

**YEAR-END REPORT FOR THE PERIOD
1 JANUARY – 31 DECEMBER 2019
EWPG Holding AB (publ)**



Significant events and financials in the summary¹

Fourth quarter of 2019

- Revenues (mainly grants) of SEK 1.0 million (0).
- Net earnings of SEK -4.4 million (-2.4). Net earnings excl. IPO related costs of SEK -3.8 million.
- Earnings per share of SEK -0.1 (-22).
- As of 31 December 2019, cash and cash equivalents amounted to SEK 110 million (2.6).

Significant events

- Eco Wave Power finalized parts procurement for the Jaffa Port conversion unit.
- In November, Eco Wave Power entered the assembly phase of the Jaffa Port project. The Jaffa Port power station is partially co-funded by The Ministry of Energy of Israel and by EDF Renewables, as part of the Joint Venture agreement entered between the parties.
- Eco Wave Power received the third payment as part of the grant it secured from The Ministry of Energy of Israel (Office of the Chief Scientist).
- The board and the Company's CFO visited the Jaffa Port installation site in Israel.
- Eco Wave Power finalized pre-feasibility studies and representatives from Eco Wave Power attended an event called "demo day", in Lisbon Portugal and presented the results of EWP's pre-feasibility studies for several ports in Portugal. According to the initial studies, the ports are deemed suitable for the installation of the EWP technology. In parallel, members of the Eco Wave Power team have visited the above-mentioned ports, to agree on the next steps required to enable technology implementation of the ports' existent infrastructures.

- In December, EWP was awarded the prestigious **United Nations Global Climate Action Award** at COP25 in Madrid. During COP25, Eco Wave Power met with Minister John Cortes, Minister of Health and Environment of Gibraltar.



- Eco Wave Power installed a spotter buoy in proximity to its' wave energy power station in Gibraltar. The spotter measures wave height, period and direction, as well as the wind speed in the implementation site.
- According to a new study by UMT University in Malaysia, the hydraulic conversion mechanism, as the one used by Eco Wave Power, is the most appropriate Power Take Off (PTO) mechanism, for converting wave energy into stable electricity, especially for the wave activated energy conversion system. Hydraulic PTO system has significant advantages because of its excellent characteristics, i.e., well-suited to low-frequency and large power density waves. The hydraulic PTO system uses incompressible fluid, which results in higher efficiency. It was reported in the literature that the efficiency of a hydraulic PTO system in a typical Wave Energy Conversion (WEC) system could be achieved up to 90%. Moreover, the hydraulic PTO system also can be effectively used to control the WEC device according to the ocean wave condition in order to maximize energy absorption.

- Eco Wave Power is gaining awareness and received positive coverage by BBC, I24NEWS, Liberation France, Forbes and The Economist.

Events after the reporting date

- Eco Wave Power has taken the next steps towards commercialization of its wave energy technology. The company has finalized the assembly of the hydraulic energy conversion unit for its Jaffa Port project and entered the electrical assembly phase, which is executed by Siemens.
- Inna Braverman (CEO of EWP) had a meeting with Mr. João Galamba the Secretary of Energy of Portugal, and with representatives from EDP (the Portuguese National Electric Company) regarding Eco Wave Power's potential projects in the above mentioned Portuguese ports.

Full year of 2019

- Revenues (mainly grants) of SEK 1.7 million (0).
- Net earnings of SEK -18 million (-8).
- Earnings per share of SEK -0.9 (-75).

About EWPG HOLDING AB (SE0012569663)

EWPG Holding AB (publ) ("Eco Wave Power") is a leading onshore wave energy technology company that developed a patented, smart and cost-efficient technology for turning ocean and sea waves into green electricity. Eco Wave Power's mission is to assist in the fight against climate change by enabling commercial power production from sea and ocean waves.

EWP is recognized as a "Pioneering Technology" by The Ministry of Energy of Israel and was labelled as an "Efficient Solution" by the Solar Impulse Foundation. Furthermore, EWP's project in Gibraltar has received funding from the European Union Regional Development Fund and from the European Commission's HORIZON2020 framework program. The company was also recently recognized by the United Nations in receiving the "Climate Action Award", which was granted to the company during COP25 in Madrid, Spain.

Eco Wave Power was founded in 2011 and has operations in Sweden, Gibraltar, Australia, Mexico, China and Israel. The major Swedish shareholders in EWPG Holding AB are AP4 and Skandia Fonder. The Eco Wave Power share (EWP, EWPG) is traded on Nasdaq First North Growth Market.

Read more about Eco Wave Power at: www.ecowavepower.com.

¹ Numbers in parentheses refers to outcomes during the corresponding period of the previous year.

A Word From the CEO

Since the beginning, we have methodically built Eco Wave Power with the aim of becoming a global company with potential to change the energy landscape.

In the last quarters, we have taken further steps to accelerate the pace and width of our expansion, by collaborating with strong partners such as EDF Renewables and reliable subcontractors, such as Siemens.

In Gibraltar's power plant, we reached an important milestone as we successfully carried out and completed long-term tests (carried since 2016) of our wave energy modules, which were enabled due to an effective collaboration with The Gibraltar Ministry of Environment and the local power company, GibElectric and with co-funding from the European Regional Development fund and Horizon2020. Among the conducted tests, we have examined the durability of our equipment during storms and tested our storm-protection mechanism. In addition, we have proved that our technology does not harm the environment and that wave energy can be safely connected to the electrical grid.

The long-term tests and continued operation are a confirmation that our power plants achieve the desired durability and stable electricity production with a reliable and renewable baseload power.

This marked the start for Eco Wave Power to begin preparing the next power plant. Together with our partners, we are now focusing on the construction of the Jaffa Port power plant. Our engineering team and subcontractors have completed the tasks of planning, parts procurement for the conversion unit and most recently finalized the assembly of the hydraulic section of the conversion unit. Soon, where there few months ago was a small-scale off grid R&D site, there will be a wave energy power plant that will produce clean and renewable electricity and will be connected to the grid. This will be Eco Wave Power's second grid connected power station and will reinforce Eco Wave Power's position as a pioneer in the wave energy sector.

We are also entering 2020 with a large project pipeline, which are an integral part of our on-going global expansion plan.



In the same time, the increased interest in the Eco Wave Power technology, have generated the need for operational focus in both management and organization, which is why we are currently expanding our team, to enable us to support the newly gained interest and the licensing processes. The new composition will give us the best possible conditions for the rapid growth we have ahead of us.

The planned expansion and project delivery will be enabled due to the reinforced company's cash position and added strong European institutional investors, such as Skandia Fonder and AP4, which have participated in the company's public offering in mid-2019.

With a strengthened cash position and very strong partners, we now have better conditions than ever to continue to build Eco Wave Power to become a leading global renewable energy company.

Inna Braverman
CEO

Financial Development²

The Group in Q4 2019

- Revenues: SEK 1.0 million (0) (mainly grants).
- Costs: Costs associated with the share issue and the IPO, amounted to SEK 3.9 million. Of these, 3.3 million related to the share issue and were recognized in the shareholders' equity, not affecting the profit and loss statement. Excluding for the share issue and the IPO, operating costs together with general and administrative costs jointly amounted to SEK 5.1 million (2.7). The increase is largely explained by costs for the Swedish Parent Company, the Jaffa Port project expansion and new hires in Israel.
- Net earnings: Net earnings amounted to SEK -4.4 (-2.4).
- Cash flow: Net cash flow of SEK 0.8 million (1.2). Excluding for the share issue and the IPO, cash flow from operating amounted to SEK 1.1 million (-2.2).
- Balance sheet and the share: Cash and cash equivalents amounted to SEK 110 million (2.6). The final part of the share issue proceeds (SEK 4.1 million) was transferred to the Company in November 2019. Remaining shares worth 1.0 million, subscribed by a limited number of foreign shareholders, have not been possible to deliver for technical reasons and have therefore be nullified. The total proceeds from the new issue in the IPO amounted to SEK 120.8 million, before transaction costs.
- Employees: Average number of employees of 17 (14).

The Parent Company in Q4 2019

- Costs: General and administrative costs amounted to SEK 2.3 million, relating to the share issue, the IPO and setting up and operating the Swedish parent company.
- Balance sheet: Total shareholders' equity amounted to SEK 104 million.

The Group in the full year of 2019

- Revenues: SEK 1.7 million (0) (mainly grants).
- Costs: Costs associated with the share issue and the IPO, amounted to SEK 14 million. Of these, 9 million related to the share issue and were recognized in the shareholders' equity, not affecting the profit and loss statement. Excluding for the share issue and the IPO, operating costs together with general and administrative costs jointly amounted to SEK 14 million (6). The increase is largely explained by same factors as in Q4 2019.
- Net earnings: Net earnings amounted to -18 (-8).

Risk Factors

- The Group is exposed to several general and company specific risks that can impact operations and the financial performance of the Group. Management works pro-actively to identify, monitor and mitigate identified risks. Below is a non-exhaustive list of risks, which management considers to be material. Further details can be found in the IPO prospectus, available on the company's website.
- Immature market for the Company's products.
- Sales and marketing efforts
- IP rights and R&D.
- Environmental responsibility for damages.
- Permits and changes in the regulatory framework.
- The market price of the Company's share.

² Numbers in parentheses refers to outcomes during the corresponding period of the previous year.

Consolidated key figures

	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Revenues (SEK thousand)	981	-	1,688	-
Operating profit (SEK thousand)	-4,783	-2,666	-17,576	-8,544
Net earnings (SEK thousand)	-4,439	-2,403	-18,118	-8,167
Cash and cash equivalents (SEK thousand)	110,055	2,569	110,055	2,569
Equity ratio (%)	80%	-8%	80%	-8%
Outstanding shares at period end (million)	35.2	0.1	35.2	0.1
Outstanding shares on average (million)	35.1	0.1	20.4	0.1
Net earnings per share (SEK) (1)	-0.1	-22.0	-0.9	-74.9
Shareholders' equity per share (SEK)	2.9	-10.2	2.9	-10.2
No. of employees on average (FTE)	17	14	15	14

Definitions of key figures

Key figure	Definition
Equity ratio (%)	Shareholders' equity in relation to total assets at the end of the period.
Earnings per share (SEK)	Net earnings in relation to the average number of outstanding shares in the period.
Shareholders' equity per share (SEK)	Shareholders' equity in relation to the number of outstanding shares at the end of the period.

Financial reports

Consolidated income statement

SEK thousand	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Revenues	981	-	1,688	-
Other income	0	-	0	-
Operating costs	-787	-590	-3,768	-2,741
Gross profit	193	-590	-2,080	-2,741
General and administrative costs	-4,976	-2,076	-15,496	-5,802
Operating profit	-4,783	-2,666	-17,576	-8,544
Financial income	174	212	224	384
Financial expenses	170	51	-767	-8
Net earnings¹	-4,439	-2,403	-18,118	-8,167
Attributable to:				
The Company's shareholders	-4,281	-2,012	-17,789	-7,647
Minority interest	-158	-391	-329	-520

²Earnings per share is the same before and after dilution as the Group has no outstanding options or warrants

Consolidated balance sheet

SEK thousand	Dec 2019	Dec 2018
Assets		
Current assets		
Cash and cash equivalents	109,028	2,312
Short-term deposits	1,028	257
Other receivables	2,063	1,133
Total current assets	112,118	3,702
Fixed assets		
Property, plant and equipment	14,366	9,832
Total fixed assets	14,366	9,832
Total assets	126,484	13,534
Liabilities and Equity		
Current liabilities		
Trade payables	4,890	97
Other payables	1,733	817
Total current liabilities	6,623	914
Non-current liabilities		
Lease liabilities	2,679	-
Shareholders	10,113	8,554
Related parties	5,308	5,174
Total non-current liabilities	18,100	13,728
Equity		
Share capital	704	2
Share premium	141,817	21,517
Foreign currency translation reserve	24	-63
Retained earnings	-40,964	-22,972
Equity attributable to shareholders of the Company	101,581	-1,516
Minority interest	179	408
Total equity	101,760	-1,109
Total liabilities and equity	126,484	13,534

Consolidated cash flow

SEK thousand	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Operating activities				
Net earnings	-4,416	-2,403	-18,096	-8,167
Add-back depreciation and amortization	55	50	212	200
Changes in assets and liabilities				
Decrease (increase) in other receivables	3,013	56	-840	-227
Increase (decrease) in trade payables	2,214	-119	4,784	-278
Increase (decrease) in other payables	900	324	871	575
Net cash flow from operating activities	1,765	-2,091	-13,067	-7,898
Investing activities				
Purchase of fixed assets	-888	-138	-1,478	-746
Investment in bank deposits	-658	9	-750	9
Net cash flow from investing activities	-1,547	-130	-2,228	-738
Financing activities				
Issue of shares	4,117	3,093	129,577	7,311
Transaction cost for share issue	-3,115	-	-8,718	-
Increase (repayment) of non-current liabilities and credit from bank	-488	224	1,108	247
Net cash flow from financing activities	514	3,317	121,968	7,558
Exchange rate differences on balances of cash and cash equivalents	-117	-67	297	29
Cash flow for the period	784	1,155	106,419	-968
Cash and cash equivalents at the beginning of the period	108,361	1,224	2,312	3,253
Cash and cash equivalents at the end of the period	109,028	2,312	109,027	2,314

Consolidated changes in equity

SEK thousand	Share capital	Share premium	Foreign currency translation reserve	Retained earnings	Total for shareholders of the Company	Minority interest	Total
Balance as of 1 Jan 2019	2	21,517	-63	-22,972	-1,516	408	-1,109
Net earnings	-	-	-	-17,767	-17,767	-329	-18,096
Issue of share capital	127	129,390	-	-	129,517	60	129,577
Transaction cost for issue of share capital	-	-8,718	-	-	-8,718	-	-8,718
Acquisition of subsidiary	575	-574	-	-	0	-	0
Change in foreign currency translation reserve	0	203	87	-225	65	40	105
Balance as of 31 Dec 2019	704	141,817	24	-40,964	101,581	179	101,760
Balance as of 1 Jan 2018	2	14,245	-204	-14,677	-634	425	-209
Net earnings	-	-	-	-7,647	-7,647	-520	-8,167
Issue of share capital	-	6,644	-	-	6,644	444	7,088
Change in Foreign currency translation reserve	0	628	141	-648	121	59	179
Balance as of 31 Dec 2018	2	21,517	-63	-22,972	-1,516	408	-1,109

Parent Company income statement

SEK thousand	Q4 2019	Full year 2019
Gross profit	0	0
Operating profit	-2,325	-9,051
Net earnings	-2,326	-9,001

Parent Company balance sheet

SEK thousand	Dec 2019
Assets	
Current assets	108,206
Fixed assets	577
Total assets	108,783
Liabilities and Equity	
Current liabilities	5,169
Equity	103,615
Total liabilities and equity	108,783

Notes

Note 1: Summary of significant accounting policies

Accounting standard and basis of accounting

This interim report has been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting and in accordance with Swedish Annual Accounts Act. With respect to the Parent Company, this interim report has been prepared in accordance with the Swedish Annual Accounts Act and in compliance with RFR 2, Accounting for Legal Entities. This report does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's IPO prospectus, available on the Company's website. This interim report has not been reviewed by the Company's auditors.

Company information and reporting entity

EWPG Holding AB (publ) (the "Company" or the "Parent 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 registered office is at Strandvägen 7A, 114 56 Stockholm, Sweden. The interim report comprises summary financial statements for the Parent Company and the Group.

Establishing of the Group and use of reversed acquisition accounting

The Company acquired Eco Wave Power Ltd on 10 June 2019 through an issue in kind and then became the Parent Company of the newly formed group. At the time of acquisition, the Company had no assets or operations. The purpose of the acquisition was to incorporate the operations according to Swedish law prior to the listing on Nasdaq First North Stockholm. The previous shareholders of Eco Wave Power Ltd became the majority shareholders of the Company, and the substance of the transaction is therefore that Eco Wave Power Ltd acquired the Company. Applying the rules in IFRS 3 regarding reverse acquisitions, comparative figures are those of the group for which Eco Wave Power Ltd. is the parent company.

Consolidation

The "Group" or "Eco Wave Power" refers to the group for which the Company is the parent company. The Company 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:

- 632805353 (Australian Company Number), a private limited liability company incorporated under the laws of Australia. 100% ownership.
- EDF EWP One Ltd., reg. no. 516065943, a private limited liability company incorporated under the laws of Israel. 50% ownership.
- Eco Wave Power Australia PTY Ltd., reg. no. 632805353 (Australian Company Number), a private limited liability company incorporated under the laws of Australia. 100% ownership.
- EDF EWP One Ltd., reg. no. 516065943, a private limited liability company incorporated under the laws of Israel. 50% ownership.
- Eco Wave Power Gibraltar Limited, reg. no. 113264, a private limited liability company incorporated under the laws of Gibraltar. 100% ownership.
- Eco Wave Power Mexico, reg. no. 507055 a private limited liability company incorporated under the laws of Mexico. 54% ownership. This subsidiary in turn owns 99.99% of Eco Wave Manzanillo I, reg. no. 562840 a private limited liability company incorporated under the laws of Mexico.
- Suzhou Eco Wave Power Technology Co., Ltd., reg. no. 913205810942967451, a private limited liability company incorporated under the laws of the PRC. 90% ownership.

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 percent 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 stakeholders. The remaining part of EWP EDF One Ltd is owned by EDF Renewables in Israel. The purpose is to collaborate, on an exclusive basis, in the development, financing, engineering, procurement, construction and operation of a 100KW pilot project in the Jaffa Port, using the Eco Wave Power's technology, to assess further possible collaborations in the wave energy field.

Basis of accounting

The interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act, which complies with the stipulations of RFR 2. The same accounting principles and calculation methods have been used in this report as in the IPO prospectus.

Functional and presentation currency

The reporting currency is SEK.

IFRS 16

The lease for the offices in Israel has been treated in accordance with IFRS 16, which is an accounting standard that provides guidance on accounting for leases and is in effect since 1 January 2019.

Note 2: Options and warrants

There are no outstanding options or warrants. The Group is currently preparing for an option program to key employees.

Note 3: Related party disclosure

Non-current liabilities to shareholders mainly comprise of loans from the shareholder and member of the Board, David Leb. Eco Wave Power Ltd. has entered two loan agreements with David Leb which, as of 31 December 2019, amounts to a total of USD 1.0 million (equivalent to ca. SEK 10 million). The first loan agreement amounts to a total of USD 0.2 million (equivalent to ca. SEK 2 million). The loan shall be repaid through monthly instalments from January 2019 and carries an interest rate of four percent per annum compounded annually. The second loan agreement amounts to USD 0.8 million (equivalent to ca. SEK 8 million). 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 percent per annum. No repayment has been made in 2019.

Non-current liabilities to related parties comprise loans from the minority shareholder of Suzhou Eco Wave Power Technology Co, which has given a loan to EWP. This loan has been unchanged the past couple of years.

Note 4: Contingent liabilities

The Group has no contingent liabilities that it is aware of.

Note 5: Forward looking statements

In this report, forward-looking statements are based on management's expectations at the time of the report. Although management considers the expectations to be reasonable, there is no guarantee that these expectations are or will prove to be correct. Accordingly, future outcomes may differ significantly from those expressed in the forward-looking statements due to such factors as changed market conditions for the Group's services and more general changes in respect of economic, market and competitive conditions, changes in regulatory requirements and other policy measures and fluctuations in exchange rates. The Group does not undertake to update or correct such forward-looking statements, other than what is stipulated in law.

Other information

The share

The share is listed on Nasdaq First North Stockholm as of 18 July 2019 (short name is EWP and ISIN code is SE0012569663).

Total number of outstanding shares amounts to 35.2 million as at 31 December 2019.

Certified advisor

FNCA Sweden AB is the Company's Certified Adviser (+46 (0)8 528 00 399, info@fnca.se).

Largest shareholders as per 31 December 2019

As per 31 December 2019, the Company's shares are owned by 4,300 shareholders. In the table below the Company's largest shareholders are listed.

Shareholder	Shares / votes	Percent
David Leb	11,789,800	33%
Inna Braverman	11,750,000	33%
Pirveli Investments Ltd.	1,951,000	6%
Skandia Sverige Hållbar	526,315	1%
Fjärde AP-fonden	525,000	1%
Other shareholders	8,652,729	25%
Total	35,194,844	100%

Financial calendar

2020-04-24: Annual report
2020-05-29: Interim report for Jan-March 2020
2020-05-29: AGM

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Affirmation of the Board of Directors

The Board of Directors and the CEO hereby assure that this full-year report for 2019, including the fourth quarter of 2019, provides a true and fair overview of the performance of the Parent Company's and the Group's operations, financial position and earnings, and that it describes the significant risks and factors of uncertainty to which the Parent Company and the companies included in the Group are exposed.

The English version of this report takes precedence over the Swedish version, should any differences be found.

Stockholm, 28 February 2020

MATS ANDERSSON
CHAIRMAN OF THE BOARD

ELIAS JACOBSON
BOARD MEMBER

DAVID LEB
BOARD MEMBER

INNA BRAVERMAN
CEO AND BOARD MEMBER





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