



Changing the World One Wave at a Time

INTERIM REPORT FOR THE PERIOD
1 JANUARY - 31 MARCH 2020

EWPG Holding AB (publ)

First quarter of 2020¹

- Revenues of SEK 0 million (0).
- Operating costs increased to SEK 1.0 million (0.5) due to work with the Jaffa port expansion. Administrative expenses increased to SEK 3.3 million (0.9). The increase is largely explained by that the Company was not listed and had no office in Stockholm in Q1 2019 and that new hires have been made in Israel in the end of 2019.
- Profit (loss) for the period amounted to SEK -4.4 million (-1.7).
- Earnings per share of SEK -0.1 (-14.7).
- As of 31 March 2020, cash and cash equivalents amounted to SEK 105 million (0.9) and shareholders' equity amounted to SEK 97 million (-3). Total number of outstanding shares amounted to 35.2 million (0.1).
- Cash flow from operating activities decreased to SEK -5.0 million (-1.8) due to increased costs.
- Average number of employees of 17 (14).

Significant events after the reporting date

In April, EWP entered into an official Concession Agreement with APDL (A Administração dos Portos do Douro, Leixões e Viana do Castelo) regarding the usage of an area potentially suitable for the construction, operation and maintenance of a wave energy power plant of up to 20MW in four locations owned and operated by APDL.

According to the agreement entered between the parties, APDL will provide EWP with the concession for its' breakwaters for a period of 25 to 30 years, while Eco Wave Power will be responsible for securing all the licenses, constructing and commissioning the power plant/s and selling the electricity to be generated by the power plant in accordance with an approved production quota, to be determined for each site.

The power plant is planned to be constructed and commissioned in two stages. At the first stage, Eco Wave Power will construct an up to 5MW project. Whereas in the second stage, Eco Wave Power will construct, operate and maintain the remaining capacity of the plant (15 to 19 additional MWs). APDL will have a right of first refusal (ROFR) to invest partially or fully in both stages of the project.

Significant events in the quarter

- In January, EWP 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.
- In March, Siemens finalized the assembly of the electrical Section of the EWP conversion unit for the Jaffa Port project. Later the same month, EWP finalized the wave simulation testing of the fully integrated EWP conversion unit, which will be followed by automation system installation and calibration, breakwater reinforcement, floaters production and full system transportation to the final implementation site for installation and grid connection.
- In the same month, EWP installs a new combined wave and solar system in the EWP grid connected wave energy power station in Gibraltar, in line with its' newly submitted patent for a combined wave and solar power station.

About EWPG Holding AB

EWPG Holding AB (publ) ("Eco Wave Power" or "EWP") 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 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



This period has clearly shown the importance of what Eco Wave Power is doing. It is an alarming period. Suddenly, the whole world faces a Corona virus outbreak, and it seems as though the whole world paused for an unknown period. Maybe it is trying to teach us something.

In the same time, pollution and greenhouse gas levels have taken a dramatic dip as travel has come to a halt. Fewer cars on highways, planes in the sky, and people commuting to work has resulted in clear skies in many of the world's smoggiest cities. NASA and the European Space Agency's pollution monitoring satellites show a 30% drop in nitrogen dioxide in China since the outbreak of coronavirus. Lack of boat traffic and cruise ship tourism has left Venice's canals with clear water. Due to this sudden pause, we started getting images of clear skies and water all over the planet, which represents a glimpse of what it might look like if we took better care of the earth. We hope that images like these would instill in us more appreciation for clean skies and oceans, and motivate us to retain some of that, even as we hop back into polluting cars, boats and airplanes.

Now that we have seen how a cleaner world could look and feel like, it feels incredibly good that we have a solution that can help reverse the trend. We have a long way to go, but also a clear sense of urgency, which triggers thoughts on how we can scale up the business even faster.

Our goal is to finalize the construction of the EWP-EDF One Project in Jaffa Port, Israel and to further develop the existing projects in our pipeline, while securing new concessions in target markets such as: North America, Europe and Australia. In the last month, this has started falling into place with an up to 20MW Concession Agreement entered with APDL, for a first EWP wave energy project in Portugal. Based on such achievement, we are putting efforts in the creation and standardization of a Concession process to be replicable for the rest of our projects pipeline and future projects. The goal is positioning wave energy as standard renewable energy solution, to enable faster licensing and concession procedures.

The signing of the Concession Agreement with APDL in Portugal is a considerable step towards building our first commercial sized wave farm. The agreement is in line with the plan previously adopted by the Government of Portugal for ocean energy buildout and its' industrial strategy to accelerate the development of Portugal's ocean renewable energy sector. The major strategic objective is the

creation of a competitive and innovative industrial export cluster for ocean renewable energies; Ocean renewable energies have the potential to supply 25 percent of Portugal's annual power consumption, while the sector could generate €254 million in investment, €280 million in gross value added, €119 million in trade and 1,500 new jobs, the strategy states.

Generating electricity with our technology is done at a significantly lower cost compared to offshore wave energy developers, but debt financing for such projects is still lacking, while financing is a key factor in rolling out the technology at scale. Our public offering in 2019 assisted with this matter, by reinforcing EWP's cash position to enable the company to match the EDF Renewables IL investment for the EWP-EDF One project and to secure the financing to commence development of a first commercial EWP wave farm.

The quarter's main unforeseen challenge was the Corona virus outbreak, since our projects are mostly B2G (Business to Government). Understandably, most governmental organizations are currently focused on managing the Coronavirus crisis and this is likely to cause delays in certain project certifications and permits, and construction works, causing an overall delay in our deliveries. However, we are continuously moving forward, and the outlook is positive. Some examples of on-going activities are finalization of the assembly of the conversion unit for the EWP-EDF One project, Successful completion of the wave simulation testing with Siemens and EDF and installation of our new combined wave and solar technology in our grid-connected wave energy array in Gibraltar.

In summary, we have taken great steps forward. Despite unforeseen delays due to the Coronavirus outbreak, we are taking efforts to continue to deliver according to our plan. Eco Wave Power's goal is to commercialize wave power and we intend to do what it takes to achieve our goal.

Kind Regards
Inna Braverman
CEO

Consolidated statement of income^{1,2}

SEK THOUSAND	Q1 2020	Q1 2019	FULL YEAR 2019
Revenues	-	-	-
Operating costs	-971	-527	-3,768
Gross profit	-971	-527	-3,768
Administrative expenses	-3,321	-945	-15,496
Other income	161	-	1,688
Operating profit	-4,132	-1,472	-17,576
Financial income	418	-	224
Financial expenses	-678	-179	-767
Profit (loss) before tax	-4,392	-1,651	-18,118
Income tax	-	-	-
Profit (loss) for the period	-4,392	-1,651	-18,118
Attributable to:			
The company's shareholders	-4,185	-1,609	-17,789
Minority interests	-207	-42	-329

1. Earnings per share is the same before and after dilution as the Group has no financial instruments that could dilute the number of shares.

2. The Group has no items recognized as other comprehensive income, why total comprehensive income corresponds to profit (loss) for the year.

Consolidated balance sheet

SEK THOUSAND	31 MARCH 2020	31 MARCH 2019	31 DEC 2019
ASSETS			
Non-current assets			
Property, plant and equipment	14,863	10,517	14,366
Total non-current assets	14,863	10,517	14,366
Current assets			
Current receivables	1,632	1,380	2,063
Short-term deposits	744	370	1,028
Cash and cash equivalents	104,327	510	109,028
Total current assets	106,704	2,261	112,118
Total assets	121,567	12,778	126,484
EQUITY AND LIABILITIES			
Equity			
Share capital	704	2	704
Share premium	143,715	21,824	141,817
Foreign currency translation reserve	57	-113	24
Retained earnings	-47,246	-24,910	-40,964
Equity attributable to shareholders of the Company	97,230	-3,197	101,581
Minority interest	-58	385	179
Total equity	97,172	-2,811	101,760
Non-current liabilities			
Right-of-use liabilities	2,494	-	2,679
Shareholders	10,690	9,172	10,113
Related parties	5,658	5,498	5,308
Total non-current liabilities	18,843	14,671	18,100
Current liabilities			
Trade payables	3,547	50	4,890
Other payables	2,005	868	1,733
Total current liabilities	5,552	918	6,623
Total liabilities and equity	121,567	12,778	126,484

Consolidated statement of changes in equity

SEK THOUSAND	SHARE CAPITAL	SHARE PREMIUM	FOREIGN CURRENCY TRANSLATION RESERVE	RETAINED EARNINGS	EQUITY ATTRIBUTABLE TO SHAREHOLD- ERS OF THE COMPANY	MINORITY INTEREST	TOTAL EQUITY
Balance as of 1 Jan 2019	2	21,517	-63	-22,972	-1,516	408	-1,109
Net loss	-	-	-	-1,609	-1,609	-42	-1,651
Change in foreign currency translation reserve	0	307	-50	-329	-72	20	-52
Balance as of 31 March 2019	2	21,824	-113	-24,910	-3,197	385	-2,811
Balance as of 1 Jan 2020	704	141,817	24	-40,964	101,581	179	101,760
Net loss	-	-	-	-4,136	-4,136	-205	-4,342
Change in foreign currency translation reserve	0	1,898	33	-2,145	-215	-32	-247
Balance as of 31 March 2020	704	143,715	57	-47,246	97,230	-58	97,172

Consolidated cash flow statement

SEK THOUSAND	Q1 2020	Q1 2019	FULL YEAR 2019
OPERATING ACTIVITIES			
Profit (loss) for the period (CF)	-4,367	-1,609	-18,096
Add-back depreciation and amortization	58	50	212
CHANGES IN WORKING CAPITAL			
Decrease (increase) in current receivables	576	-171	-840
Increase (decrease) in trade payables	-1,355	-54	4,784
Increase (decrease) in other payables	440	-4	871
Cash flow from operating activities	-4,647	-1,787	-13,067
INVESTING ACTIVITIES			
Purchase of non-current assets	-359	-101	-1,478
Investment in bank deposits	328	-96	-750
Net cash flow from investing activities	-31	-197	-2,228
FINANCING ACTIVITIES			
Issue of shares	-	-	120,860
Increase (repayment) of non-current liabilities and credit from bank	-197	148	1,108
Net cash flow from financing activities	-197	148	121,968
Cash flow for the period	-4,865	-1,959	106,419
Cash and cash equivalents at the beginning of the period	109,028	2,312	2,312
Exchange rate differences on balances of cash and cash equivalents	340	187	340
Cash and cash equivalents at the end of the period	104,327	508	109,027

Notes to the financial reports

1. 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. 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. The same accounting principles and calculation methods have been used in this report as in the IPO prospectus. This interim report has not been reviewed by the Company's auditors.

2. 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 shares are traded at Nasdaq First North Growth Market. The Company's registered office is at Strandvägen 7A, 114 56 Stockholm, Sweden.

3. 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 Growth Market in 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.

4. 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:

- 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, a private limited liability company incorporated under the laws of Australia. 100 % 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.

5. 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.

6. Contingent liabilities

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

7. 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.

Financial calendar

2020-06-05:	Annual report
2020-06-26:	AGM
2020-08-28:	Interim report for April-June 2020

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