and future investments**

The Group has no significant investments in progress and, as of the date of this Prospectus, no definitive undertakings have been given regarding individual significant investments in the immediate future.

### **Intangible fixed assets**

On June 10 2019, EWPG Holding AB (publ)'s intangible fixed assets amounted to EUR 194,110.

### **Tangible fixed assets**

On June 10 2019, EWPG Holding AB (publ)'s tangible fixed assets amounted to MEUR 1.0 and consisted of land, plant and equipment. There are no significant security interest registrations or similar encumbrances on such assets, and there are also no significant restrictions on the disposition or use of tangible fixed assets.

### **Research and development**

Eco Wave Power Ltd.'s costs for research and development amounted to approximately kEUR 47 in 2018. In 2017 costs for research and development amounted to kEUR 87. The Group does not capitalize its development costs on an ongoing basis.

### **Marketing**

The company's costs for marketing amounted to kEUR 10 in 2018 compared to kEUR 13 in 2017.

### **Significant events since 31 March 2019**

Except for what is mentioned above, no significant change in the financial or trading position of the Group has occurred since June 10 2019.

### **Trends and political measures**

Except for what is mentioned above, the board of directors is not aware of (i) any significant trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the Prospectus, (ii) any trends, uncertainties, potential claims or other demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for the current financial year, or (iii) any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, Eco Wave Power's operations.

# Capitalisation, indebtedness and other financial information

The tables in this section show Eco Wave Power's capital structure and indebtedness at a group level as of June 10 2019. Please refer to the section "Share capital and ownership" for additional information regarding the Company's share capital and shares. The information in this section should be read together with section "Operational and financial review" and the financial reports including notes. In addition to what is described in this section and in the section "Operational and financial review – Significant events since June 10 2019", there have been no material changes to the capital structure or indebtedness of Eco Wave Power since June 10 2019.

## Capital structure and indebtedness

Eco Wave Power is funded by its own equity and debt, where the debt consists of short-term loans and long-term loans from shareholders. Detailed below is the interest-bearing indebtedness and equity of the Group as of June 10 2019.

Detailed below is the net debt of Eco Wave Power as of June 10 2019.

AMOUNTS IN EUR	10 JUNE 2019
<b>Current liabilities</b>	
With guarantee	-
With collateral	-
Without guarantee or collateral	88,123
<b>Total current liabilities</b>	<b>88,123</b>
<b>Non-current liabilities</b>	
With guarantee	-
With collateral	-
Without guarantee or collateral	1,407,652
<b>Total non-current liabilities</b>	<b>1,407,652</b>
<b>Total current and non-current liabilities</b>	<b>1,495,775</b>
<b>Equity</b>	
Share capital	54,160
Additional paid-in capital	-
Other reserves	-
Retained earnings	-
<b>Total equity</b>	<b>54,160</b>

AMOUNTS IN EUR	10 JUNE 2019
(A) Cash and bank balances	736,503
(B) Cash equivalents	-
(C) Short-term deposits	35,510
<b>(D) Total liquidity (A) + (B) + (C)</b>	<b>772,013</b>
(E) Current financial receivables	-
(F) Current bank debt	-
(G) Current portion of non-current debt	-
(H) Other current financial debt	-
<b>(I) Total current financial debt (F) + (G) + (H)</b>	<b>0</b>
<b>(J) Net current financial indebtedness (I) – (E) – (D)</b>	<b>-772,013</b>
(K) Non-current bank loans	-
(L) Bonds issued	-
(M) Other non-current financial debt	1,407,652 <sup>1</sup>
<b>(N) Non-current financial indebtedness (K) + (L) + (M)</b>	<b>1,407,652</b>
<b>(O) Net financial indebtedness (J) + (N)</b>	<b>635,639</b>

1. The amount includes loans to related parties corresponding to USD 1 million (approximately EUR 878 100). For more information regarding the loans and their terms, see the section "Legal considerations and supplementary information".

## Other financial information

### Working capital statement

The Board of Directors' assessment is that existing working capital (working capital before the implementation of the Offering) is insufficient to operate the business in accordance with the business plan during the upcoming twelve-month period. As of June 10, 2019, the Company has liquidity amounting to EUR 0.8 million.

Given the business plan, including investments in the projects in Gibraltar and the UK, the Company makes the assessment that it currently does not have sufficient working capital for the next twelve months. The existing working capital, at the date of the Prospectus, is deemed sufficient to run operations in accordance with the business plan described in the Prospectus for about three months. Including investments in accordance with the Company's business plan the Company estimates that the deficit in working capital for the next twelve months amounts to approximately EUR 2.3 million. The working capital requirement is deemed to arise in October 2019. The board considers that the planned Offering, together with existing liquidity, is sufficient to finance the business for at least the next twelve months. If the Offering is not implemented, the Company would be forced to seek other financing opportunities in the form of equity, loans or public contributions and grants, among others. In addition, the Company would have to re-examine the rate of the expansion in the existing business plan and review the Company's organization and cost structure.

### Indirect and contingent indebtedness

As of June 10, 2019, there was no indirect or contingent indebtedness.

### Restrictions in the use of capital

To the best of the Company's knowledge, there are no restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the Company's operations.

# Share capital and ownership

## General information

The Company's articles of association contains provisions pursuant to which the Company's share capital shall be not less than SEK 500,000 and not more than SEK 2,000,000 divided into not less than 25,000,000 shares and not more than 100,000,000 shares. As of the date of this Prospectus, the Company's share capital amounts to SEK 576,785 divided into 28,839,250 shares, giving each share a quotient (par) value of SEK 0.02.

The Company's shares are issued in dematerialised form through the services of Euroclear Sweden AB (P.O. Box 191, SE-101 23 Stockholm). Euroclear is the central securities depository and clearing organisation for the shares in accordance with the Swedish Financial Instruments Accounts Act (Sw. lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instru-

ment). Hence, no share certificates are issued and any transfers of shares are made electronically. All shares are fully paid and denominated in the currency SEK. The ISIN-code for the Company's shares is SE0012569663.

All shares are freely transferable. Other than the lock-up arrangement described below, the shares are not subject to any transfer restrictions. The shares are not subject to any mandatory takeover bid, squeeze-out or sell-out process. There are no provisions regarding conversion attached to the shares. Neither the Company nor its Subsidiary owns any shares in the Company.

## Share capital development and the Offering

The table below sets forth the development of the share capital of the Company from its establishment until the Offering.

DATE	DESCRIPTION	CHANGE IN SHARE CAPITAL (SEK)	CHANGE IN NUMBER OF SHARES	TOTAL NUMBER OF SHARES	TOTAL SHARE CAPITAL (SEK)	SUBSCRIPTION PRICE (SEK)	QUOTIENT VALUE (SEK)
March 2019	Founding	50,000	50,000	50,000	50,000	-	1.00
May 2019	Issue in kind	576,785	626,785	576,785	626,785	1	1.00
May 2019	Reduction of share capital	- 50,000	576,785	- 50,000	576,785	-	1.00
May 2019	Split	28,262,465	28,839,250	-	576,785	-	0.02
June 2019	The Offering <sup>1</sup>	7,900,000	36,739,250	158,000	734,784	19	0.02
June 2019	Option to increase the Offering <sup>2</sup>	2,631,580	39,370,830	52,631.6	787,415.6	19	0.02

1) Following completion of the Offering and provided that the Offering is fully subscribed.

2) Following the completion of the option and provided that the option is fully utilized.

## Ownership structure

Per the date of this Prospectus, the Company's shares are owned by 15 different shareholders (previously shareholders of Eco Wave Power Ltd). In the table below the Company's major shareholders (five (5) per cent or more) are listed.

SHAREHOLDER, HOLDINGS PRIOR TO THE OFFERING	SHARES/VOTES	PERCENT
Inna Braverman	11,750,000	40.74 %
David Leb	11,750,000	40.74 %
Pirveli Investments Ltd.	1,951,500	6.77 %
Others	3,387,750	11.75 %
<b>Total</b>	<b>28,839,250</b>	<b>100.00 %</b>

## Shareholders' agreements and lock-up agreements

There are no shareholder agreements or similar agreements between the shareholders aimed at creating a joint influence over the Company, or that may result in a change of control over the Company.

In connection with the Offering, Inna Braverman and David Leb, who are majority shareholders and members of the board of the Company, have committed not to sell or transfer any shares

owned directly or indirectly, without Naventus' prior written consent, for a period of 18 months following the first day of trading of the shares (so-called lock-up agreements). The following circumstances shall not entail a breach of the lock-up agreements by a party who has entered into a lock-up agreement:

1. accepting a general offer made to all holders of shares made in accordance with applicable takeover rules on terms which treat all such holders alike; or

2. executing and delivering an irrevocable commitment or undertaking to accept a general offer as referred to in 1 above; or
3. transferring shares to any entity in the same group of companies as the undersigned, whether a direct or indirect parent, subsidiary or sister company, or to any other entity which is otherwise, directly or indirectly, wholly owned by the undersigned, provided that such entity agrees in writing to Naventus to abide by the restrictions on the sale of shares hereunder; or
4. selling or otherwise disposing of shares pursuant to any redemption of shares which is made on identical terms to all holders of shares in the Company; or
5. selling any subscription rights or similar rights allotted in a rights issue or other pre-emptive offering by the Company; or
6. transferring shares to a capital insurance (Sw. kapitalförsäkring) or to an Investment Savings Accounts (Sw. investerings-sparkonton) held by the undersigned; or
7. transferring shares for bona fide purposes to any holding company of the undersigned or any of its shareholders which has signed and delivered a duly authorized lock-up undertaking substantially in the form of this agreement to Naventus; or
8. transferring shares where a disposal is required by law or by any competent authority or by order of a court of competent jurisdiction.

Prior to the Offering, shares amounting to 81.49 per cent of the shares and votes in Eco Wave Power are subject to lock-up agreements.

### Dilution in terms of shareholding

Provided that the Offering is fully subscribed the number of shares in the Company increases with 7,900,000 shares from 28,839,250 to 36,739,250. This corresponds to a dilution of approximately 21.5 per cent of both the number of shares and voting rights for existing shareholders in the Company.

Should the Board of Directors use the option to increase the Offering the number of shares would increase by an additional amount of up to 2,631,580 shares to a total of 39,370,830 shares. A fully subscribed Offering and full use of the option would correspond to a dilution of approximately 26.8 per cent of both the number of shares and voting rights for existing shareholders in the Company.

### Rights associated with the shares

The Company's shares are issued in accordance with Swedish law and the shareholders' rights related to the shares may only be modified or altered in accordance with the Swedish Companies Act. The Company has only one class of shares. Shareholders are entitled to vote for their full number of shares and each share entitles to one vote at shareholders' meetings.

Existing shareholders normally have a pre-emptive right to subscribe for new shares, warrants and convertibles pro rata to their shareholding. However, the shareholders' meeting or the board of directors, with authorisation from the shareholders' meeting, may decide to disregard the pre-emptive rights of the shareholders in accordance with the Swedish Companies Act (Sw. aktiebolagslagen (2005:551)).

### Dividends, share in the Company's profits and proceeds on liquidation

All shares in the Company give equal rights to dividends; share in the Company's profits and the Company's assets and any surplus in the event of liquidation. Any dividends are decided by the

shareholders' meeting, which may in general not decide on dividends exceeding the amount proposed by the board of directors. Shareholders registered in Euroclear's central securities register on the record date, established by the shareholders' meeting, or by the board of directors if authorised by the shareholders' meeting, shall be entitled to dividends. According to the Swedish Companies Act, dividends may only be paid to the amount that there still is unrestricted equity (Sw. fritt eget kapital) available, i.e. there must be full coverage for the Company's restricted equity (Sw. bundet eget kapital) after the distribution of dividends. It is the Company's last adopted balance sheet that sets out the amount available for payment of dividends. Furthermore, dividends may only be paid with an amount prudent, taking into consideration the demands of the Group's equity which are imposed by the nature, scope and risks associated with the business as well as the Group's need to strengthen its balance sheet, liquidity and financial position in general.

Normally, dividend is paid in cash per share but may also be paid in kind. The shareholders are entitled to a pro rata share of the dividends. The distribution of the dividends is managed by Euroclear. Should a shareholder not be able to get paid by distribution of Euroclear, the shareholder will have a claim for payment of the same amount against the Company. Such claim is under provision of statutory limitation of ten years after which the dividend amount is forfeited to the Company.

There are no restrictions regarding dividend rights of shareholders domiciled outside Sweden. Subject to any restrictions imposed by banks or clearing systems in the relevant jurisdiction, payments to such shareholders are made in the same manner as for shareholders in Sweden. Please refer to the section "Tax issues in Sweden" with regard to withholding taxes on the payment of dividends.

### Authorisation

The extraordinary general meeting on the 21 May 2019 resolved to authorise the board of directors, within the articles of association's limits for shares and share capital, on one or more occasions, during the period up to the next annual general meeting, to decide on a new issue of shares, convertible loans and/or warrants with or without preferential rights for the shareholders. Such an issue decision may be made with a provision on non-payment, sett-off or cash payment.

### Dividends policy

Eco Wave Power is in a phase where priority is put on exploiting the growth opportunities that have been identified. As a result, shareholders should not expect to receive any, or very low, dividends in the next few years. Eco Wave Power was founded in 2019 and thus have not yet paid any dividend.

### Listing on First North

The board of directors has applied for listing of the Company's shares on First North. The listing would encompass all shares. The first day of trading on First North is expected to occur on or about 18th of July 2019.

When listing on First North, all companies are required to engage a Certified Adviser (CA) in connection with the application process. The Certified Adviser is obliged to guide the Company in the process and to monitor that the Company is in compliance with the rules and regulations, both during the application process as well as when traded on First North. The Company has engaged FNCA as Certified Adviser.

# Board of directors, senior management and auditors

This section contains selected information regarding the board of directors, senior management and auditors. As far as the board of directors is aware, there have not been any arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which a board member, senior management or auditor have been appointed or elected.

## Board of directors

The board of directors has its registered office in Stockholm, Sweden. According to the Company's articles of association, the board of directors shall consist of minimum three and maximum eight ordinary board members, without any deputy members. Currently, the board of directors consists of four ordinary members, elected until the end of the next ordinary annual general meeting.

The table below sets forth the board members, their position, the year they were appointed and their independence in relation to Eco Wave Power, senior management and major shareholders.

Major shareholders are defined in accordance with the Code such as shareholders who directly or indirectly control ten per cent or more of the shares or votes in the Company.

Below is further information on the directors' age, position, current assignments, prior assignments during the past five years, other relevant experience, independence and ownership of shares and share related instruments in Eco Wave Power. Assignments in subsidiaries within the Group have been excluded.

NAME	POSITION	MEMBER SINCE	INDEPENDENT IN RELATION TO:	
			ECO WAVE POWER AND SENIOR MANAGEMENT	MAJOR SHAREHOLDERS AS OF TODAY
Mats Andersson	Chairman of the board	2019	Yes	Yes
David Leb	Member of the board	2019	Yes	No
Inna Braverman	Member of the board	2019	No	No
Elias Jacobson	Member of the board	2019	Yes	Yes

### MATS ANDERSSON

#### BOARD MEMBER AND CHAIRMAN

Born: 1948.

Position: Member and chairman of the board of directors of the Company.

Education: -

Other current assignments: Chairman of the board of Ranplan Group AB, Bluetest AB, Dafo AB, CWT AB och Hoylu AB.

Prior assignments (last five years): CEO of Unitraffic AB.

Other relevant experience: Mats has previous experience as CEO of Anticimex AB and Conductor AB. Mats also has experience as COO of Televerket and as chairman of the board of Teamsportia AB. Independent of Eco Wave Power and the senior management: Yes.

Independent of major shareholders: Yes.

Holdings in Eco Wave Power: 0.

### DAVID LEB

#### BOARD MEMBER

Born: 1962.

Position: Member of the board of directors of the Company.

Education: Social Science, Dawson College.

Other current assignments: -

Prior assignments (last five years): -

Other relevant experience: -

Independent of Eco Wave Power and the senior management: Yes.

Independent of major shareholders: No.

Holdings in Eco Wave Power: 11,750,000.

### INNA BRAVERMAN

#### BOARD MEMBER

Born: 1986.

Position: Member of the board of directors of the Company.

Education: Bachelor's degree in Political Science and English Literature, Haifa University.

Other current assignments: -

Prior assignments (last five years): -

Other relevant experience: -

Independent of Eco Wave Power and the senior management: No.

Independent of major shareholders: No.

Holdings in Eco Wave Power: 11,750,000.

## **ELIAS JACOBSON**

### **BOARD MEMBER**

Born: 1978.

Position: Member of the board of directors of the Company.

Education: -

Other current assignments: Member of the board of Zensum AB, WPS Sweden AB, MarketMath Europe AB, Nyvallsåsen Drift AB, Alguvi & Kultur AB, Habity AB, Realsolv Holdco AB and Slepoy Invest AB.

Prior assignments (last five years): Chief Executive Officer and chairman of the board of Peltarion Energy AB. Chairman of the board of Peltarion Solutions AB. External Chief Executive Officer of Peltarion AB and Swedish Modules I Emtunga AB. Member of the board of Deep Weather AB.

Other relevant experience: Elias has experience as a member of the board of several companies in the energy industry as well as companies that require a permit operating in, among other things, consumer credit intermediation and payment services. Independent of Eco Wave Power and the senior management: Yes.

Independent of major shareholders: Yes.

Holdings in Eco Wave Power: 0.

## **Senior management**

As of today, the Chief Executive Officer ("CEO") Inna Braverman and the Chief Financial Officer ("CFO") Andreas Kihlblom constitute the senior management of Eco Wave Power.

Below is further information on the senior managements' age, position, current assignments, prior assignments during the past five years, other relevant experience and ownership of shares and share related instruments in Eco Wave Power. Assignments in subsidiaries within the Group have been excluded.

## **INNA BRAVERMAN**

### **CEO SINCE 2019**

Please see above for more information.

## **ANDREAS KIHBLBLOM**

### **CFO SINCE 2019**

Born: 1976

Position: Chief Financial Officer of the Company.

Other current assignments: -

Prior assignments (last five years): Chairman of the board of PostNord Strålfors AB.

Other relevant experience: Senior adviser of The Mobile Lise, Group CFO of Strålfors, Head of Corporate Finance of PostNord, Vice President of Carnegie Investment Bank.

Holdings in Eco Wave Power: 0.

## **Auditors**

According to the Company's articles of association, the Company shall have minimum one (1) and maximum two (2) auditors with maximum two (2) deputy auditors. The current auditor of the Company is KPMG AB with address Vasagatan 16, 111 20 Stockholm. Håkan Reising, an authorised auditor, is the auditor in charge. The auditor has no share related holdings in Eco Wave Power.

During a shorter transition period in connection with the public listing and up to an extraordinary general meeting scheduled to take place in August/September 2019, Eco Wave Power and KPMG have agreed that KPMG shall be the Company's auditor. In connection with said extraordinary general meeting, KPMG will resign and be replaced by Ernst & Young AB.

## **Other information regarding the board members and senior management**

All board member and senior management are available through the Company's operational office with address 16 Homa U'Migdal St., Tel Aviv 6777116, Israel.

There are no family relations between any board members or senior management in the Company. No board member or member of the senior management has been convicted in relation to financial crimes in the previous five years. No board member or member of the senior management has been involved in bankruptcy, receivership or mandatory liquidation in which he or she acted in the capacity as a member of the administrative, management or supervisory bodies or as any senior manager at any time in the previous five years.

No official public incrimination and/or sanctions have been issued by statutory or regulatory authorities (including designated professional bodies) against any of the board members or members of the senior management in the previous five years. No board member or member of the senior management have been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any company or from acting in the management or conduct of the affairs of any company in the previous five years.

Several members of the board of directors and senior management have private interests in the Company through holding of shares in the Company. Members of the board of directors and senior management of the Company may serve as board members or officers of other companies or have shareholdings in other companies and, to the extent that such other companies enter into business relationships with the Company, members of the board of directors or senior management of the Company may have a conflict of interest in which case the relevant person is not involved in the handling of the matter on behalf of the Company. Other than the aforementioned, none of the board members or the senior management has any private interests which may conflict with the interests of the Company.

## Remuneration for board members, senior management and auditors

Remuneration for the board members is resolved on by the general meeting. At the extraordinary general meeting held on 24 May 2019, it was resolved on annual board fee of SEK 200,000 to each of David Leb and Elias Jacobson, on SEK 300,000 to the chairman of the board, Mats Andersson, and that no board fee shall be paid to Inna Braverman.

The CEO is employed by Eco Wave Power Ltd. The employment agreement can be terminated subject to a mutual notice period of six months. If Eco Wave Power Ltd. terminates the agreement for reasons other than specific termination grounds, the CEO has a right to a termination bonus equivalent to six months' base salary. The CEO is entitled to a base salary of ILS 90,000 (corresponding to about SEK 217,400 SEK<sup>1</sup>) and a performance-based bonus. Further, Eco Wave Power Ltd. pay contributions to the CEO's pension and education fund. The employment agreement contains provisions regarding confidentiality, intellectual property rights, non-compete and non-solicitation. The non-compete and non-solicitation restriction applies for a period of twelve (12) months after the termination of employment.

The Company's CFO is engaged on a consultancy basis. The consultancy agreement applies for three months and will the-

reafter automatically terminated. The parties' intention is to enter into an employment agreement after the term of the consultancy agreement. The consultancy agreement contains provisions regarding, inter alia, confidentiality and intellectual property rights.

### Remuneration for senior management 2018

The table below refers to remuneration paid during the financial year of 2018 in Eco Wave Power Ltd. in ILS, with comparative figures in SEK<sup>2</sup>.

In 2018, the total remuneration paid to Ben avi & co, the auditor of the subsidiary Eco Wave Power Ltd., amounted to ILS 6,000 (corresponding to about SEK 14,493<sup>3</sup>). Remuneration to the Company's auditor is paid according to current account.

### Agreements regarding remuneration upon termination of assignment

Other than as disclosed above in this section, the Group has not entered into any agreements with any member of the administrative, management or supervisory bodies pursuant to which any such member is granted any pension or other similar benefit upon termination of service. The Group has not set aside or accrued amounts to provide pension or similar benefits upon termination of employment or assignment.

NAME, POSITION	SALARY (ILS/SEK)	PENSION (ILS/SEK)	OTHER BENEFITS (ILS/SEK)	SUM (ILS/SEK)
Inna Braverman, CEO	ILS 579,561/SEK 1,399,965	ILS 62,292/SEK 150,470	ILS 18,900/SEK 45,654	ILS 660,753/SEK 1,596,089

1. Calculated based on average exchange rate during the period January 1 - December 31, 2018. Based on the exchange rate <https://www.boi.org.il/en>.

2. Calculated based on average exchange rate during the period January 1 - December 31, 2018. Based on the exchange rate <https://www.boi.org.il/en>.

3. Calculated based on average exchange rate during the period January 1 - December 31, 2018. Based on the exchange rate <https://www.boi.org.il/en>.



# Corporate governance

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## Legislation and articles of association

The Company is a Swedish public limited liability company and is governed by Swedish legislation, mainly the Swedish Companies Act (Sw. aktiebolagslagen (2005:551)) and the Swedish Annual Accounts Act (Sw. årsredovisningslagen (1995:1554)). After the listing of the Company's shares on First North, the Company will also apply the First North Rulebook. In addition to legislation and the First North Rulebook, the Company's articles of association and its internal guidelines for corporate governance form the basis for the Company's corporate governance. The articles of association contain e.g. the seat of the board of directors, the focus of the business activities, the limits for the share capital and number of shares and the conditions for participation at shareholders' meetings. The Company's articles of association in their entirety are included in this Prospectus; refer to section "Articles of association" below.

## Swedish Code of Corporate Governance

The Code shall be applied by companies whose shares are admitted to trading on a regulated market. Eco Wave Power are not formally bound to apply the Code and the Company's Board of Directors has chosen to not apply the Code at the present.

## Shareholders' meetings

The shareholders' influence in the Company is exercised at shareholders' meetings, which, in accordance with the Swedish Companies Act is the Company's highest decision-making body. As the Company's highest decision-making body, the shareholders' meeting may resolve upon every issue for the Company, not specifically reserved for another corporate body's exclusive competence. Thus, the shareholders' meeting has a sovereign role over the board of directors and the managing director.

At ordinary (annual) shareholders' meetings, which according to the Swedish Companies Act shall be held within six months from the end of each financial year, resolutions must be passed on adoption of the profit and loss account and balance sheet, allocation of the Company's profit or loss, discharge from liability for the board of directors and the managing director, elections of members of the board of directors and auditor and on remuneration for the board of directors and the auditor. At shareholders' meetings, the shareholders also resolve on other key matters in the Company, such as amending of the articles of association, any new issue of shares etc. If the board of directors considers there is reason to hold a shareholders' meeting before the next ordinary (annual) shareholders' meeting, or if an auditor of the Company or owners of at least one-tenth of all shares in the Company so demand in writing, the board must issue a notice to convene an extraordinary shareholders' meeting.

Notice to attend a shareholders' meeting shall, in accordance with the Company's articles of association, be made by announcement in the Swedish Official Gazette (Sw. Post- och Inrikes Tidningar) and by making the notice available on the Company's website (ecowavepower.com). At the same time as notice is given, it shall be announced in Svenska Dagbladet that a notice has

been made. Notice of a shareholders' meeting must be issued no earlier than six weeks and not later than two weeks before the meeting.

All shareholders who are registered directly in the Company's share register, kept by Euroclear, five (5) weekdays prior to the shareholders' meeting (i.e. on the record date) and who notify the Company of their intention to attend the shareholders' meeting not later than the date specified in the notice of the meeting shall be entitled to attend and vote at the shareholders' meeting, either in person or through a proxy. A shareholder may be accompanied by assistants at shareholders' meetings upon notification. Each shareholder of the Company submitting a matter with sufficient foresight has the right to have the matter dealt with at the shareholders' meeting.

To be able to determine who is entitled to participate and vote at shareholders' meetings Euroclear shall, upon the request of the Company, supply the Company with a list of all holders of shares as of the record date to be set in connection with each shareholders' meeting. Shareholders that have their shares nominee-registered need to instruct the nominee to register the shares temporarily in the name of the shareholder in order to be entitled to attend and vote for their shares at shareholders' meetings (voting rights registration). Such registration must be conducted by the applicable record date at the latest and ceases to apply once the record date has passed. Shareholders that have their shares directly registered on an account in the Euroclear system will automatically be included in the list of shareholders.

Notices and communiqués from shareholders' meetings will be available on the Company's website.

## Board of directors

Subsequent to the shareholders' meeting, the board of directors is the Company's highest decision-making body. The board of directors is also the Company's highest executive body and the Company's representative. Further, the board of directors is, according to the Swedish Companies Act, responsible for the organisation of the Company and management of the Company's affairs and must regularly assess the Company's and the Group's financial position and ensure that the Company's organisation is arranged so that the Company's accounts, asset management, and finances in general are satisfactorily monitored. The chairman of the board of directors has a special responsibility to preside over the work of the board of directors and to ensure that the board fulfills its statutory duties.

According to the Company's articles of association, the board of directors shall consist of minimum three and maximum eight ordinary members, without any deputy members. Members of the board are elected annually at an ordinary (annual) shareholders' meeting for the period until the next ordinary (annual) shareholders' meeting. There is no limit for how long a member may sit on the board.

The Company's board of directors is on the date of this Prospectus composed of the following ordinary members: Mats Andersson, David Leb, Inna Braverman and Elias Jacobson. Further information about the members of the board, including information on remuneration to the board, can be found under the "Board of directors, senior management and auditors" section above.

The responsibilities of the board of directors include e.g. to set the Company's overall goals and strategies, oversee major investments, ensure that there is a satisfactory process for monitoring the Company's compliance with laws and other regulations relevant to the Company's operations, as well as the application of internal guidelines. The responsibilities of the board of directors also include ensuring that the Company's disclosure to the market and investors is transparent, correct, relevant and reliable and to appoint, evaluate and, if necessary, dismiss the Company's managing director.

The board of directors has, in accordance with the Swedish Companies Act, adopted written rules of procedure for its work, which will be evaluated, updated and re-adopted annually. The board of directors meets regularly in accordance with a program set out in the rules of procedure containing certain permanent items and certain items when necessary.

Provisions on the establishment of audit committees are found in the Swedish Companies Act and in the Code. Provisions on the establishment of remuneration committees are found in the Code. In this respect, the provisions of the Swedish Companies Act only apply to companies whose shares are being traded on a regulated market, which does not include First North, and, as noted above in this section, the Code is not binding to the Company. In light of the scope of the operations and the Group's current size, it is the opinion of the Company's board of directors that it is not justified to establish specific audit or remuneration committees in the present situation. Instead, the board of directors believes that the responsibilities of the committees are best dealt with within the board. It is the Company's board of directors' responsibility to ensure transparency and control of the Company's operations through reports and contacts with the Company's auditor.

#### **Managing director and other senior management**

The Company's managing director is, in accordance with the provisions of the Swedish Companies Act, responsible for the day-to-day management of the Company in line with guidelines and instructions from the board of directors. Measures of an unusual nature or of great significance in view of the scope and nature of the Company's operations are not considered "day-to-day management" and should therefore, as a main rule, be prepared and presented to the board of directors for its decision. The managing director must also take any measures necessary to ensure that the Company's accounts are maintained in

accordance with applicable law and that its asset management is conducted satisfactorily. The managing director is subordinate to the board of directors, and the board of directors itself may also decide on matters that are a part of the day-to-day management. The work and role of the managing director as well as the allocation of duties between, on the one hand, the board of directors and, on the other, the managing director is established by written instructions (a so-called "instruction for the managing director") by the board of directors and the board of directors continuously evaluates the work of the managing director.

The Company's managing director is Inna Braverman. Further information about the managing director and other senior management, including information on remuneration to the managing director as well as to other senior management can be found under the "Board of directors, senior management and auditors" section above.

#### **Internal control and audit**

The Company's board of directors is, according to the Swedish Companies Act, responsible for the organisation of the Company and management of the Company's affairs, must regularly assess the Company's and the Groups financial position and ensure that the Company's organisation is arranged so that the Company's accounts, asset management, and finances in general are satisfactorily monitored. The rules of procedure adopted by the board of directors for its work (refer to the above under the heading "Board of directors" in this section) contains instructions for internal financial reporting, and, going forward, all interim reports and press releases will be published on the Company's website (ecowavepower.com) upon publication.

Being a public company, the Company must have at least one auditor for the examination of the Company's and the Group's annual report and accounts as well as the management by its board of directors and managing director. The audit must be as detailed and extensive as required by generally accepted auditing standards. The Company's auditor is, according to the Swedish Companies Act, appointed by the shareholders' meeting. Thus, auditors of Swedish limited liability companies are given their assignment by, and are obliged to report to, the shareholders' meeting, and must not allow their work to be governed or influenced by the board of directors or the senior management.

According to the Company's articles of association, the Company shall have minimum one (1) and maximum two (2) auditors with maximum two (2) deputy auditors. The auditor (or deputy auditor) shall be an authorized public accountant or a registered public accounting firm. The current auditor of the Company is KPMG AB with Håkan Reising as auditor in charge. More information about the auditor, including information on remuneration to the auditor, can be found under the "Board of directors, senior management and auditors" section above.

# Legal considerations and supplementary information

## Incorporation and legal form as well as object of the Company's business

The Company is a Swedish public limited liability company incorporated on 27 March 2019 and registered with the Swedish Companies Registration Office on 17 April 2019. The Company's corporate registration number is 559202-9499 and the board of directors has its registered office in Stockholm, Sweden. The Company's legal name and trade name is EWPG Holding AB (publ). The Company conducts its business under Swedish law. The Company's form of association is governed by the Swedish Companies Act. The Company's registered office is at Stureplan 4c, 4 tr, 114 35 Stockholm. The Company's head office has the visiting address 16 Homa U'Migdal St., Tel Aviv 6777116, Israel. The subsidiaries of the Company are incorporated in Israel, Mexico, Gibraltar and China and they conduct their business under the laws of the respective jurisdiction.

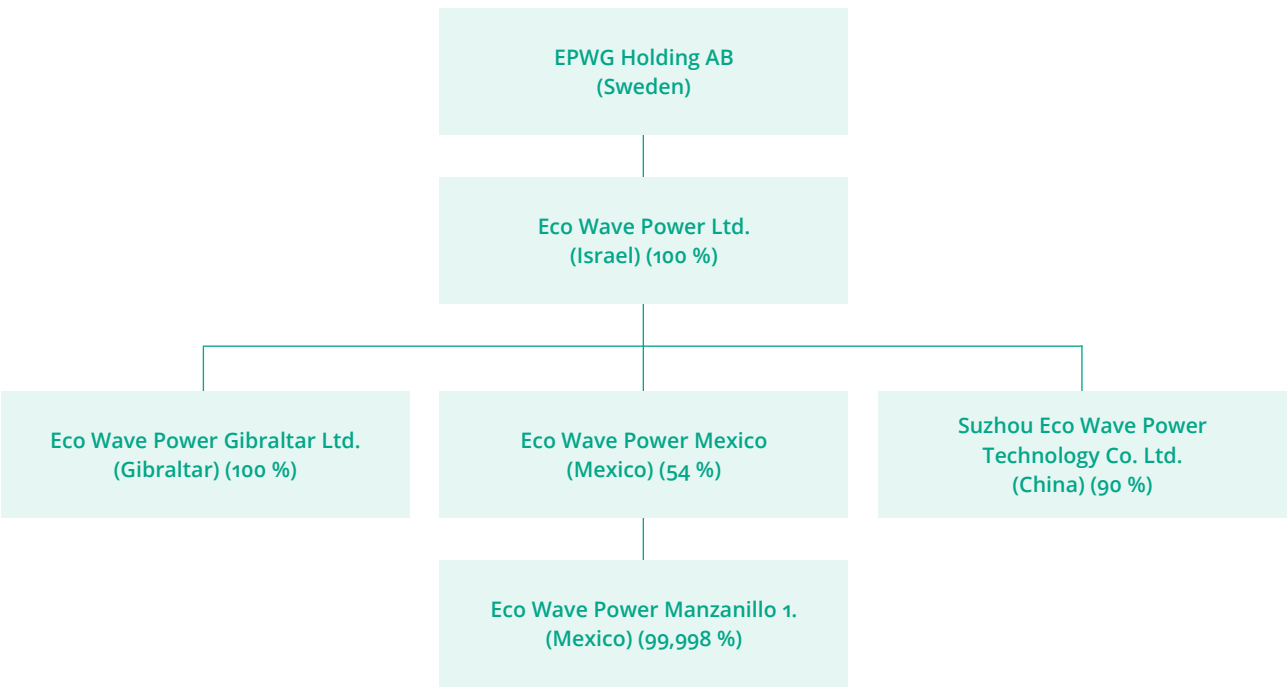
According to the Company's articles of association, the object of its business is to, directly or indirectly, through wholly or partly owned subsidiaries, carry out research, development and sales of services and products for renewable electricity production or related activities. Please refer to the complete articles of association under section "Articles of association" for more information.

## Group structure

EWPG Holding AB (publ) is the parent company to wholly-owned subsidiary Eco Wave Power Ltd., reg. no. 514593722, a private limited liability company incorporated under the laws of Israel. Eco Wave Power Ltd. is the parent company of the wholly- and part-owned subsidiaries Eco Wave Power (Gibraltar) Limited, reg. no. 113264, a private limited liability company incorporated under the laws of Gibraltar, Eco Wave Power Mexico, reg. no. 507055 a private limited liability company incorporated under the laws of Mexico, Eco Wave Manzanillo I, reg. no. 562840 a private limited liability company incorporated under the laws of Mexico and Suzhou Eco Wave Power Technology Co., Ltd., reg. no. 913205810942967451, a private limited liability company incorporated under the laws of the PRC.

The remaining part of Suzhou Eco Wave Power Technology Co. Ltd. is owned by Changhsu Shirat Enterprises Management Co., Ltd. and the remaining parts of both Eco Wave Power Mexico and Eco Wave Power Manzanillo 1 are owned by Mr. Ernesto Delarrue Rodríguez.

The reason that the Company does not own 100 per cent of Suzhou Eco Wave Power Technology Co. Ltd., Eco Wave Power Mexico Ltd. and Eco Wave Power Manzanillo 1 is that Eco Wave Power Ltd. founded the companies through joint ventures in order to operate the businesses in a more effective way with local actors.



## Material agreements

Below is a summary of the material agreements entered into by the Group during the past two years, as well as other agreements entered into by the Group containing rights or obligations of material importance for the Group (apart from agreements entered into as part of the continuing operations).

### Israel

#### *Israeli Ministry of Energy*

Eco Wave Power Ltd. has during 2015 received an acknowledgment as "Pioneering Technology" from the Israeli Ministry of National Infrastructure and the Ministry determined a quota of 100KW. Afterwards Eco Wave Power Ltd Submitted for a funding opportunity by the Energy Ministry with regard to the above-mentioned recognition. The acknowledgement was received after Eco Wave Power filed an application in a public tender for the purpose of obtaining an investment in the following project: "100 kilowatts power plant to generate electricity from the sea waves" (the "Project"). Eco Wave Power Ltd. won the tender and the application was therefore approved. Pursuant to the terms of the Agreement, the Ministry shall pay 50 per cent of Eco Wave Power's Ltd. expenses, and up to a total amount of ILS 492,000 (corresponding to about 1,188,456 SEK<sup>1</sup>). The Agreement is valid for 12 months, from January 1, 2019 until December 31, 2019. The Ministry is entitled to: (i) extend the agreement for an additional year; and (ii) terminate the agreement by giving Eco Wave Power a prior written notice. In the event that the Ministry decides to terminate the agreement it shall repay Eco Wave Power's Ltd. entire expenses until termination date. In addition, Eco Wave Power's Ltd intellectual property rights in connection with the Project cannot be transferred without a prior approval of the Ministry.

#### *Joint Venture agreement EDF Energies Nouvelles Israel Ltd*

Eco Wave Power Ltd. has in May 2019 entered into a joint venture agreement with EDF Nouvelles Ltd. regarding a joint venture in Israel. According to the agreement, the parties are to create a so-called special purpose vehicle ("SPV") for the pilot plant which will be owned with 50 per cent each. The agreement expires when the board of the directors of the SPV declares that the project is completed. The agreement regulates a joint venture in Israel and is thus material for the Company.

### Gibraltar

#### *Gibraltar Electricity Authority and H.M Government of Gibraltar*

Eco Wave Power Ltd. has in June 2014 entered into a power purchase agreement with Gibraltar Electricity Authority ("GibElec") and H.M Government of Gibraltar ("GoG"). Under this agreement Eco Wave Power Ltd. shall provide GibElec with electricity which GibElec shall purchase. Furthermore, the agreement grants Eco Wave Power Ltd. a license to occupy a site for the plant constructed. The agreement initially ran for 18 months but was extended with 25 years after 18 months and may be further extended with five years. This agreement is important to Eco Wave Power Ltd.

because it is a solid commitment to purchase electricity produced by Eco Wave Power Ltd.

#### *Grant Offer Letter European Regional Development Fund*

Eco Wave Power Gibraltar has on 17 December 2015 been granted a contribution of up to GBP 98,455.70 from the H.M Government of Gibraltar EU Programmes Secretariat through the European Regional Development Fund. The grant was approved for equipment and installation costs for a project running from 9 December 2015 through 9 June 2016, but the conditions of the agreement applies for a five-year period from the final payment of the grant.

### EU

#### *Horizon 2020 Framework Programme*

Eco Wave Power has on 12 April 2019 entered an agreement with the European Commission Executive Agency for Small and Medium-sized Enterprises for the funding of the "Wave Scale" project within the Horizon 2020 Programme. The funding constitutes in an initial grant amount of EUR 50,000 with the possibility to receive an additional 500,000 EUR- 2.5 million EUR, covering up to 70 per cent of the eligible costs.

### Mexico

#### *Mexico interconnection approval*

Eco Wave Power Ltd. has in 2015 received the approval required to connect a power plant to the grid in Mexico from Centro Nacional de Control de Energia ("CENACE"). The approval allows Eco Wave Power Ltd. to connect a power plant of up to 25 MW to the grid in Mexico, contingent upon that certain provisions such as receiving the necessary permits are met. The approval creates the possibility of connecting a power plant to the grid in Mexico.

#### *Joint Venture agreement Mexico*

Eco Wave Power Ltd. has in October 2013 entered into an agreement with a Mexican citizen, Ernesto Delarrue Rodriguez, regarding the joint venture Eco Wave Power Mexico. The purpose of the agreement is secure a power-plant agreement and secure financing for a power plant. The term of the agreement is indefinite. The agreement regulates the joint venture and is thus material to the Company.

### China

#### *Accelerator agreement China*

Eco Wave Power Ltd. has in October 2013 entered an agreement with Management Committee of Jiangsu Changshu High-tech Development Zone and Changshu Shirat Enterprise Management Co. Ltd. as Eco Wave Power Ltd. has applied to be a portfolio company in Changshu Shirat Enterprise Management Co. Ltd Sino-Israel International Enterprises Accelerator. The agreement regulates the joint venture Eco Wave Power China and the term is indefinite. The purpose of the agreement is to promote the Company's business in China. The agreement regulates the joint venture and is thus material to the Company.

1. Calculated based on average exchange rate during the period January 1 - December 31, 2018. Based on the exchange rate <https://www.boi.org.il/en/>.

## Intellectual property rights

The Group is dependent on patents to conduct its business. The Group strives to protect its intangible assets through patents in order to ensure the return on the investments made in the development of the Group's products and to strengthen its position in the market (see also the section "Business description" above).

At the time of the issue of this Prospectus, the Group has four approved Israeli patents and nine ongoing patent applications. The patents are all standalone patents. The Israeli patents are valid in Israel during period of 20 years from the date of application. Eco Wave Power Ltd. is the holder of all patents and patent applications. The patents are shown in the table below.

SHORT DESCRIPTION	STATUS	PATENT DATE	PATENT NUMBER/ APPLICATION NUMBER	COUNTRY	TERM
Narrow Pantoon <sup>1</sup>	Approved	2017-07-04	215739	Israel	Valid until 2031
Pantton lifting	Approved	2019-05-28	246192	Israel	Valid until 2031
Breakage <sup>2</sup>	Approved	2017-06-27	246193	Israel	Valid until 2031
Automation	Application	-	246194	Israel	-
Pontoon BOX	Application	-	254987	Israel	-
Pontoon Combination	Application	-	254988	Israel	-
Attachment Points	Application	-	254989	Israel	-
Mooring	Application	-	254990	Israel	-
Parallel Jibs	Application	-	254991	Israel	-
Preventing Damages	Application	-	254992	Israel	-
Regulation	Approved	2019-04-04	254993	Israel	Valid until 2031
Small Accumulator	Application	-	254994	Israel	-
Effective Wave Power Plant for Production of Clean Electricity or Clean Water from the Waves, or a Combined System	Application	-	PCT/IL2017/051268	International	

1. An opposition against the patent has been filed with the Israeli patent office. An opposition is filed by a third party and may lead to the patent being revoked.

2. An opposition against the patent has been filed with the Israeli patent office. An opposition is filed by a third party and may lead to the patent being revoked.

## Permits and approvals from authorities

It is the board's assessment that the Group has the necessary permits and approvals from relevant authorities in all jurisdictions where the Group is active to conduct its operations. The Group's necessary permits are mainly different types of environmental permits for the Group's wave power plants and permits to use land and water surface.

## Insurances

It is the board's assessment that Eco Wave Power holds customary insurance coverage. It is furthermore the board's assessment that the current insurance coverage, including the level and terms and conditions of such insurance, gives an adequate level of protection with regard to insurance premiums and the potential risks of the business.

## Legal and arbitration proceedings

The Company is not, nor has been, part of any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the previous twelve months that may have, or have had, a material effect on the Company's or the Group's financial position or results.

The Group may in the context of the continuing operations from time to time become involved in disputes, but there is as of today no known dispute that could materially affect the Company's or the Group's financial position or results.

## Transactions with related parties

Eco Wave Power Ltd. has entered two loan agreements with the shareholder and member of the board David Leb which, as of the day of this Prospectus, amounts to a total of USD 1 million (corresponding to about EUR 878,100<sup>2</sup>). The first loan agreement amounts to a total of USD 200,000 (corresponding to about EUR 175,620<sup>3</sup>). According to the loan agreement, the loan shall be repaid through monthly installments of USD 666 (corresponding to about 585<sup>4</sup>) by Eco Wave Power Ltd. from January 2019. The remainder of the loan and accrued interest shall be payable within 12 months. The loan agreement carries an interest rate of four per cent per annum compounded annually. The second loan agreement amounts to a total of USD 800,000 (corresponding to about EUR 702,480<sup>5</sup>). The credit period is 36 months. In the event repayment is not made within the credit period, the loan agreement carries an interest rate of four per cent per annum.

No other transactions with related parties other than the above and intra-group transactions have been made during the period that the historical financial information the Prospectus cover.

## Advisers

Naventus is the financial adviser to the Company in relation to the Offering and has advised the Company when drafting this Prospectus. Törngren Magnell is the Swedish legal adviser to the Company in relation to the Offering and has advised the Company when drafting this Prospectus. Since all information in this Prospectus is based on information provided by the Company, Naventus and Törngren Magnell excludes themselves from all liability in relation to investments in the Company, as well as to other direct and/or indirect consequences following investment decisions and/or other decisions, which are fully or partly based on information contained in this Prospectus. Aktieinvest acts as issuer agent in relation to the Offering. Nordnet Bank AB and Avanza Bank AB acts as Selling Agent.

## Possible conflicts of interest

Naventus have the right to a pre-agreed compensation for their services in connection with the Offering. Törngren Magnell receives ongoing compensation for services rendered. If any conflicts of interest should occur during the process of the Offering, Naventus will immediately inform the Company of such conflict. Besides compensation for their services neither Naventus nor Törngren Magnell has any economic or other interests in the Company. No conflicts of interest are deemed to exist between the parties.

## Transaction costs

The Company's costs related to the Offering and the listing of the Company's shares on First North are expected to amount to approximately SEK 12.0 million<sup>2</sup>, depending on the outcome of the Offering. In addition, the Board of Directors of the Company has the option to extend the Offer, which would lead to further transaction costs of MSEK 3. Such costs are mainly pertaining to costs for refinancing, auditors, lawyers, the printing of the Prospectus, costs related to presentations, etc.

## Documents incorporated by reference and documents available for inspection

The documents below are available for inspection during the validity period of the Prospectus during normal business hours on weekdays at the Company's operational office as well as, except for the subsidiaries' annual reports, in electronic form at the Company's website (ecowavepower.com).

- i. This Prospectus.
- ii. The Company's articles of association.
- iii. The parent company EWPG Holding AB (publ)'s income statement, balance sheet, change in equity, and cash flow statement for the period March 27 - March 31 2019.
- iv. The Company's combined financial report for the financial years 2017-2018.
- v. The Company's combined interim financial report for the period 1 January 2019 – 31 March 2019, with comparing numbers for the corresponding period 2018.

Except as expressly stated, no information in the Prospectus has been reviewed or audited by the Company's auditor.

2. Calculated based on the exchange rate per the 13 May 2019 which was the day the agreements were entered. Based on the exchange rate <https://www.ecb.europa.eu/stats/>  
3. Calculated based on the exchange rate per the 13 May 2019 which was the day the agreements were entered. Based on the exchange rate <https://www.ecb.europa.eu/stats/>  
4. Calculated based on the exchange rate per the 13 May 2019 which was the day the agreements were entered. Based on the exchange rate <https://www.ecb.europa.eu/stats/>  
5. Calculated based on the exchange rate per the 13 May 2019 which was the day the agreements were entered. Based on the exchange rate <https://www.ecb.europa.eu/stats/>

# Articles of association

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NB. The English text is an in-house translation. In case of any discrepancy between the English version and the Swedish version, the Swedish version shall prevail.

## Bolagsordning för EWPG Holding AB / Articles of association for EWPG Holding AB (Org. Nr./Reg. No. 559202-9499)

### § 1 Företagsnamn/Company name

Bolagets företagsnamn är EWPG Holding AB (publ). Bolaget är publikt (publ).

*The company's name is EWPG Holding AB (publ). The company is a public company (publ).*

### § 2 Styrelsens säte/Registered office of the Board of Directors

Bolagets styrelse har sitt säte i Stockholm.

*The Board of Directors' registered office shall be situated Stockholm, Sweden.*

### § 3 Verksamhet/Business

Bolaget har till föremål för sin verksamhet att, direkt eller indirekt, genom hel- eller delägda dotterbolag bedriva forskning, utveckling och försäljning av tjänster och produkter för förnybar elproduktion och därmed förenlig verksamhet.

*The company's business is to, directly or indirectly, through wholly or partly owned subsidiaries, carry out research, development and sales of services and products for renewable electricity production or related activities.*

### § 4 Aktiekapital/Share capital

Aktiekapitalet ska vara lägst 500 000 kronor och högst 2 000 000 kronor.

*The share capital shall be no less than SEK 500,000 and no more than SEK 2,000,000.*

### § 5 Antal aktier/Shares

Antalet aktier ska vara lägst 25 000 000 och högst 100 000 000.

*The number of shares shall be no less than 25,000,000 and no more than 100,000,000.*

### § 6 Styrelse/Board of Directors

Styrelsen ska bestå av lägst tre och högst åtta ledamöter utan suppleanter.

*The Board of Directors shall consist of no less than three (3) and no more than eight (8) directors, without deputy directors.*

### § 7 Revisorer/Auditors

För granskning av aktiebolagets årsredovisning och räkenskaper samt styrelsens och verkställande direktörens förvaltning utses ett registrerat revisionsbolag eller en revisor med eller utan revisorssuppleanter.

*The company shall have no less than one (1) and no more than two (2) auditors, without or with no more than two (2) deputy auditors. As auditor and, when applicable, deputy auditor, shall be elected an authorized public accountant or a registered public accounting firm.*

### § 8 Kallelse/Notice

Kallelse till bolagsstämma ska ske genom annonsering i Post och Inrikes Tidningar och på bolagets webbplats, samt genom annonsering med information om att kallelse har skett i Svenska Dagbladet.

*Notices of shareholders' meetings shall be published in Post- och Inrikes Tidningar (the Swedish Official Gazette) and be kept available on the company's website and an announcement with information that the notice has been issued shall be published in Svenska Dagbladet.*

För att få delta i bolagsstämma ska aktieägare dels vara upptagen i utskrift av hela aktieboken avseende förhållandena fem vardagar före stämma, dels anmäla sig samt antalet biträden till bolaget senast den dag som anges i kallelsen till stämman. Denna dag får inte vara söndag, annan allmän helgdag, lördag, midsommarafton, julafton eller nyårsafton och ej infalla tidigare än femte vardagen före stämman.

*To be able to participate in shareholders' meetings the shareholder shall be listed in print-outs of the entire shareholders' register concerning the circumstances five weekdays prior to the meeting and notify the company regarding participation and the number counsels at latest the day which is specified in the notice. The last-mentioned day may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and not fall earlier than the fifth weekday prior to the meeting.*

Aktieägare får vid bolagsstämma medföra ett eller två biträden dock endast om aktieägaren gjort anmälan härom enligt föregående stycke.

*Shareholders may bring one or two counsels at shareholders' meetings only if the shareholder has given notice in accordance with the previous section.*

### § 9 Årsstämma/Annual shareholders' meeting

Årsstämma ska avhållas inom sex månader efter räkenskapsårets utgång.

*The annual shareholder's meeting shall be held within six months after the end of the fiscal year.*

På årsstämman ska följande ärenden behandlas:

1. Val av ordförande vid stämman.
2. Upprättande och godkännande av röstlängd.
3. Val av en eller två justerare.
4. Godkännande av dagordning.
5. Prövning av om stämman blivit behörigen sammankallad.
6. Framläggande av årsredovisning och revisionsberättelse samt i förekommande fall, koncernredovisning och koncernrevisionsberättelse.

7. Beslut om:
    - a. fastställande av resultaträkning och balansräkning samt, i förekommande fall, koncernresultaträkning och koncernbalansräkning;
    - b. dispositioner beträffande vinst eller förlust enligt den fastställda balansräkningen; och
    - c. ansvarsfrihet åt styrelseledamöter och verkställande direktör.
  8. Fastställande av styrelse- och revisorsarvoden.
  9. Val av styrelseledamöter samt revisorer och revisorssuppleanter.
  10. Annat ärende, som ankommer på stämman enligt aktiebolagslagen (2005:551) eller bolagsordningen.
- At the annual shareholder's meeting the following matters shall be addressed:*
1. *Election of the chairman of the meeting.*
  2. *Preparation and approval of the voting list.*
  3. *Election of one or two checkers.*
  4. *Approval of the agenda.*
  5. *Determination that the meeting has been duly convened.*
  6. *Presentation of the submitted annual report and the auditor's report and, where appropriate, consolidated financial statements and the consolidated auditor's report.*
  7. *Resolution regarding:*
    - a. *adoption of the income statement and balance sheet, and where appropriate consolidated income statement and consolidated balance sheet;*
    - b. *appropriation of the company's profit or loss pursuant to the adopted balance sheet; and*
    - c. *discharge of the members of the Board of Directors and the managing directors from liability.*
  8. *Determination of remuneration to members of the Board of Directors and auditors.*
  9. *Election to the Board of Directors and auditors and alternate auditors.*
  10. *Any other business that arises at the meeting in accordance with the Swedish Companies Act (2005:551) or the Articles of Association.*

## § 10 Räkenskapsår/Financial year

Bolagets räkenskapsår är 1 januari – 31 december (kalenderår).

*The company shall have a financial year from 1 January to 31 December (calendar year).*

## § 11 Avstämningsförbehåll/Registration of shares

Bolagets aktier ska vara registrerade i ett avstämningsregister enligt lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument.

*The company's shares shall be registered in a securities register according to Swedish Central Securities Depositories and Financial Instruments Accounts Act (Swe. Lagen om värdepapperscentraler och kontoföring av finansiella instrument, SFS 1998:1479).*

# Certain tax issues

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**The following is a summary of certain tax consequences that may arise for investors that participate in the Offering. The summary is based on the legislation currently in force and is intended as general information only. The summary is only applicable to individuals and limited liability companies tax resident in Sweden, unless otherwise stated. For example, the summary does not address:**

- shares held by partnerships or shares held as current assets in business operations
- the special rules that may apply to shares in companies that are or have been considered as closely held companies or shares acquired on the basis of such holdings
- shares acquired through a so-called investment savings account (Sw. investeringssparkonto) or a capital insurance (Sw. kapitalförsäkring) that are subject to special rules on standardized taxation.

Special tax rules apply to certain categories of taxpayers, for example, investment companies and insurance companies. The tax treatment of each individual shareholder depends on such holder's particular circumstances. Each investor should therefore consult a tax adviser for information on the specific implications that may arise in their individual case, including the applicability and effect of foreign rules and tax treaties.

The Company intends to apply for listing of its shares on Nasdaq First North. Nasdaq First North is not a regulated marketplace according to the definition in the Swedish Income Tax Act (Sw. Inkomstskattelag (1999:1229)) (the "ITA"). Shares that are not traded on a regulated market may be treated as "listed" according to the ITA, if the shares are subject to a continuous and publicly available listing based on market sales. The Swedish Tax Agency has in an official statement *inter alia* expressed that shares should be traded every tenth day, and that the trading records should be available until the sixth year following the year when the shares were listed.

## Individuals

### Capital gains taxation

For individuals, tax resident in Sweden, share related income such as dividends and capital gains are taxed in the category income from capital at a tax rate of 30 per cent.

The capital gain or loss is calculated as the difference between the sales proceeds, after deducting sales costs, and the tax basis of the shares. The tax basis for all shares of the same class and type are added together and computed collectively in accordance with the average cost method (Sw. genomsnittsmetoden). It may be mentioned that BTA's (paid subscription shares), in this context, are not considered to be of the same class and type as existing shares until the decision to issue new shares has been registered with the Swedish Companies Registration Office (Sw.

Bolagsverket). Upon the sale of listed shares, the tax basis may alternatively be determined according to the standard method (Sw. schablonmetoden) as 20 per cent of the sales proceeds after deduction of sales costs.

Capital gains on non-listed shares are subject to an effective taxation of 25 per cent, since 5/6 of the capital gain is subject to taxation. Capital gains on listed shares are taxed at 30 per cent (i.e. the total gain is taxable).

Capital losses on listed shares and other listed equity related securities (with the exception of units in mutual funds that consist solely of Swedish receivables so called interest funds) are fully deductible as well as 5/6 of capital losses on non-listed shares in Swedish limited liability companies and foreign legal persons realized during the same fiscal year. Capital losses on qualified shares in closely held companies (Sw. kvalificerade andelar) may be deducted by 2/3. Capital losses shall somewhat simplified be deducted as follows:

- capital losses that are fully deductible,
- capital losses that are deductible by 5/6,
- capital losses that are deductible by 2/3..

Up to 70 per cent of capital losses on listed shares and 5/6 of capital losses on nonlisted shares, that cannot be offset as outlined above, may be deducted against other income of capital. If there is a net loss in the category income of capital, a tax reduction is allowed against municipal and national income tax, as well as against real estate tax and municipal real estate charges. A tax reduction of 30 per cent is allowed on the portion of such net loss that does not exceed SEK 100,000 and of 21 per cent on any remaining loss. Such net loss cannot be carried forward to future fiscal years.

### Dividends

Dividends on non-listed shares in Swedish limited liability companies are subject to an effective taxation of 25 per cent (30 per cent \* 5/6). Dividends on listed shares are taxed at 30 per cent. A preliminary tax of 30 per cent is generally withheld on dividends paid to individuals resident in Sweden. The preliminary tax is withheld by Euroclear Sweden or, regarding nominee-registered shares, by the nominee.

## Limited Liability Companies

### Dividend and capital gains taxation

#### *Non-listed shares*

Non-listed shares, held as capital assets by Swedish limited liability companies are taxed in accordance with the rules on business related holdings (Sw. näringsbetingade andelar), which mean that capital gains and dividends on such shares typically are tax exempt, whereas write-downs and capital losses are non-deductible. A holder of non-listed shares that cease to be considered as business related (e.g. in the context of a listing) may typically use the market value of the shares at that time as tax base value.

#### *Listed shares*

The rules on business related holdings apply to listed shares if the holder owns 10 per cent or more of the voting rights for all shares or, in exceptional cases where the holding is motivated by the holder's business. There is further a one-year holding requirement that must be met in order for dividends and capital gains on listed shares to be tax exempt. This requirement may be met retroactively in respect of dividends.

Capital gains and dividends on shares that are not covered by the rules on business related holdings are taxed as ordinary business income at a tax rate of 21.4 per cent (20.6 per cent from 1 January 2021). Capital gains and capital losses are calculated in the same manner as set forth above with respect to individuals. Deductible capital losses on shares or other equity-related securities may only be deducted against taxable capital gains on similar securities. Such capital losses may, under certain conditions, be deducted against capital gains in another group company provided that the companies may exchange deductible group contributions (Sw. koncernbidrag). A capital loss that cannot be utilized a given year may be carried forward and offset against taxable capital gains on shares and other equity-related securities during subsequent fiscal years without any limitation in time.

## Certain tax considerations for shareholders not resident in Sweden for tax purposes

### Capital gains taxation

Capital gains on shares are typically not taxable in Sweden for non-resident shareholders, unless the shares may be allocated to a Swedish permanent establishment of the holder. The shareholders may, however, be subject to tax in their state of residence.

Individual shareholders may be subject to tax in Sweden on capital gains according to a special rule in case they have been resident or stayed permanently in Sweden at any time during the year in which the shares are sold or the ten preceding years. The applicability of this rule may be limited under a tax treaty between Sweden and the holder's state of residence.

### Dividend Taxation

Dividends payments to non-resident shareholders are subject to a 30 per cent withholding tax as a main rule. However, the tax rate is generally reduced for shareholders resident in jurisdictions with which Sweden has entered into a tax treaty. The majority of Sweden's tax treaties enable a reduction of the Swedish withholding tax to the tax rate stipulated in the treaty directly at payment. In Sweden, Euroclear Sweden, or, in the case of nominee-registered shares, the nominee generally deducts the withholding tax. If a 30 per cent withholding tax is withheld and the shareholder is entitled to an exemption or a reduced rate, a refund can be claimed from the Swedish Tax Agency before the end of the fifth calendar year following the year in which the dividend was paid.

## Tax issues in Denmark and Norway

The following is a summary of certain tax consequences that may arise for investors participating in the Offering resident in Denmark or Norway for tax purposes.

### Capital gains taxation

Capital gains on shares are typically not taxable in Sweden for non-resident shareholders, unless the shares may be allocated to a Swedish permanent establishment of the holder. The shareholders may, however, be subject to tax in their state of residence.

Individual shareholders may be subject to tax in Sweden on capital gains according to a special rule in case they have been resident or stayed permanently in Sweden at any time during the year in which the shares are sold or the ten preceding years. The applicability of this rule may be limited under the Nordic tax treaty.

### Dividend

Dividend payments to non-resident shareholders in Norway and Denmark are subject to a 15 per cent withholding tax as a main rule, provided that the shareholder can provide a proof of residency in Norway or Denmark respectively. If shareholders are Norwegian or Danish companies, the tax may under certain circumstances be reduced to 0 per cent, (if the shares are listed a holding of 10 per cent or more is required, amongst other things). In other situations, the withholding tax is 30 per cent. In Sweden, Euroclear Sweden, or, in the case of nominee-registered shares, the nominee generally deducts the withholding tax. If a 30 per cent tax is withheld and the person is entitled to an exemption or a reduced rate, a refund can be claimed from the Swedish Tax Agency before the end of the fifth calendar year following the year in which the dividend was paid for residing person, and before the end of the sixth calendar year following the year in which the dividend was paid for non-resident person.

# Historical financial information

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EWPG HOLDING AB (publ)

INCOME STATEMENT, BALANCE SHEET, CHANGE  
IN EQUITY, AND CASH FLOW STATEMENT

FOR THE PERIOD MARCH 27-31, 2019

EWPG HOLDING AB (publ)

INCOME STATEMENT, BALANCE SHEET, CHANGE  
IN EQUITY, AND CASH FLOW STATEMENT

FOR THE PERIOD MARCH 27-31, 2019

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## The parent company's balance sheet

EUR	NOTE	MARCH 31, 2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents		0
Short-term deposits		0
Other receivables	4	4,791
		4,791
<b>FIXED ASSETS</b>		
Property, plant and equipment		0
Intangible fixed assets		0
		0
<b>TOTAL ASSETS</b>		<b>4,791</b>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Credit from banks		0
Trade payables		0
Other accounts payables		0
		0
<b>NON-CURRENT LIABILITIES</b>		
Shareholders		0
Related parties		0
		0
<b>EQUITY</b>		
	5	
Share capital		4,791
Share premium		0
Foreign currency translation reserve		0
Retained earnings		0
Equity attributable to shareholders		4,791
Non-controlling interests		0
<b>TOTAL EQUITY</b>		<b>4,791</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>4,791</b>

The accompanying notes are integrated as part of the financial reports.

## The parent company's income statement

EUR	MARCH 27 - 31, 2019
Revenue	0
Operating costs	0
<b>Gross profit</b>	<b>0</b>
General and administrative costs	0
<b>Operating income (EBIT)</b>	<b>0</b>
Financial income	0
Financial expenses	0
<b>Net income</b>	<b>0</b>
Attributable to:	
Shareholders	0
Non-controlling interest	0
	0

The accompanying notes are integrated as part of the financial reports.

## The Group's report of change in equity

EUR	ATTRIBUTABLE TO SHAREHOLDERS					NON-CONTROLLING INTEREST	TOTAL EQUITY
	SHARE CAPITAL	SHARE PREMIUM	FOREIGN CURRENCY TRANSLATION RESERVE	RETAINED EARNINGS (DEFICIT)	TOTAL		
Balance as of March 27, 2019	4,791	0	0	0	4,791	0	4,791
Balance as of March 31, 2019	4,791	0	0	0	4,791	0	4,791

The accompanying notes are integrated as part of the financial reports.

## The parent company's cash flow statement

EUR	MARCH 27 - 31, 2019
<b>Cash flow from operating activities:</b>	
Net income	0
Adjustments to the profit or loss items:	
Depreciation and amortization	0
	<b>0</b>
Cash flow from changes in working capital	
Decrease (increase) in other accounts receivable	0
Increase (decrease) in trade payables	0
Increase (decrease) in other accounts payable	0
<b>Net cash provided by (used in) operating activities</b>	<b>0</b>
<b>Cash flow from investing activities:</b>	
Purchases of fixed assets	0
Investments in bank deposits	0
<b>Net cash provided by (used in) investing activities</b>	<b>0</b>
<b>Cash flow from financing activities:</b>	
Issue of shares	0
Issue of shares to non-controlling interest	0
Change in non-controlling interest	0
Increase (repayment) of long-term loans and other liabilities	0
Credit from banks	0
<b>Net cash provided by (used in) financing activities</b>	<b>0</b>
Cash flow for the period	0
Cash and cash equivalents at the beginning of the period	0
<b>Cash and cash equivalents at the end of the period</b>	<b>0</b>

The accompanying notes are integrated as part of the financial reports.

### Note 1 - Reporting entity

EWPG Holding AB (publ) (the "Company") is domiciled in Sweden. The company's registered office is at Stureplan 4C, 114 35 Stockholm, Sweden. These financial reports comprise the Company. The Company is a start-up company, engaged in research and development of alternative energy (electricity) through sea waves and initiation of the construction of power stations.

### Note 2 - Basis of accounting

These financial reports have been prepared in accordance with IFRS

### Note 3 - Functional and presentation currency

These financial reports are presented in Euro.

### Note 4 - Other accounts receivable

EUR	AS OF MARCH 31
Other receivables	4,791

### Note 5 - Equity

#### A. Share capital and share premium

a. Composition of share capital:

AS OF MARCH 31, 2019	
NUMBER OF SHARES	ISSUED AND OUTSTANDING
Ordinary shares valued at SEK 1 each	50,000

#### B. Non-controlling interest

a. Composition of non-controlling interests in the balance sheet:

EUR	AS OF MARCH 31, 2019
Share of equity	0

### Note 6 - Events after the reporting date

In June 2019, the Company acquired all shares in Eco Wave Power Ltd through an issue in kind. The acquisition was an intra-group transaction without any impact on ownership, and the purpose was to incorporate the operations according to Swedish law prior to listing on Nasdaq First North.

The issue in kind was booked at a value corresponding to the share capital newly issued amounting to EUR 54,160 (corresponding to SEK 576,785). The value of the share capital was decided upon at an extraordinary general meeting on May 21 to a value exceeding the book value of Eco Wave Power Ltd's consolidated equity attributable to the parent company's owners. This meant that the transaction gave rise to a goodwill amounting to EUR 194,110.

The table below shows the consolidated balance sheet for EWPG Holding AB (publ) as of June 10, 2019, the date on which the

Swedish Companies Registration Office was registered the issue in kind and the new group was established.

*EWPG Holding AB (publ) balance sheet as of June 10, 2019*

EUR	AS OF MARCH 31
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	736,503
Short-term deposits	35,510
Other receivables	132,455
	<b>904,468</b>
<b>Fixed assets</b>	
Property, plant and equipment	1,009,101
Intangible fixed assets	194,110
	<b>1,203,211</b>
<b>TOTAL ASSETS</b>	<b>2,107,679</b>
<b>Liabilities and equity</b>	
<b>Current liabilities</b>	
Credit from banks	-
Trade payables	4,794
Other accounts payables	83,329
	<b>88,123</b>
<b>Non-current liabilities</b>	
Shareholders	880,081
Related parties	527,571
	<b>1,407,652</b>
<b>Equity</b>	
Share capital	54,160
Share premium	0
Foreign currency translation reserve	0
Retained earnings	0
Equity attributable to shareholders	54,160
Non-controlling interests	557,744
<b>TOTAL EQUITY</b>	<b>611,904</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,107,679</b>

## The Auditor's Report on new (or restated) historical financial statements

To the Board of Directors of EWPG Holding AB (publ), corporate identity number 559202-9499

### **The Auditor's Report on historical financial statements**

We have audited the financial statements for EWPG Holding AB (publ) on pages F-82-F-86, which comprise the balance sheet as of 31 March 2019 and the income statement, cash flow statement and statement of changes in equity for the period 27-31 March, 2019, and a description of significant accounting policies and other explanatory notes.

### **The Board of Directors' and the Managing Director's responsibility for the financial statements**

The Board of Directors and the Managing Director are responsible for the preparation and the fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU and the Annual Accounts Act and additional applicable framework. This responsibility includes designing, implementing and maintaining internal control relevant to preparing and appropriately presenting financial statements that are free from material misstatement, whether due to fraud or error. The Board is also responsible for the preparation and fair presentation in accordance with the requirements in the Prospectus Regulation (EC) No 809/2004.

### **The auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted my our audit in accordance with FAR's Recommendation RevR 5 Examination of Prospectuses. This recommendation requires that we comply with FAR's ethical requirements and have planned and performed the audit to obtain reasonable assurance that the financial statements are free from material misstatements. The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of the EWPG Holding AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

An audit in accordance with FAR's Recommendation RevR 5 Examination of Prospectuses involves performing procedures to obtain audit evidence corroborating the amounts and disclosures in the financial statements. The audit procedures selected depend on our assessment of the risks of material misstatements in the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the company's preparation and fair presentation of the financial statements as a basis for designing audit procedures that are applicable under those circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also involves evaluating the accounting policies applied and the reasonableness of the significant accounting estimates made by the Board of Directors and the Managing Director and evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion the financial statements give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU/Annual Accounts Act and additional applicable framework of the financial position of EWPG Holding AB (publ) as of 31 March 2019 and its financial performance, statement of changes in equity and cash flows for the period 27-31 March, 2019.

Stockholm, June 26, 2019

**KPMG AB**

Håkan Olsson Reising  
Authorized Public Accountant

ECO WAVE POWER LTD.  
CONSOLIDATED YEAR-END REPORT  
DECEMBER 31, 2018

ECO WAVE POWER LTD.  
CONSOLIDATED YEAR-END REPORT  
DECEMBER 31, 2018

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## Consolidated Balance Sheet

IN EUR	NOTE	31 DECEMBER 2018	31 DECEMBER 2017
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	4	225,002	330,306
Short-term investments	5	25,006	25,843
Other short-term liabilities	6	110,240	91,056
		<b>360,248</b>	<b>447,205</b>
<b>FIXED ASSETS:</b>			
Tangible fixed assets	7	956,878	923,307
<b>TOTAL ASSETS</b>		<b>1,317,126</b>	<b>1,370,512</b>
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES:</b>			
Trade payables	8	9,446	37,793
Other short-term liabilities payable	9	79,544	24,282
		<b>88,990</b>	<b>62,075</b>
<b>NON-CURRENT LIABILITIES:</b>			
Shareholders	12	832,459	868,037
Related parties		503,561	512,371
		<b>1,336,020</b>	<b>1,380,408</b>
<b>EQUITY (DEFICIT):</b>			
Share capital	10	212	212
Share premium		2,094,025	1,446,241
Foreign currency translation reserve		-6,126	-2,998
Retained earnings (accumulated deficit)		-2,749,699	-1,953,439
<b>Equity (deficit) attributable to owners of the company</b>		<b>-661,588</b>	<b>-509,984</b>
Minority interests		553,704	438,013
<b>Total equity (deficit)</b>		<b>-107,884</b>	<b>-71,971</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,317,126</b>	<b>1,370,512</b>

The accompanying notes are an integral part of the financial reports.

## Consolidated statements of profit or loss

IN EUR	NOTE	YEAR ENDED DECEMBER 31, 2018	YEAR ENDED DECEMBER 31, 2017
Total revenues		-	-
Operation costs	11a	-267,282	-331,606
<b>Gross loss</b>		<b>-267,282</b>	<b>-331,606</b>
General and administrative expenses	11b	-565,684	-558,563
<b>Operating result (EBIT)</b>		<b>-832,966</b>	<b>-890,169</b>
Finance income		37,459	-
Finance expenses		-753	-50,189
<b>Net loss</b>		<b>-796,260</b>	<b>-940,358</b>
Attributable to:			
Owners of the company		-745,550	-802,890
Minority interests		-50,710	-137,468
		<b>-796,260</b>	<b>-940,358</b>

The accompanying notes are an integral part of the financial reports.

## Consolidated statement of changes in equity

IN EUR	ATTRIBUTABLE TO THE OWNERS OF THE COMPANY					MINORITY INTERESTS	TOTAL
	SHARE CAPITAL	SHARE PREMIUM	FOREIGN CURRENCY TRANSLATION RESERVE	RETAINED EARNINGS (DEFICIT)	TOTAL		
<b>Balance as of January 1, 2017</b>	212	702,331	-1,545	-1,013,081	-312,083	15,056	-297,027
Net loss for the year				-940,358	-940,358	137,468	-802,890
Issue of share capital	-	743,910			743,910		743,910
Change in foreign currency translation reserve			-1,453		-1,453		-1,453
Investments by minority interests						285,488	
<b>Balance as of December 31, 2017</b>	212	1,446,241	-2,998	-1,953,439	-509,984	438,012	-71,972
Net loss for the year				-796,260	-796,260	50,710	-745,550
Issue of share capital		647,784			647,784		647,784
Change in foreign currency translation reserve			-3,128		-3,128		-3,128
Investments by minority interests						64,982	64,982
<b>Balance as of December 31, 2018</b>	212	2,094,025	-6,126	-2,749,699	-661,588	553,704	-107,884

The accompanying notes are an integral part of the financial reports.

## Consolidated statements of cash flows

IN EUR	2018	2017
<b>Cash flow from operating activities</b>		
<b>Net loss for the period</b>	<b>-796,260</b>	<b>-940,358</b>
Adjustments to the income statement:		
Depreciation and amortization	19,462	18,579
	<b>19,462</b>	<b>18,579</b>
Changes in working capital:		
Decrease (increase) in other accounts receivables	-22,133	-25,024
Increase (decrease) in trade payables	-27,123	26,026
Increase (decrease) in other short-term liabilities	56,048	5,270
	<b>6,792</b>	<b>6,272</b>
<b>Cash flow from operating activities</b>	<b>-770,006</b>	<b>-915,507</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	-72,778	-63,806
Investment in financial assets	837	-25,843
<b>Cash flow from investing activities</b>	<b>-71,941</b>	<b>-89,649</b>
<b>Cash flow from financing activities</b>		
Issue of shares	647,784	743,910
Issue of shares to minority interests	64,981	285,488
Change in minority interests	50,710	137,468
Increase (repayment) of loans	-26,832	-104,561
Credit from banks	0	0
<b>Cash flow from financing activities</b>	<b>736,643</b>	<b>736,643</b>
<b>Cash flow for the period</b>	<b>-105,304</b>	<b>57,149</b>
Cash and cash equivalents at the beginning of the period	330,306	273,157
<b>Cash and cash equivalents at the end of the period</b>	<b>225,002</b>	<b>330,306</b>

The accompanying notes form an integral part of the financial reports.

### Note 1 - Reporting entity

Eco Wave Power LTD (the "Company") is based in Israel. The company's head office is registered at 16 Homa U'migdal st., Tel Aviv, Israel. The Group's financial reports consist of the company and its subsidiaries (together referred to as the "Group"). The company is a so-called development company (start-up), whose activities consist of research and development of alternative energy (electricity) through ocean waves, and initiation of the construction of power plants.

### Note 2 - Basic accounting principles

This year-end report has been prepared in accordance with IFRS. The Group's accounting principles are presented in detail in note 15.

### Note 3 - Functional and presentation currency

These consolidated financial statements are presented in EUR.

### Note 4 - Cash and cash equivalents

IN EUR	DEC 31, 2018	DEC 31, 2017
Bank savings	225,002	329,316
Cash	-	990
	<b>225,002</b>	<b>330,306</b>

### Note 7 - Tangible fixed assets

#### a. Composition and changes

2018

IN EUR	LAND	PLANT AND EQUIPMENT	INVENTORY AND OFFICE EQUIPMENT	TOTAL
Acquisition cost:				
Balance as of January 1, 2018	64,189	914,624	14,255	993,068
Additions during the year:				
Purchases	-	70,911	1,867	72,778
Foreign currency translation reserve	2,092	-23,830	482	„-22,220
<b>Balance as of December 31, 2018</b>	<b>66,281</b>	<b>961,705</b>	<b>15,640</b>	<b>1,043,626</b>
Accumulated depreciation:				
Balance as of January 1, 2018		62,718	7,043	69,761
Additions during the year:				
Depreciation	-	16,323	3,138	19,461
Foreign currency translation reserve		-2,212	-262	-2,474
<b>Balance as of December 31, 2018</b>	<b>-</b>	<b>76,829</b>	<b>9,919</b>	<b>86,748</b>
<b>Reported value as of December 31, 2018</b>	<b>66,281</b>	<b>884,876</b>	<b>5,721</b>	<b>956,878</b>

### Note 5 - Short-term investments

IN EUR	DEC 31, 2018	DEC 31, 2017
Bank deposits	25,006	25,843

### Note 6 - Other short-term receivables

IN EUR	DEC 31, 2018	DEC 31, 2017
Government authorities	81,943	72,076
Advances to suppliers	24,326	14,315
Other receivables	3,971	4,665
	<b>110,240</b>	<b>91,056</b>

## Note 7 - Tangible fixed assets (Cont.)

2017

IN EUR	LAND	PLANT AND EQUIPMENT	INVENTORY AND OFFICE EQUIPMENT	TOTAL
Acquisition cost:				
Balance as of January 1, 2017	22,997	940,138	10,405	973,540
Additions during the year:				
Purchases	43,747	15,845	4,214	63,806
Foreign currency translation reserve	-2,555	-41,359	-364	-44,278
<b>Balance as of December 31, 2017</b>	<b>64,189</b>	<b>914,624</b>	<b>14,255</b>	<b>993,068</b>
Accumulated depreciation:				
Balance as of January 1, 2017	-	47,573	5,400	52,973
Additions during the year:				
Depreciation	-	16,755	1,824	18,579
Foreign currency translation reserve	-	-1,610	-181	-1,791
<b>Balance as of December 31, 2017</b>	<b>-</b>	<b>62,718</b>	<b>7,043</b>	<b>69,761</b>
<b>Reported value as of December 31, 2017</b>	<b>64,189</b>	<b>851,906</b>	<b>7,212</b>	<b>923,307</b>

## Note 8 - Trade payables

IN EUR	DEC 31, 2018	DEC 31, 2017
Trade payables	9,446	29,320
Notes payables	-	8,473
	<b>9,446</b>	<b>37,793</b>

## Note 9 - Other short-term liabilities

IN EUR	DEC 31, 2018	DEC 31, 2017
Accrued expenses	1,269	1,311
Accrued payroll expenses	6,460	5,107
Government authorities	1,897	1,520
Payroll authorities	10,515	15,886
Other liabilities	59,403	458
	<b>79,544</b>	<b>24,282</b>

## Note 10 - Equity

See accounting policies in Note 15

### A. Share capital and share premium

a. Composition of share capital:

NUMBER OF SHARES	DEC 31, 2018		DEC 31, 2017	
	AUTHORIZED	ISSUED AND OUTSTANDING	AUTHORIZED	ISSUED AND OUTSTANDING
Ordinary shares with quota value of NIS 0.01	9,994,000	103,064	9,994,000	103,064
Preference shares with quota value of NIS 0.01	6,000	6,000	6,000	6,000

b. Movement in share capital:

1. In 2015, the company agreed with Pirveli Investments Ltd. (hereinafter "Pirveli") that Pirveli shall receive 17.5 percent of the Company's issued and paid share capital in exchange for a payment of USD 2 million, spread over 5 dates determined in the contract. In 2015 and 2016, the first two installments totaling USD 800 thousand were presented in equity under the share premium fund. At the same time, Pirveli did not transfer the third installment to be paid on January 1, 2017 and consequently the balance of shares was forfeited, so that Pirveli owns 6,688 of the Company's shares, corresponding to approximately 5.57 percent of the Company's diluted share capital (provided that Eco Wave Power Group completes its investment in the company).

2. On March 28, 2017, after Pirveli broke its commitment to invest in the company, the company agreed with Eco Wave Power Group (hereafter: "Eco Wave Group") which is registered in the USA. The agreement consists of Eco Wave Group investing USD 3 million through 12 monthly installments, in exchange for 8,384 ordinary shares (corresponding to 6.98 percent of the company's issued and paid share capital). As of December 31, 2018, USD

1,597 thousand has been transferred and a further USD 400 thousand has been transferred per the date of signing this year-end report.

### B. Nature and purpose of reserves

a. Translation reserve

The foreign currency translation reserve consists of all exchange rate differences arising from the translation of the financial reports from the foreign operations.

### C. Non-controlling interests

a. Composition of minority interests in the balance sheet:

IN EUR	31 DEC 2018	31 DEC 2017
Share of equity	553,704	438,013

## Note 11 - Additional information to the income statement

a. Operation costs

IN EUR	YEAR ENDED	
	DECEMBER 31, 2018	DECEMBER 31, 2017
Product development	47,239	86,590
Travel abroad	90,264	123,453
Engineering Costs	4,642	17,749
Tool Costs	590	-
Wages, salaries and related expenses	124,547	103,814
	<b>267,282</b>	<b>331,606</b>

b. General and administrative expenses:

IN EUR	YEAR ENDED	
	DECEMBER 31, 2018	DECEMBER 31, 2017
Wages, salaries and related expenses	216,976	254,510
Taxes and fees	77,392	19,884
Rental expense	57,893	55,257
Legal expenses and patent registration costs	78,512	44,311
Professional services and continuing education	33,253	73,722
Office expenses	43,505	43,626
Depreciation and amortization	19,462	18,580
Sales and marketing	9,750	12,918
Maintenance	11,854	18,098
Communication	4,125	2,955
Travel and Transportation	6,709	9,892
Refreshment and hospitality	3,407	1,385
Car costs & rental expenses	2,846	3,518
	<b>565,684</b>	<b>558,656</b>

## Note 12 - Balances and transactions with stakeholders and related parties

a. As of December 31 2018:

EUR	CONTROLLING SHAREHOLDER	OTHER RELATED PARTIES	TOTAL
<b>NON-CURRENT LIABILITIES</b>			
<b>Long-term loans and debts</b>			
Shareholders	832,459		832,459
Related parties		503,561	503,561
	<b>832,459</b>	<b>503,561</b>	<b>1,336,020</b>

b. As of December 31 2017:

	CONTROLLING SHAREHOLDER	OTHER RELATED PARTIES	TOTAL
<b>NON-CURRENT LIABILITIES</b>			
<b>Long-term loans and debts</b>			
Shareholders	868,037		868,037
Related parties		512,371	512,371
	<b>868,037</b>	<b>512,371</b>	<b>1,380,408</b>

c. Transactions and commitments with interested and related parties:

1. In 2015, NIS 383,686 was transferred to Eco Wave Power Gibraltar (hereafter: "Eco Wave Gibraltar"). The amount was given as a loan to finance the construction of a power plant in Gibraltar. The company's management has not yet formulated a decision on whether or not this loan will be an investment and therefore the terms of the loan have not yet been established. The company holds 100 percent of the share capital in Eco Wave Gibraltar. In 2016, an additional NIS 1 million was transferred to Eco Wave Gibraltar and in 2017 approximately NIS 157,131 was transferred, which meant that a total of 1,540,817 NIS had been transferred. In 2018, NIS 363 thousand were transferred, which means that a total of NIS 1.904 million has been transferred.

2. At the beginning of the 2019, the amounts transferred to Suzhou Eco Wave Power Technology Co. Ltd have been registered as loans.

d. Remuneration and benefits to stakeholders and key personnel in leading positions:  
The company's key management personnel are board members, senior executives and a management company providing the company with services from key management personnel.

In 2018, key management consisted of the CEO. In 2018, no board member received remuneration.

Year ended December 31, 2018:

IN EUR	STAKEHOLDERS (INCLUDING BOARD MEMBERS) EMPLOYED BY THE COMPANY	STAKEHOLDERS NOT EMPLOYED BY THE COMPANY	BOARD MEMBERS NOT EMPLOYED BY THE COMPANY	OTHER KEY PERSONNEL IN MANAGEMENT ROLES
Short-term employee benefits	0	0	0	136,185
Post-employment benefits	0	0	0	14,637
Other long-term benefits	0	0	0	4,441
Termination benefits	0	0	0	0
Share-based benefits	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>155,263</b>

No. of people to whom the benefits relate

1

## Note 13 - Comittments

### 1. Support and Investment Agreement with the Israeli Ministry of Energy

On December 24, 2018, the company agreed with the Israeli Energy Agency ("the authority") on the project "100 kilowatt power plants to generate electricity from ocean waves" ("the project"). Based on that agreement, the authority will pay 50 percent of the company's costs up to a total of ILS 492 thousand. The agreement is valid for 12 months, from January 1, 2019 to December 31, 2019. The Authority is entitled to: (i) extend the agreement for a further year, and (ii) terminate the agreement by giving the company a written warning. In the event that the agency decides to terminate the agreement, it shall repay the company the entire costs up to the end date. The company assures that it does not receive, and will not receive, any additional funding linked to the project. Furthermore, the company's intellectual property rights linked to the project cannot be transferred without this being first approved by the authority.

### 2. Horizon 2020 Framework Programme

On April 12, 2019, the company has entered into agreements with the European Commission's SME Implementation Agency for the financing of the "wave scale development at a cost-effective level and commercial scale (Wave Scale)" within the Horizon 2020 Program. The funding consists of a grant of EUR 50 thousand for the development of the facility in Gibraltar, provided that the company presents a final report, consisting of a final technical and financial report, on the preparatory actions in the project within sixty days after the grant period expires. In connection with the approval of the second part of the project, the company will receive a grant of up to EUR 3 million for the implementation of the plan.

## Note 14 - Events after the balance sheet date

1. In April 2019, the company received a grant of EUR 50 thousand based on the agreement on the Horizon 2020 Framework Program - see note 13.

2. In April 2019 the company received a grant of kAUD 75 from the Australian government for opening an Australian company which will deal with that same green energy.

3. After December 31, 2018, the company has received capital contributions from shareholders corresponding to approximately EUR 828 thousand.

## Note 15 - Significant accounting principles

The following accounting policies have been applied consistently in the year-end report for all periods presented, unless otherwise stated.

### a. Basis for presentation of the year-end report:

This year-end report has been prepared in accordance with International Financial Reporting Standards ("IFRS"). Furthermore, the year-end report has been prepared in accordance with the provisions of the "Israeli Securities Regulations (Annual Financial Statements), 2010". The company's financial reports have been prepared based on cost.

### b. Consolidated year-end report:

The consolidated year-end report consists of financial reports from companies controlled by the Company (subsidiaries). Control is achieved when the Company is exposed to, or is entitled to, the varying results from its involvement in the company in which it has invested. Possible voting rights take has been taken into account when assessing whether the unit has control or not. The consolidation of the financial statements begins at the date on which control is obtained and ends at the date such control ceases. The company's financial statements are prepared for the same dates and periods. The Group's year-end report is prepared through uniform accounting principles in all the Group's companies. Significant intra-Group transactions and gains or losses from intra-Group transactions are eliminated in full in the Group's financial statements. Minority interests in subsidiaries represent the equity in subsidiaries that are not attributable, directly or indirectly, to the parent company. Minority interests are presented in equity, especially from the equity attributable to the Company's owners. Losses are attributed to minority interests even if they result in a negative balance for minority interests in the Group's balance sheet

### c. Functional currency, presentation currency and foreign currency:

#### 1. Functional currency and presentation currency:

Presentation currency in the year-end report is Euro ("EUR"). Assets and liabilities are recalculated to the closing price at each balance sheet date. Profit items have been translated at an average exchange rate for all periods presented. The translation differences that have arisen have been reported in the currency translation reserve.

#### 2. Foreign currency transactions, assets and liabilities:

Transactions in foreign currency are initially recognized at the exchange rate at the transaction date. After initial recognition, the monetary assets and liabilities in foreign currency are translated at the respective balance sheet date into the functional currency at the exchange rate prevailing at the balance sheet date. Exchange rate differences are reported in the income statement. Non-monetary assets and liabilities in foreign currency and which are reported at cost are translated at the exchange rate at the transaction date.

### d. Cash and cash equivalents:

Cash and cash equivalents are considered to be highly liquid investments, including short-term bank deposits without restrictions with an original maturity of three months or less from the investment date, or with a maturity date after more than three months, but where the investments are redeemable on request without charge and which are part of the Group's liquidity management.

### e. Short-term deposits:

Short-term bank deposits are deposits with an original maturity date after more than three months from the investment date and which do not meet the liquidity criteria. Deposits are presented in accordance with their deposit terms.

*f. Fixed assets:*

Fixed assets are reported at cost, including directly attributable costs, less accumulated depreciation and any related investment grants and excluding day-to-day servicing expenses. Cost includes spare parts and equipment that are used in connection with plant and equipment. A part of an item of fixed assets with a cost that is significant in relation to the total cost of the item is depreciated separately using the component method. The cost of an item of fixed assets comprises the initial estimate of the costs of dismantling and removing the item and restoring the site on which the item is located. Depreciation is calculated on a straight-line basis over the useful life of the assets at annual rates as follows:

IN EUR	%	PRIMARILY %
Land	-	-
Plant and equipment	10	10
Land under finance lease	10-33	10
Leasehold improvements		

*g. Employee benefit liabilities:*

The Group has several employee benefit plans:

1. Short-term employee benefits:

Short-term employment benefits are benefits that are expected to be fully realized within 12 months of the end of the fiscal year in which the employees perform the related work. These benefits include salaries, paid annual leave, paid sick leave, recreation and social security contributions and they are reported as expenses as the related work is performed. A liability for a cash bonus or a profit-sharing plan is reported when the Group has a legal or constructive obligation to make such a payment as a result of previous work of an employee and a reasonable estimate of the amount can be made.

2. Post-employment benefits:

vThese plans are normally financed through fees to insurance companies and are classified as defined contribution plans or as defined benefit plans.

The Group has defined contribution plans according to section 14 of the Severance Pay Law, whereby the Group pays fixed fees and will not have any legal or constructive obligation to pay any additional fees if the fund does not include sufficient amounts to pay all employment benefits related to the employees' work during current and previous periods.

Fees according to the defined contribution plans for severance pay or pension are reported as an expense when the fee is paid, at the same time as the employee performs the work.

With regard to its obligations to pay severance pay for some of its employees, the company makes provisions to pension funds and insurance companies ("plan assets"). Plan assets consist of assets that are managed in the long term in an employment benefit fund or qualified insurance policies. Plan assets are not available to the Group's own creditors and cannot be repaid directly to the Group.

## The Auditor's Report on new (or restated) historical financial statements

To the Board of Directors of EWPG Holding AB (publ), corporate identity number 559202-9499

### **The Auditor's Report on new (or restated) historical financial statements**

We have audited the financial statements for EcoWave Power Ltd on pages F-88-F-99, which comprise the balance sheet as of 31 December 2018 and 31 December 2017 and the income statement, cash flow statement and statement of changes in equity for the years then ended, and a description of significant accounting policies and other explanatory notes.

### **The Board of Directors' and the Managing Director's responsibility for the financial statements**

The Board of Directors and the Managing Director are responsible for the preparation and the fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU and the Annual Accounts Act and additional applicable framework. This responsibility includes designing, implementing and maintaining internal control relevant to preparing and appropriately presenting financial statements that are free from material misstatement, whether due to fraud or error. The Board is also responsible for the preparation and fair presentation in accordance with the requirements in the Prospectus Regulation (EC) No 809/2004.

### **The auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with FAR's Recommendation RevR 5 Examination of Prospectuses. This recommendation requires that we comply with FAR's ethical requirements and have planned and performed the audit to obtain reasonable assurance that the financial statements are free from material misstatements. The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of the EcoWave Power Ltd in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

An audit in accordance with FAR's Recommendation RevR 5 Examination of Prospectuses involves performing procedures to obtain audit evidence corroborating the amounts and disclosures in the financial statements. The audit procedures selected depend on our assessment of the risks of material misstatements in the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the company's preparation and fair presentation of the financial statements as a basis for designing audit procedures that are applicable under those circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also involves evaluating the accounting policies applied and the reasonableness of the significant accounting estimates made by the Board of Directors and the Managing Director and evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion the financial statements give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU/Annual Accounts Act and additional applicable framework of the financial position of EcoWave Power Ltd as of 31 December 2018 and 31 December 2017 and its financial performance, statement of changes in equity and cash flows for these years.

Stockholm, June 26, 2019

**KPMG AB**

Håkan Olsson Reising  
Authorized Public Accountant

EWPG HOLDING AB

CONSOLIDATED INTERIM REPORT

AS OF MARCH 31, 2019

EWPG HOLDING AB  
CONSOLIDATED INTERIM REPORT  
AS OF MARCH 31, 2019

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## Consolidated balance sheet

IN EUR	NOTE	MARCH 31, 2019	MARCH 31, 2018	DECEMBER 31, 2018
<b>ASSETS</b>				
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents	4	48,946	93,909	225,002
Short-term investments	5	35,510	25,918	25,006
Other short-term receivables	6	132,455	111,748	110,240
		<b>216,911</b>	<b>231,575</b>	<b>360,248</b>
<b>FIXED ASSETS:</b>				
Tangible fixed assets	7	1,009,101	932,313	956,878
		<b>1,009,101</b>	<b>932,313</b>	<b>956,878</b>
<b>TOTAL ASSETS</b>		<b>1,226,012</b>	<b>1,163,888</b>	<b>1,317,126</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES:</b>				
Credit from banks		-	238	0
Trade payables	8	4,794	6,505	9,446
Other short-term liabilities	9	83,329	27,816	79,544
		<b>88,123</b>	<b>34,559</b>	<b>88,990</b>
<b>NON-CURRENT LIABILITIES:</b>				
	12			
Shareholders		880,081	834,621	832,459
Related parties		527,571	510,904	503,561
		<b>1,407,652</b>	<b>1,345,525</b>	<b>1,336,020</b>
<b>EQUITY (DEFICIT):</b>				
	10			
Share capital		55,340	212	212
Share premium		0	1,446,241	2,094,025
Foreign currency translation reserve		0	2,444	-6,126
Retained earnings (accumulated deficit)		0	-2,110,043	-2,749,699
<b>Equity (deficit) attributable to owners of the company</b>		<b>55,340</b>	<b>-661,146</b>	<b>-661,588</b>
Non-controlling interests		557,744	444,950	553,704
<b>Total equity (deficit)</b>		<b>613,084</b>	<b>-216,196</b>	<b>-107,884</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,108,859</b>	<b>1,163,888</b>	<b>1,317,126</b>

The accompanying notes are an integral part of the financial reports.

## Consolidated income statement

IN EUR	NOTE	PERIOD ENDED MARCH 31, 2019	PERIOD ENDED MARCH 31, 2018	YEAR ENDED DECEMBER 31, 2018
Total revenues		-		-
Operation costs	11a	-50,579	-50,821	-267,282
<b>Gross loss</b>		<b>-50,579</b>	<b>-50,821</b>	<b>-267,282</b>
General and administrative expenses	11b	-90,435	-133,626	-565,684
<b>Operating result (EBIT)</b>		<b>-141,014</b>	<b>-184,447</b>	<b>-832,966</b>
Finance income		-	28,335	37,459
Finance expenses		-17,225	-493	-753
<b>Net loss</b>		<b>-158,239</b>	<b>-156,605</b>	<b>-796,260</b>
Attributable to:				
Owners of the Company		-154,199	-151,519	-745,550
Minority interests		-4,040	-5,085	-50,710
		<b>-158,239</b>	<b>-156,604</b>	<b>-796,260</b>

The accompanying notes are an integral part of the financial reports.

## Consolidated statement of changes in equity

IN EUR	ATTRIBUTABLE TO THE OWNERS OF THE COMPANY					MINORITY INTERESTS	TOTAL
	SHARE CAPITAL	SHARE PRE- MIUM	FOREIGN CURRENCY TRANSLATION RESERVE	RETAINED EARNINGS (DEFICIT)	TOTAL		
<b>Balance as of January 1, 2019</b>	212	2,094,025	-6,126	-2,749,699	-661,588	553,704	-107,884
Net loss for the period				-158,239	-158,239	4,040	-154,199
Change in foreign currency translation reserve			-7,680			-7,680	-7,680
<b>Balance as of March 31, 2019</b>	212	2,904,025	-13,806	-2,907,938	-827,507	557,744	-269,763
<b>Balance as of January 1, 2018</b>	212	1,446,241	-2,998	-1,953,439	-509,984	438,012	-71,972
Net loss for the period				-156,604	-156,604	5,085	-151,519
Change in foreign currency translation reserve			5,442		5,442		5,442
Investments by minority interests						1,853	1,853
<b>Balance as of March 31, 2018</b>	212	1,446,241	2,444	-2,110,043	-661,146	444,950	-216,196

IN EUR	ATTRIBUTABLE TO THE OWNERS OF THE COMPANY					MINORITY INTERESTS	TOTAL
	SHARE CAPITAL	SHARE PRE- MIUM	FOREIGN CURRENCY TRANSLATION RESERVE	RETAINED EARNINGS (DEFICIT)	TOTAL		
<b>Balance as of January 1, 2018</b>	212	1,446,241	-2,998	-1,953,439	-509,984	438,012	-71,972
Net loss for the year				-796,260	-796,260	50,710	-745,550
Issue of share capital		647,784			647,784		647,784
Change in foreign currency translation reserve			-3,128		-3,128		-3,128
Investments by minority interests						64,982	64,982
<b>Balance as of December 31, 2018</b>	212	2,094,025	-6,126	-2,749,699	-661,588	553,704	-107,884

## Consolidated cash flow statement

IN EUR	Q1 2019	Q1 2018	2018
<b>Cash flow from operating activities</b>			
<b>Net loss for the period</b>	<b>-158,239</b>	<b>-156,605</b>	<b>-796,260</b>
Adjustments to the income statement:			
Depreciation and amortization	4,821	4,853	19,462
	<b>4,821</b>	<b>4,853</b>	<b>19,462</b>
Changes in working capital:			
Decrease (increase) in accounts receivables	-16,447	-24,397	-22,133
Increase (decrease) in trade payables	-5,146	-29,752	-27,123
Increase (decrease) in other short-term liabilities	-378	4,522	56,048
	<b>-21,971</b>	<b>-49,627</b>	<b>6,792</b>
<b>Cash flow from operating activities</b>	<b>-175,389</b>	<b>-201,379</b>	<b>-770,006</b>
<b>Cash flow from investing activities</b>			
Purchase of fixed assets	-9,742	-30,694	-72,778
Investment in financial assets	-9,196	-1,127	837
<b>Cash flow from investing activities</b>	<b>-18,938</b>	<b>-31,821</b>	<b>-71,941</b>
<b>Cash flow from financing activities</b>			
Issue of shares	0	0	647,784
Issue of shares to minority interests	0	1,852	64,981
Change in minority interests	4,040	5,085	50,710
Increase (repayment) of loans	14,229	-10,373	-26,832
Credit from banks	0	238	0
<b>Cash flow from financing activities</b>	<b>18,269</b>	<b>-3,198</b>	<b>736,643</b>
<b>Cash flow for the period</b>	<b>-176,058</b>	<b>-236,398</b>	<b>-105,304</b>
Cash and cash equivalents at the beginning of the period	225,002	330,306	330,306
<b>Cash and cash equivalents at the end of the period</b>	<b>48,944</b>	<b>93,908</b>	<b>225,002</b>

### Note 1 - Reporting entity

Eco Wave Power LTD (the "Company") is based in Israel. The company's head office is registered at 16 Homa U'migdal st., Tel Aviv, Israel. The Group's financial reports consist of the company and its subsidiaries (together referred to as the "Group"). The company is a so-called development company (start-up), whose activities consist of research and development of alternative energy (electricity) through ocean waves, and initiation of the construction of power plants.

### Note 2 - Basic accounting principles

This quarterly report has been prepared in accordance with IFRS. The Group's accounting principles are presented in detail in note 15.

### Note 3 - Functional and presentation currency

These consolidated financial statements are presented in EUR.

### Note 4 - Cash and cash equivalents

IN EUR	MARCH 31, 2019	MARCH 31, 2018	DEC 31, 2018
Bank Savings	48,946	93,909	225,002

### Note 7 - Tangible fixed assets

a. Composition and changes:  
Q1 2019:

IN EUR	LAND	PLANT AND EQUIPMENT	INVENTORY AND OFFICE EQUIPMENT	TOTAL
Acquisition costs:				
Balance as of January 1, 2019	66,281	961,705	15,640	1,043,626
Additions during the period:				
Purchases	-	9,742	-	9,742
Foreign currency translation reserve	2,757	48,497	818	52,073
<b>Balance as of March 31, 2019</b>	<b>69,038</b>	<b>1,019,945</b>	<b>16,457</b>	<b>1,105,440</b>
Accumulated depreciation:				
Balance as of January 1, 2019	-	76,829	9,919	86,748
Additions during the period:				
Depreciation	-	4,190	631	4,822
Foreign currency translation reserve	-	4,241	529	4,770
<b>Balance as of March 31, 2019</b>	<b>-</b>	<b>85,260</b>	<b>11,079</b>	<b>96,339</b>
<b>Reported value as of March 31, 2019</b>	<b>69,038</b>	<b>934,685</b>	<b>5,378</b>	<b>1,009,101</b>

### Note 5 - Short-term investments

IN EUR	MARCH 31, 2019	MARCH 31, 2018	DEC 31, 2018
Bank deposits	35,510	25,918	25,006

### Note 6 - Other short-term receivables

IN EUR	MARCH 31, 2019	MARCH 31, 2018	DEC 31, 2018
Government authorities	85,292	69,591	81,943
Advances to suppliers	23,479	37,357	24,326
Other receivables	23,684	4,800	3,971
	<b>132,455</b>	<b>111,748,,</b>	<b>110,240</b>

## Note 7 - Tangible fixed assets (Cont).

b. Composition and changes:

Q1 2018:

IN EUR	LAND	PLANT AND EQUIPMENT	INVENTORY AND OFFICE EQUIPMENT	TOTAL
Acquisition costs:				
Balance as of January 1, 2018	64,189	914,624	14,255	993,068
Additions during the period:				
Purchases	-	28,832	1,862	30,694
Foreign currency translation reserve	2,342	-21,341	-612	-19,611
<b>Balance as of March 31, 2018</b>	<b>66,531</b>	<b>922,115</b>	<b>15,504</b>	<b>1,004,151</b>
Accumulated depreciation:				
Balance as of January 1, 2018	-	62,718	7,043	69,761
Additions during the period:				
Depreciation	-	4,070	783	4,853
Foreign currency translation reserve	-	-2,476	-300	-2,776
<b>Balance as of March 31, 2018</b>	<b>-</b>	<b>64,312</b>	<b>7,526</b>	<b>71,838</b>
<b>Reported value as of March 31, 2018</b>	<b>66,531</b>	<b>857,803</b>	<b>7,979</b>	<b>932,313</b>

c. Composition and changes:

Year 2018:

IN EUR	LAND	PLANT AND EQUIPMENT	INVENTORY AND OFFICE EQUIPMENT	TOTAL
Acquisition costs:				
Balance as of January 1, 2018	64,189	914,624	14,255	993,068
Additions during the period:				
Purchases	-	70,911	1,867	72,778
Foreign currency translation reserve	2,092	-23,830	-482	-22,220
<b>Balance as of December 31, 2018</b>	<b>66,281</b>	<b>961,705</b>	<b>15,640</b>	<b>1,043,626</b>
Accumulated depreciation:				
Balance as of January 1, 2018	-	62,718	7,043	69,761
Additions during the period:				
Depreciation	-	16,323	3,138	19,461
Foreign currency translation reserve	-	-2,212	-262	-2,474
<b>Balance as of December 31, 2018</b>	<b>-</b>	<b>76,829</b>	<b>9,919</b>	<b>86,748</b>
<b>Reported value as of December 31, 2018</b>	<b>66,281</b>	<b>884,876</b>	<b>5,721</b>	<b>956,878</b>

## Note 8 - Trade payables

IN EUR	MARCH 31, 2019	MARCH 31, 2018	DEC 31, 2018
Trade payables	4,794	6,505	9,446

## Note 9 - Other short-term liabilities

IN EUR	MARCH 31 2019	MARCH 31 2018	DEC 31 2018
Accrued expenses	10,371	1,258	1,269
Accrued payroll expenses	4,233	9,469	6,460
Government authorities	-	-	1,897
Payroll authorities	10,608	13,554	10,515
Other payables	58,115	3,535	59,403
	<b>83,329</b>	<b>27,816</b>	<b>79,544</b>

## Note 10 - Equity

See accounting policies in Note 15

### A. Share capital and share premium

a. Composition of share capital:

ANTAL AKTIER	MARCH 31, 2019		MARCH 31, 2018	
	AUTHORIZED	ISSUED AND OUTSTANDING	AUTHORIZED	ISSUED AND OUTSTANDING
Ordinary shares with quota value of NIS 0.01	9,994,000	103,064	9,994,000	103,064
Preference shares with quota value of NIS 0.01	6,000	6,000	6,000	6,000

b. Changes in share capital:

1. In 2015, the company agreed with Pirveli Investments Ltd. (hereinafter "Pirveli") that Pirveli shall receive 17.5 percent of the Company's issued and paid share capital in exchange for a payment of USD 2 million, spread over 5 dates determined in the contract. In 2015 and 2016, the first two installments totaling USD 800 thousand were presented in equity under the share premium fund. At the same time, Pirveli did not transfer the third installment to be paid on January 1, 2017 and consequently the balance of shares was forfeited, so that Pirveli owns 6,688 of the Company's shares, corresponding to approximately 5.57 percent of the Company's diluted share capital (provided that Eco Wave Power Group completes its investment in the company).

2. On March 28, 2017, after Pirveli broke its commitment to invest in the company, the company agreed with Eco Wave Power Group (hereafter: "Eco Wave Group") which is registered in the USA. The agreement consists of Eco Wave Group investing USD 3 million through 12 monthly installments, in exchange for 8,384

ordinary shares (corresponding to 6.98 percent of the company's issued and paid share capital). As of December 31, 2018, USD 1,597 thousand has been transferred and a further USD 400 thousand has been transferred per the date of signing this quarterly report..

### B. Nature and purpose of reserves

a. Foreign currency translation reserve

The foreign currency translation reserve consists of all exchange rate differences arising from the translation of the financial reports from the foreign operations.

### C. Minority interests

a. Composition of minority interests in the balance sheet:

IN EUR	MARCH 31, 2019	MARCH 31, 2018	DEC 31, 2018
Share of equity	557,744	444,950	553,704

## Note 11 - Additional information to the income statement

### a. Operation costs

IN EUR	PERIOD ENDED MARCH 31, 2019	PERIOD ENDED MARCH 31, 2018	YEAR ENDED DEC 31 2018
Product development	5,157	4,526	47,239
Travel abroad	13,274	11,942	90,264
Engineering Costs	530	2,881	4,642
Tool Costs	-	588	590
Wages, salaries and related expenses	31,618	30,884	124,547
	<b>50,579</b>	<b>50,821</b>	<b>267,282</b>

### b. General and administrative expenses:

IN EUR	PERIOD ENDED MARCH 31, 2019	PERIOD ENDED MARCH 31, 2018	YEAR ENDED DEC 31 2018
Wages, salaries and related expenses	43,972	71,266	216,976
Taxes and fees	2,696	9,160	77,392
Rental expense	10,798	17,788	57,893
Legal expenses and patent registration costs	822	9,819	78,512
Professional services and continuing education	9,602	2,118	33,253
Office expenses	6,669	6,491	43,505
Depreciation and amortization	4,821	4,853	19,462
Sales and marketing	1,922	4,832	9,750
Maintenance	1,642	3,639	11,854
Communication	896	423	4,125
Travel and Transportation	3,088	2,485	6,709
Refreshment and hospitality	1,406	-	3,407
Car costs & rental expenses	2,101	752	2,846
	<b>90,435</b>	<b>133,626</b>	<b>565,684</b>

## Note 12 - Balances and transactions with stakeholders and related parties

### a. Period ended March 31, 2019:

IN EUR	CONTROLLING SHAREHOLDER	STAKEHOLDERS AND OTHER RELATED PARTIES	TOTAL
<b>NON-CURRENT LIABILITIES</b>			
<b>Long-term loans and debts:</b>			
Shareholders	880,081		880,081
Related parties		527,571	527,571
	<b>880,081</b>	<b>527,571</b>	<b>1,407,659</b>

### b. Period ended March 31, 2018:

IN EUR	CONTROLLING SHAREHOLDER	STAKEHOLDERS AND OTHER RELATED PARTIES	TOTAL
<b>NON-CURRENT LIABILITIES</b>			
<b>Long-term loans and debts:</b>			
Shareholders	834,621		834,621
Related parties		510,904	510,904
	<b>834,621</b>	<b>510,904</b>	<b>1,345,525</b>

### c. Year ended December 31, 2018:

IN EUR	CONTROLLING SHAREHOLDER	STAKEHOLDERS AND OTHER RELATED PARTIES	TOTAL
<b>NON-CURRENT LIABILITIES</b>			
<b>Long-term loans and debts:</b>			
Shareholders	832,459		832,459
Related parties		503,561	503,561
	<b>832,459</b>	<b>503,561</b>	<b>1,336,020</b>

d. Transactions and commitments with stakeholders and related parties:

1. In 2015, NIS 383,686 was transferred to Eco Wave Power Gibraltar (hereafter: "Eco Wave Gibraltar"). The amount was given as a loan to finance the construction of a power plant in Gibraltar. The company's management has not yet formulated a decision on whether or not this loan will be an investment and therefore the terms of the loan have not yet been established. The company holds 100 percent of the share capital in Eco Wave Gibraltar. In 2016, an additional NIS 1 million was transferred to Eco Wave Gibraltar and in 2017 approximately NIS 157,131 was transferred, which meant that a total of 1,540,817 NIS had been transferred. In 2018, NIS 363 thousand were transferred, which means that a total of NIS 1.904 million has been transferred.

2. In 2013, an agreement was signed with Suzhou Eco Wave Power Technology Co Ltd, (hereinafter: "Eco Wave China"), according to

which the Company will invest an amount of RMB 900 thousand (approximately USD 130,000) in Eco Wave China for 90% of its share capital, in order to build a power plant in China. The company also provides Eco Wave China with consulting services. In 2016, the Company transferred a total of NIS 209,224 to Eco Wave China and in 2017 an additional NIS 558,847 had been transferred, which means a total transferred to Eco Wave China of NIS 768 071. At the beginning of 2019, the amounts transferred to Eco Wave China have been registered as loans. The total amount is NIS 21 thousand.

e. Remuneration and benefits to stakeholders and key personnel in leading positions:

The company's key management personnel are board members, senior executives and a management company providing the company with services from key management personnel.

As of March 31, 2019:

IN EUR	STAKEHOLDERS (INCLUDING BOARD MEMBERS) EMPLOYED BY THE COMPANY	STAKEHOLDERS NOT EMPLOYED BY THE COMPANY	BOARD MEMBERS NOT EMPLOYED BY THE COMPANY	OTHER KEY PER- SONNEL IN MANA- AGEMENT ROLES
Short-term employee benefits	0	0	0	34,046
Post-employment benefits	0	0	0	3,659
Other long-term benefits	0	0	0	1,110
Termination benefits	0	0	0	0
Share-based benefits	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>38,815</b>

No. of people to whom the benefits relate

1

### Note 13 - Comittments

1. *Support and Investment Agreement with the Israeli Ministry of Energy*  
On December 24, 2018, the company agreed with the Israeli Energy Agency ("the authority") on the project "100 kilowatt power plants to generate electricity from ocean waves" ("the project"). Based on that agreement, the authority will pay 50 percent of the company's costs up to a total of ILS 492 thousand. The agreement is valid for 12 months, from January 1, 2019 to December 31, 2019. The Authority is entitled to: (i) extend the agreement for a further year, and (ii) terminate the agreement by giving the company a written warning. In the event that the agency decides to terminate the agreement, it shall repay the company the entire costs up to the end date. The company assures that it does not receive, and will not receive, any additional funding linked to the project. Furthermore, the company's intellectual property rights linked to the project cannot be transferred without this being first approved by the authority.

### Note 14 - Events after the balance sheet date

1. On April 12, 2019, the company has entered into agreements with the European Commission's SME Implementation Agency for the financing of the "wave scale development at a cost-effective level and commercial scale (Wave Scale)" within the Horizon 2020 Program. The funding consists of a grant of EUR 50 thousand for the development of the facility in Gibraltar, provided that the company presents a final report, consisting of a final technical

and financial report, on the preparatory actions in the project within sixty days after the grant period expires. In connection with the approval of the second part of the project, the company will receive a grant of up to EUR 3 million for the implementation of the plan.

2. In April 2019, the company received an AUD 75,000 (Australian dollar) grant from the Australian Government to form an Australian company to handle green energy.

3. After March 31, 2019, the company has received capital contributions from shareholders corresponding to approximately EUR 828 thousand.

### Note 15 - Significant accounting principles

The following accounting policies have been applied consistently in the quarterly report for all periods presented, unless otherwise stated.

#### a. Ground for presentation of the quarterly report:

This quarterly report has been prepared in accordance with International Financial Reporting Standards ("IFRS"). Furthermore, the quarterly report has been prepared in accordance with the provisions of the "Israeli Securities Regulations (Annual Financial Statements), 2010". The company's financial reports have been prepared based on cost.

*b. Consolidated quarterly report:*

The consolidated quarterly report consists of financial reports from companies controlled by the Company (subsidiaries). Control is achieved when the Company is exposed to, or is entitled to, the varying results from its involvement in the company in which it has invested. Possible voting rights take has been taken into account when assessing whether the unit has control or not. The consolidation of the financial statements begins at the date on which control is obtained and ends at the date such control ceases. The company's financial statements are prepared for the same dates and periods. The Group's quarterly report is prepared through uniform accounting principles in all the Group's companies. Significant intra-Group transactions and gains or losses from intra-Group transactions are eliminated in full in the Group's financial statements. Minority interests in subsidiaries represent the equity in subsidiaries that are not attributable, directly or indirectly, to the parent company. Minority interests are presented in equity, especially from the equity attributable to the Company's owners. Losses are attributed to minority interests even if they result in a negative balance for minority interests in the Group's balance sheet

*c. Functional currency, presentation currency and foreign currency:*

1. Functional currency and presentation currency: Presentation currency in the quarterly report is Euro ("EUR"). Assets and liabilities are recalculated to the closing price at each balance sheet date. Profit items have been translated at an average exchange rate for all periods presented. The translation differences that have arisen have been reported in the currency translation reserve.

2. Foreign currency transactions, assets and liabilities: Transactions in foreign currency are initially recognized at the exchange rate at the transaction date. After initial recognition, the monetary assets and liabilities in foreign currency are translated at the respective balance sheet date into the functional currency at the exchange rate prevailing at the balance sheet date. Exchange rate differences are reported in the income statement. Non-monetary assets and liabilities in foreign currency and which are reported at cost are translated at the exchange rate at the transaction date.

*d. Cash and cash equivalents:*

Cash and cash equivalents are considered to be highly liquid investments, including short-term bank deposits without restrictions with an original maturity of three months or less from the investment date, or with a maturity date after more than three months, but where the investments are redeemable on request without charge and which are part of the Group's liquidity management.

*e. Short-term deposits:*

Short-term bank deposits are deposits with an original maturity date after more than three months from the investment date and which do not meet the liquidity criteria. Deposits are presented in accordance with their deposit terms.

*f. Fixed assets:*

Fixed assets are reported at cost, including directly attributable costs, less accumulated depreciation and any related invest-

ment grants and excluding day-to-day servicing expenses. Cost includes spare parts and equipment that are used in connection with plant and equipment. A part of an item of fixed assets with a cost that is significant in relation to the total cost of the item is depreciated separately using the component method. The cost of an item of fixed assets comprises the initial estimate of the costs of dismantling and removing the item and restoring the site on which the item is located. Depreciation is calculated on a straight-line basis over the useful life of the assets at annual rates as follows:

IN EUR	%	MAINLY %
Land	-	-
Plant and equipment	10	10
Furniture and office equipment	10-33	10

*g. Liabilities related to employment benefits:*

The Group has several employee benefit plans:

1. Short-term employment benefits:

Short-term employment benefits are benefits that are expected to be fully realized within 12 months of the end of the fiscal year in which the employees perform the related work. These benefits include salaries, paid annual leave, paid sick leave, recreation and social security contributions and they are reported as expenses as the related work is performed. A liability for a cash bonus or a profit-sharing plan is reported when the Group has a legal or constructive obligation to make such a payment as a result of previous work of an employee and a reasonable estimate of the amount can be made.

2. Post-employment benefits:

These plans are normally financed through fees to insurance companies and are classified as defined contribution plans or as defined benefit plans.

The Group has defined contribution plans according to section 14 of the Severance Pay Law, whereby the Group pays fixed fees and will not have any legal or constructive obligation to pay any additional fees if the fund does not include sufficient amounts to pay all employment benefits related to the employees' work during current and previous periods.

Fees according to the defined contribution plans for severance pay or pension are reported as an expense when the fee is paid, at the same time as the employee performs the work.

With regard to its obligations to pay severance pay for some of its employees, the company makes provisions to pension funds and insurance companies ("plan assets"). Plan assets consist of assets that are managed in the long term in an employment benefit fund or qualified insurance policies. Plan assets are not available to the Group's own creditors and cannot be repaid directly to the Group.

# Review report

To the Board of Directors of EWPG Holding AB  
Corp. id. 559202-9499

## Introduction

We have reviewed the condensed interim financial information (interim report) of EcoWave Power Ltd as of 31 March 2019 and the three-month period then ended on pages F-101-F-112. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34. Our responsibility is to express a conclusion on this interim report based on our review.

## Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34.

Stockholm, June 26, 2019

**KPMG AB**

Håkan Olsson Reising  
Authorized Public Accountant

# Definitions

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<b>“Aktieinvest”</b>	refers to Aktieinvest FK AB
<b>“AUD”</b>	refers to Australian dollar
<b>the “Code”</b>	refers to the Swedish Code of Corporate Governance
<b>the “Company” or “Eco Wave Power Group AB”</b>	refers to EWPG Holding AB (publ), reg. no. 559202-9499, a Swedish public limited liability company
<b>“ILS”</b>	refers to Israeli shekel
<b>the “Group”</b>	refers to the group of which the Company is the parent company, which also includes the Subsidiaries
<b>“KPMG”</b>	refers to KPMG AB
<b>“First North”</b>	refers to Nasdaq First North
<b>“FNCA”</b>	refers to FNCA Sweden AB
<b>“Euroclear”</b>	refers to Euroclear Sweden AB
<b>“Naventus”</b>	refers to Naventus Corporate Finance AB
<b>the “Offering”</b>	refers to the Offering of shares as described in this Prospectus.
<b>the “Prospectus”</b>	refers to this Prospectus
<b>“Eco Wave Power”</b>	refers to the Company and/or, depending on context its operating Subsidiary as applicable
<b>“Eco Wave Power China”</b>	refers to Suzhou Eco Wave Power Technology Ltd, reg. no 913205810942967451, which is a subsidiary of the Company incorporated under the laws of PRC
<b>“Eco Wave Power Mexico”</b>	refers to Eco Wave Power Mexico Ltd., reg. no 507055 and Eco Wave Power Manzanillo 1, org. no. 562840, which are subsidiaries of the Company incorporated under the laws of Mexico
<b>“Eco Wave Power Ltd.”</b>	refers to Eco Wave Power Ltd, reg. no 514593722, which is a subsidiary of the Company incorporated under the laws of Israel
<b>“Eco Wave Power Gibraltar”</b>	refers to Eco Wave Power Gibraltar Ltd, reg. no. 113264, which is a subsidiary of the Company incorporated under the laws of Gibraltar
<b>“SEK”</b>	refers to Swedish kronor
<b>the “SFSA”</b>	refers to the Swedish Financial Supervisory Authority (Sw. Finansinspektionen)
<b>“Subsidiaries”</b>	refers to all wholly and partly owned subsidiaries
<b>“USD”</b>	refers to American dollar
<b>“GBP”</b>	refers to British pound

# Addresses

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## The Company

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## Legal Adviser

### **Advokatfirman Törngren Magnell KB**

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## Certified Adviser

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## Accounting Institute

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## Selling agents

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Nordnet Liv AS

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