



# Changing the World One Wave at a Time

**INTERIM REPORT FOR THE PERIOD  
1 JANUARY - 30 JUNE, 2019**

EWPG Holding AB (publ)



# The period in summary

## Comments to the financials

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

### Second quarter of 2019

- Revenues of kSEK 169 (0).
- Net loss of kSEK 3,711 (2,064).
- Earnings per share is negative (negative).
- As of 30 June, 2019, cash and cash equivalents amounted to kSEK 6,354 (3,085).

### First half of 2019

- Revenues of kSEK 168 (0).
- Net loss of kSEK 5,352 (3,616).
- Earnings per share is negative (negative).

### Events occurred after the reporting date

- Net proceeds from the IPO in July 2019 amounted to MSEK 121.8 before transaction costs. The financial effects from the IPO are not reflected in this interim report as they occurred after the reporting date.

## Significant events 1 January - 30 June, 2019

- Eco Wave Power received grants from Israeli Energy Ministry, Queensland Government, PortXL and Phase A funding from Horizon 2020 - European Commission
- Eco Wave Power established a fully owned subsidiary in Australia, which is one of the highest energy potential markets for wave energy, and a key market for EWP's expansion.
- Eco Wave Power signed JV agreement with EDF Renewables in Israel for development of a joint project equally co-funded by both parties.
- Eco Wave Power expanded its projects pipe-line with new Letters of Intent from several sites including: The Port of Rotterdam, Impuls Zeeland, Vopak, and the Port of Taranto in Italy.
- In addition, EWP entered an MOU with Hadera Economic Company & OTWOI for a 1 MW installed capacity project in Hadera, Israel.
- Eco Wave Power also entered into an initial agreement (LOI) with Vandebroon (energy company from the Netherlands) which expressed its interest in entering a PPA (power Purchase Agreement) with Eco Wave Power in the scale of 20 MW.
- Eco Wave Power participated in the Bluetech competition held in Portugal by the Portuguese Ministry of the Sea. EWP was chosen to commence pre-feasibility studies for projects in the Port of Sines (the first and largest artificial port of Portugal) and the Port of Leixoes (One of Portugal's major seaports, located in Matosinhos municipality, near the city of Porto). The pre-feasibility studies will be ready and presented to both ports by the end of September.
- Eco Wave Power received approval for two patents.
- Eco Wave Power received multiple awards for its work including an award by C40 (Women4Climate initiative). In addition, the company made it to the list of SET100 of energy companies which are revolutionizing the world (by DENA & the World Energy Council) and recognized by FAMA as top 100 water innovator and recognized for its work in Jaffa Port by Ron Huldai, Mayor of the city of Tel Aviv-Jaffa, Israel.





## Significant events occurred after the reporting date

- EWPG Holding was publicly listed on Nasdaq First North. Eco Wave Power raised MSEK 121.8 from investors, making it the second largest listing on Nasdaq First North by that date. Eco Wave Power welcomed around 5,900 new shareholders in EWPG Holding AB, including AP4 and Skandia Fonder, who become two of the company's largest shareholders, as well as the chairman of the board, Mats Andersson, and the director of the board, Elias Jacobson.
- Eco Wave Power started procurement of parts for the Jaffa Port project expansion. Eco Wave Power has partnered with Siemens for the project, which will provide the electrical and grid connection technology while also upgrading Eco Wave Power's components for improved system efficiency
- Eco Wave Power conducted an Environmental Survey in connection with the Jaffa Port Project. The survey was conducted by Dr. Gil Ben Nathan, from GEO-TEVA Environmental Consulting. The results of the survey are that EWP's project has no negative impact on the surrounding environment.
- Eco Wave Power and EDF Renewables have established the JV company, in accordance with the JV agreement signed between the parties in Q2.
- Based on EWP's progress in Q2, The Port of Leixos in Portugal issued EWP an LOI for a project in the size of up to 5 MW. When it comes to wave energy, the government of Portugal estimates that there is a potential to install 3-4 GW of wave power capacity.
- Eco Wave Power received patent registration approval for EWP's proprietary automation system.
- Inna Braverman, CEO of Eco Wave Power met with the Government of Gibraltar to discuss the next steps for the execution of the 5 MW wave farm in Gibraltar.
- L'Atelier BNP Paribas, published a new report "OceanTech- How can Technology Save our oceans?". In the report, BNP Paribas, selects and highlights OceanTech companies with positive impact and includes Eco Wave Power.
- Eco Wave Power's innovative technology is presented in Tel Aviv Museum by the end of December, giving large scale positive exposure to visitors from all around the world and is featured in a new book called "FutureKind" by Thames & Hudson Publication. The book presents more than 60 world-changing projects that are shaping a better future for us all



# A Word from the CEO



*Dear Shareholders, I would like to begin with expressing our gratitude to approximately 5,900 new shareholders, including Skandia Fonder, AP4 and our Board of Directors, which supported us with our public listing on 18 July, 2019.*

*We thank you for your belief in wave energy, and in our company. We truly believe that NOW is the time to act against climate change.*

According to the United Nations, Climate crisis disasters are happening at the rate of once a week. A report by experts from 27 national science academies has set out the widespread damage global heating is already causing to people's health and the increasingly serious impacts expected in future.

The new Easeac report, The Imperative of Climate Action to Protect Human Health in Europe, assessed the scientific evidence of the effects of global heating on health. Extreme weather such as heat-waves, floods and droughts have direct short-term impacts but also affect people in the longer term.

*"We are exposing the whole of the world population to changes in climate, and this is clearly very concerning as we are moving to some extent into uncharted territory,"* said Haines, professor of environmental change and public health at the London School of Hygiene and Tropical Medicine.

*"We are subjecting young people and future generations to these increasing [health] risks for many hundreds of years to come, if not millennia,"* he said. *"We have to try to minimize the effects and move towards a low-carbon economy."*

The answer to the problem is clear- we MUST move to low-carbon economy and to renewable energy sources for production of clean electricity.

Wave energy is a huge clean energy resource, and here at Eco Wave Power (EWPG Holding AB) we will invest all possible efforts to reach the phase of commercially viable wave farms around the world.

We already got over a number of key challenges of the wave energy industry:

- **We proved that we can build wave energy power station at cost-efficient prices**
- **We proved the survivability of our solution during storms**
- **We have achieved insurance for our power stations**
- **and we gained support of the environmentalists by not connecting to the ocean floor.**

Our next significant goal is to execute a commercial wave farm, which will prove that wave energy in commercial-scale magnitude can generate sufficient electricity amounts and that wave energy can be profitable.

The challenge we took onto ourselves is not small. We are pioneering a new industry. However, the solar and wind industry, which are currently fully commercialized renewable energy sources went through the same path – maybe even harder – and we believe that with our technology we can reach significant results faster.

The very first solar cells, invented in the 1800s, were less than one percent efficient, not nearly enough to make them a useful energy source. It wasn't until 1954 that commercial panels were introduced to the U.S. market by Bell Telephone Laboratories. Engineers D.M. Chapin, C.S. Fuller, and G.L. Pearson carried on Ohl's work and used silicon to create a stable power source with four percent efficiency.

A year later, Hoffman Electronics launched the first Silicon commercial solar cell. It sold for \$25 per cell at the time and functioned at two percent efficiency. Each cell produced only a small number of milliwatts, thus the price per watt was set at over \$1,785. It was not at all an affordable option for the average consumer and look at the solar industry now. Efficient and cost-efficient solar panels are everywhere and the industry is booming.

This is where we want to be with our wave energy technology. We want to influence the energy generation of the world and become a significant part of the solution against climate change.

It is a big challenge, but it is not our style to shy away from challenges. Our company will not make decisions based on short-term revenues or profits. 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.

During the last few months we have achieved significant progress, which is getting us closer to our goal:

- We have **secured funding** from the Israeli Energy Ministry, The European Commission and other programs.
- We established **strategic collaborations** and partnered with global leaders in the energy industry, such as Siemens and EDF Renewables – which will assist us with our product development and implementation.
- We have **finished design** and started parts procurement for our project in Jaffa Port and finalized an environmental survey, showing that our technology has no negative impact on the surrounding environment.
- We are in the process of **hiring key positions** for the company to reinforce EWP's engineering and execution abilities, as well as our business development and marketing capabilities.
- We have **expanded our projects** pipe-line with focus on the European and Australian markets- where the wave energy potential is significant.
- And we have **reinforced our patent portfolio** with three new approved patents.

We are focused and determined to make wave energy a reality! Thank you again for being a part of our vision.

Kind Regards  
**Inna Braverman**  
CEO



# Business Activities elaborated

## GRANTS



Israeli Chief Scientist of the Energy Ministry, Dr. Gideon Friedman at a visit in Eco Wave Power's R&D station in the port of Jaffa, Israel

On 3 January, 2019, Eco Wave Power started to receive grant funding from the Chief Scientist of the Energy Ministry, Government of Israel- for the Jaffa Port project expansion. So far, the company received NIS 65,982 (Equivalent to SEK 180,094.57), out of total approved support amount of NIS 492,000 (SEK 1,342,889.40). EWP is using the funding to cover for engineering costs and parts procurement.



Mr. Matias Sigal presenting Eco Wave Power in a conference in Australia

On 22 January, 2019, EWP signed a Notice of acceptance for a grant of AUS dollar 75,000 (SEK 490,653.82), under the HOTDESQ program, by Queensland Government, Australia. As part of the grant's terms, Eco Wave Power established a 100 percent owned subsidiary in Australia in Q2, and has relocated a full-time representative to Brisbane to promote EWP's projects in the region. According to CSIRO research wave energy could contribute up to 11 percent of Australia's energy (enough to power a city the size of Melbourne) by 2050, making it a strong contender in Australia's renewable energy mix and an important market for EWP's future development and expansion.<sup>1</sup>



Mr. Yair Rudick, EWP's BD Manager, signing the PORTXL Agreement

On 8 March, 2019, Eco Wave power entered an agreement for the participation in PORTXL program, with the goal of promoting EWP's technology in the Netherlands. Eco Wave Power was chosen out of thousands of applications. According to the agreement, EWP received support of EUR 15,000 (SEK 160,627.20) for relocation a full time representative for three months. The participation was very successful for EWP, please read further in "New Projects" below.



On 9 April, 2019, Eco Wave Power entered a Grant Agreement number 867793 — Wave Scale, with the European Commission, as part of the Horizon2020 program. According to the agreement, Eco Wave Power will receive funding amount of EUR 50,000 (SEK 535,493.94) to develop a full business plan for the Gibraltar project expansion. The plan will be submitted by EWP till the end of September. Eco Wave Power already received part of the funding and will receive the rest upon submission of the full documents.

1. <https://www.csiro.au/en/Research/OandA/Areas/Marine-technologies/Ocean-energy/Wave-energy>

## STRATEGIC AGREEMENTS



On 15 May, 2019, Eco Wave Power signed a Joint Venture agreement with EDF Renewables in Israel. The joint venture bears the name EWP EDF One Ltd, and each of the parties holds 50 percent in the newly established company. The purpose of the SPV is to collaborate, on an exclusive basis, in the development, financing, engineering, procurement, construction and operation of a 100kW pilot project, using the Eco Wave Power's technology, to assess further possible collaborations in the wave energy field.

In such collaboration, EDF Renewables contribution to the Project will be the support in the licensing and permitting process towards local authorities and its know-how, by making available some of its employees, its network of subcontractors and its supply chain in

order to support the pilot project during industrialization phase, for its design, purchasing, and installation of equipment, commissioning, maintenance and repairs, data monitoring, and intermediary and final results analysis. In addition, EDF Renewables in Israel will fund 50 percent of the pilot project.

Whereas, EWP shall provide all relevant information, data, know-how from existing demonstrators, as well as license of the technology, including devices needed for the operation of the project, as well as maintenance and spare parts needed for the proper operation of said devices. EWP is also responsible for 50 percent of all project's costs.

## PROJECTS & PIPE-LINE EXPANSION

### Jaffa Port

The design and engineering phase of the Jaffa Port project expansion is concluded and procurement of parts for the construction of the plant has commenced.

The project, which is co-funded by the Israeli Energy Ministry, will include the construction and installation of ten floaters on 30 linear meters of a pre-existing breakwater within the port, having an installed capacity of 100 kW. Each floater will have a surface area of 8.54 m<sup>2</sup>.

As part of EWP's strategic cooperation with Siemens, the company will use only Siemens products and technology for its electric system and grid connection works, while Siemens will dedicate its vast knowledge and resources for an upgrade of EWP's electrical components and transmission to the grid to enhance the electrical system's efficiency.

The companies are also reviewing the possibility of expanding their strategic cooperation to EWP's near future commercial scale installations.



Photo from the dive of the marine ecologist from Geo-Teva Environmental Consulting

Eco Wave Power also conducted an Environmental Survey in connection with the Jaffa Port Project. The survey was conducted by Dr. Gil Ben Nathan, from GEO-TEVA Environmental Consulting and it proved that EWP's technology has no negative impact on the surrounding environment and the ecological balance.

The Jaffa Port expansion will be EWP's second grid connected project after its Gibraltar project which was launched in 2016, and is a significant leap forward for EWP and for the wave energy industry.



Illustration of Jaffa Port commercial scale wave energy power plant

## Gibraltar

Eco Wave Power is currently finalizing the Gibraltar's project initial planning and business plan, with funding that the company received from Horizon 2020 (European Commission) for this goal. The plan will be finalized by the end of September. During the month of August,

Inna Braverman, CEO of Eco Wave Power met with the Government of Gibraltar to discuss the next steps for the execution of the 5 MW wave farm in Gibraltar.

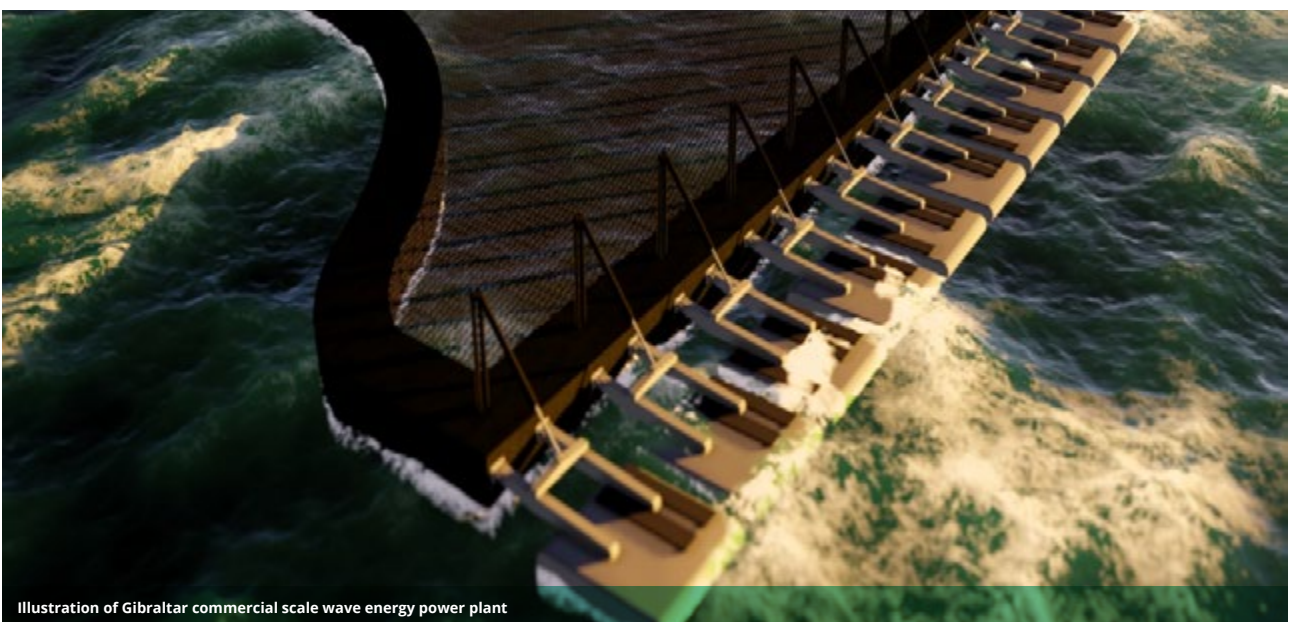


Illustration of Gibraltar commercial scale wave energy power plant



## NEW PROJECTS ADDED TO THE COMPANY'S PIPE-LINE<sup>3</sup>

During the month of May, The Energy Innovation Center - Nees Center established by the Hadera Economic Company and OTWOI announced the launch of a unique pilot project to generate electricity from the waves, based on the solution of Eco Wave Power. According to the plan, the pilot project will be installed along Hadera's coastline and will utilize EWP's unique floaters whose movement with the waves is converted to clean electricity to be used by the residents of the city. The first station is planned to be in an installed capacity of 1 MW.

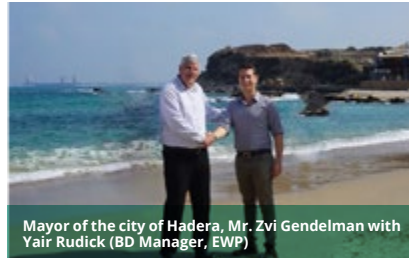
This innovative project highlights the ascension of the Municipality of Hadera to the leading energy city in Israel. The direct support of the city of Hadera, with guidance of the NEES center, makes implementing these kind of innovative renewable energy projects possible through the city's assistance in streamlining the project. By promoting this project in partnership with the Hadera municipality, the NEES Center is actively assisting Eco Wave Power in scaling its operations and in developing similar projects in Israel and worldwide.

In addition, During the month of June, Eco Wave Power has entered LOIs regarding potential projects with the Port of Rotterdam (largest port in Europe), and also with Impuls Zeeland, regarding the development of a wave energy project in the province of Zeeland in the Netherlands.

The company also entered an LOI agreement with Vopak, a publicly traded Dutch company (Market cap of 5.177 billion Euro) which stores and handles various oil, chemicals, edible oils and natural gas-related products. According to the agreement reached between the parties, Vopak will promote the implementation of the EWP technology in ports, jetties and breakwater under its supervision (including locations in Singapore, China & Panama)

EWP also entered an LOI with Vandebrom, which is a green energy company based in Amsterdam, that delivers green electricity and regular gas to individual and business customers. The company does not produce any energy itself, but instead sells energy generated by independent energy producers. Vandebrom expressed its interest in entering a PPA (Power Purchase Agreement) with Eco Wave Power in the scale of 20 MW.

In addition, Eco Wave Power signed a Letter of Intent with Mr. Sergio Prete (the President of the Port Authority of Taranto) regarding the implementation of the first wave energy project in Italy in the Port of Taranto & representatives from Eco Wave Power visited the port again in July for in-depth discussion on the best path forward.



Mayor of the city of Hadera, Mr. Zvi Gendelman with Yair Rudick (BD Manager, EWP)



Allard Castalein (CEO at Port of Rotterdam) and Matias Sigal on behalf of Eco Wave Power



Mr. Sergio Prete (President of the Port Authority of Taranto) and Mr. Matias Sigal from Eco Wave Power



Mr. Ruben Eiras, The Director General of the Ministry of the Sea in Portugal and Matias Sigal, on behalf of Eco Wave Power

Moreover, Eco Wave Power participated in the Bluetech program held in Portugal, which is organized by the Portuguese Ministry of the Sea, alongside FLAD (Luso-American Development Foundation). The program organizers have invited companies with bold & disruptive innovation to bring it to the Ports and Shipping industry, to be developed and piloted alongside world-class partners.

After a week of intensive meetings, the participants of the program were very impressed with the EWP technology and invited the company to commence prefeasibility studies in the Port of Sines (the first and largest artificial port of Portugal) and the Port of Leixoes (One of Portugal's major seaports, located in Matosinhos municipality, near the city of Porto). The prefeasibility studies will be submitted in the end of September, and the parties will jointly decide on the best path forward.

In July, the Port of Leixos in Portugal issued EWP with an LOI for a project in the size of up to 5 MW. When it comes to wave energy, the government of Portugal estimates that there is a potential to install 3-4 GW of wave power capacity

Ocean renewable energies have the potential to supply 25 percent of Portugal's annual power consumption. In this context, the government of Portugal based its EI-ERO around two main goals, which are to stimulate export and value-added investment and to assist industry in reducing risks.

The strategy also contributes to the realization of Port Tech Clusters which suggests the development of ocean renewable energies could be accelerated by creating synergies with the naval sector which could open access for the industry to the demonstration sites in real operating environments near ports.<sup>4</sup>

3. Projects which are in the LOI stage, are in its initial development process, and still require detailed feasibility studies, land approvals, grid connection approvals and other relevant approvals, as well as financial closing in order to reach the ready-to-build stage.



## IPO and investor activities

On 18 July, 2019, the shares of the Company were listed on Nasdaq First North Stockholm, a significant milestone in the Company's history. The two founders rang the bell at Nasdaq office in Stockholm to mark the start of trading in the Company's shares together with the board of directors, executive management and advisors to the company.

The offering attracted interest from institutional investors AP4 and Skandia Fonder as well as the general public. It is with great pleasure we welcome some 5,900 new shareholders in Eco Wave Power.

Prior to listing, Eco Wave Power completed a new share issue corresponding to approximately MSEK 121.8, making it the second largest listing on Nasdaq First North so far this year. The proceeds will predominately be used for building Eco Wave Power's first commercial wave farm, which will be a huge step towards the commercialization of wave energy and positioning it as an integral part of the world's renewable energy mix. In addition, the funds will be used for expanding Eco Wave Power's project pipeline, bringing more projects into the ready-to-build phase and for increasing sales and marketing activities.

### Investor relations activities

We are in the process of expanding our investor relation activities in order to reach out to our shareholders effectively. We will issue quarterly reports elaborating on financials and business activities. We have engaged Naventus to write research reports and analysis.

### Meet us

EWPG's executive management will present at the following events during Q3 and Q4 2019:

- **5 September:** Börsveckan's and Financial Hearing's Småbolagsdag, Stockholm
- **9 September:** breakfast meeting at the Sweden-Israel Chamber of Commerce
- **11 September:** Stockholm Tech Fest
- **9-12 September:** World Energy Congress, Abu Dhabi
- **23 September:** the E.ON Energy Globe event in Budapest, Hungary
- **10 October:** Cities & Business Forum at the C40 Cities World Mayors Summit – Copenhagen, Denmark
- **18-20 October:** KAIROS Europe Summit, Venice, Italy
- **9-13 December:** the United Nations Climate Change Conference (COP 25) in Santiago, Chile.

# Market Recognition & Awards



- February 2019** - Eco Wave Power and its CEO wins the Women4Climate tech challenge competition by C40 in Paris. The Award is the support of the city of Tel Aviv-Jaffa for the expansion of EWP's project, and exposure to all C40 member cities around the globe.
- In addition**, in the same month Inna Braverman is recognized by MSN.COM as one of The 30 Most Influential Women of the 21st Century, along with highly influential women such as Oprah Winfrey, Serena Williams, Angela Merkel, J.K. Rowling, Hillary Clinton and Sheryl Sandberg<sup>5</sup>. She also makes it to the list of *"5 business women shaping the new world"*<sup>6</sup> and *"Greatest Women of 21st century"*<sup>7</sup> and the list of *"6 Israeli Women who are changing the world"*<sup>8</sup>, as well as list of five inspiring women by Marie-Claire<sup>9</sup> Magazine, for her inspiring work and innovation with Eco Wave Power.
- March 2019** - Eco Wave Power is included in the #SET100 list for 2019 by DENA (German Energy Agency) and the World Energy Council. This list celebrates innovation, tenacity and companies who are revolutionizing the world.
- May 2019** - Eco Wave Power is awarded FAMAE TOP 100 WATER INNOVATOR
- June, 2019** - EWP received Recognition & support from Mr. Ron Huldai, The Mayor of Tel Aviv-Jaffa, for EWP's activity in Jaffa Port.
- In July**, L'Atelier BNP Paribas, published a new report *"OceanTech- How can Technology Save our oceans?"* In the report, BNP Paribas, selects and highlights OceanTech companies, with positive impact and Eco Wave Power is proud to be one of the companies selected by BNP Paribas.

## Short summary of the relevant parts of the BNP Paribas report

- L'Atelier BNP Paribas has 40 years of proven expertise in detecting cross-industry disruptive technologies deemed to have significant impacts on business models and society at large.
- Following a variety of studies and work that L'Atelier BNP Paribas Americas performed regarding the topics of energy transition and Sustainable Development Goals, they realized that the role of oceans in countering global warming has been underestimated.
- After exhaustive research about ocean life and ecosystems, as well as interviews with entrepreneurs and experts in the maritime sector, L'Atelier BNP Paribas decided to look at potential technological solutions to enable a more sustainable management of ocean

resources and their long-term protection. These solutions, coined "OceanTech," are recent but will impact the entire maritime sector and ecosystem

- According to the report, The oceans are vast, they cover 71 percent of the Earth surface, and the challenges they present are large.
- L'Atelier BNP Paribas came up with the main five areas where OceanTech startups are developing solutions to save the Oceans. One of the areas is renewable energy, which gained interest due to the impact of fossil fuels on the environment, and the oceans could potentially be part of the solution.
- According to L'Atelier BNP Paribas There are companies around the world working to make

ocean energy a reality, as wave energy is a very important resource. According to the Department of Energy, wave energy alone has the potential to power over 100 million US homes!



5. [https://www.msn.com/en-us/money/news/the-most-influential-women-of-the-21st-century/ar-BBTpplw?fbclid=IwAR0D7NhXfYFGCI1emnxtpVozTkg7WYRQKY\\_D77D7d38NaP3FQ6mAmr0afC0](https://www.msn.com/en-us/money/news/the-most-influential-women-of-the-21st-century/ar-BBTpplw?fbclid=IwAR0D7NhXfYFGCI1emnxtpVozTkg7WYRQKY_D77D7d38NaP3FQ6mAmr0afC0)  
 6. <https://businessofeminin.com/feature/positive-impact-5-business-women-qui-faconnent-le-nouveau-monde/?fbclid=IwAR2xtZC9o2R-yaujMIZ0Fn3kijlkchjyZrH0oc9mdpM-S1mccNaujijU>  
 7. <https://www.ralphmedia.co.uk/blog/international-womens-day-2019?fbclid=IwAR1YUYYMr9IAbUl5CRLZQuNpOF0RVkWiE4EUOPGk0obxKctraksdSFWMUww>  
 8. <https://www.fromthegrapevine.com/innovation/israeli-women-who-are-changing-world?fbclid=IwAR3SCssfjW5Wqp9yZC50Cdst6qtzzX1eyJ56TRl0A4fBM4UixBwxY6QoZs>  
 9. <https://www.marieclaire.fr/au-salon-vivatech-rencontre-avec-5-femmes-qui-nous-ont-inspirees,1311066.asp?fbclid=IwAR0Mq5MiTrn7TyEwQellSkxynaHP-umVvh8r7MIXd8xw0UcBmFkOrl0M5Q4>

# Group consolidated financials

## Comments to the financials in Q2 2019

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

### Income statement and employees

Revenues amounted to kSEK 169 attributable to grants from the Israeli Chief Scientist's department (0). Operating costs together with general and administrative costs jointly amounted to kSEK 3,646 (1,933), the increase explained by costs for the IPO and setting up and operating the new Swedish parent company. Number of employees on average amounted to 13 (14).

### Balance Sheet

Cash and cash equivalents amounted to kSEK 6,354 (3,085), the increase is due to issue of shares of kSEK 8,735 (4,067). Intangible assets increased to kSEK 2,023 (0) due to that Company's acquisition of Eco Wave Power Ltd was made to a value exceeding the book value of equity. As a result of the above, total equity increased to kSEK 4,129 (-437).

### Cash flow and investments

Cash flow from operating activities decreased to kSEK -3,586 (-2,025) to increase in costs. However, total cash flow in the period increased to kSEK 5,837 (2,123) due to share issue.

### The share and share capital

Following the incorporation of the Swedish parent company and establishment of the Swedish Group, the share capital in the Group increased from kSEK 2 to 577 and the number of outstanding shares increased from 0.1 million to 28.8 million.

## The Parent Company

General and administrative costs amounted to kSEK 1,324 and relate to the IPO and setting up and operating the new Swedish parent company. Total equity amounted to kSEK -747. Following the new share issue in connection with the IPO in July, equity is restored and positive.

## Comments to the financials in H1 2019

Revenues amounted to kSEK 168 (0). Net loss amounted to kSEK 5,352 (3,616). Earnings per share is negative (negative) for the period.

## 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 and responsibility for damages.
- Permits and changes in the regulatory framework.
- The market price of the Company's share.

## Comments to events after the reporting date

In connection with the IPO, Eco Wave Power raised MSEK 121.8 from investors before transaction costs.

## Consolidated key figures

	Q2 2019	Q2 2018	H1 2019	H1 2018	YEAR 2018
Revenues (kSEK)	169	0	168	0	0
Operating loss (kSEK)	-3,477	-1,933	-4,939	-3,771	-8,543
Net loss (kSEK)	-3,711	-2,064	-5,352	-3,616	-8,167
Equity ratio (%)	20 %	-3 %	20 %	-3 %	-8 %
Outstanding shares at period end (million)	28.8	0.1	28.8	0.1	0.1
Earnings per share (SEK) <sup>1</sup>	Neg	Neg	Neg	Neg	Neg
Shareholders' equity per share (SEK)	0.14	Neg	0.14	Neg	Neg
No. of employees on average (FTE)	13	14	13	14	14

(1) Earnings per share is the same before and after dilution as the Group has no outstanding options or warrants. See section "Other information" for definitions.

## Consolidated income statement

KSEK	Q2 2019	Q2 2018	H1 2019	H1 2018	YEAR 2018
Revenues	169	0	168	0	0
Operating costs	-1,164	-911	-1,684	-1,411	-2,741
<b>Gross loss</b>	<b>-994</b>	<b>-911</b>	<b>-1,516</b>	<b>-1,411</b>	<b>-2,741</b>
	,				
General and administrative costs	-2,483	-1,022	-3,423	-2,360	-5,802
<b>Operating loss</b>	<b>-3,477</b>	<b>-1,933</b>	<b>-4,939</b>	<b>-3,771</b>	<b>-8,543</b>
	,				
Financial income	0	-118	0	172	384
Financial expenses	-234	-12	-413	-17	-8
<b>Net loss<sup>1</sup></b>	<b>-3,711</b>	<b>-2,064</b>	<b>-5,352</b>	<b>-3,616</b>	<b>-8,167</b>
	,				
Attributable to	,				
The company's shareholders	-3,693	-2,023	-5,291	-3,524	-7,647
<b>Minority interest</b>	<b>-19</b>	<b>-41</b>	<b>-61</b>	<b>-92</b>	<b>-520</b>

(1) Other comprehensive income corresponds to net result.

## Consolidated balance sheet

KSEK	30 JUNE, 2019	30 JUNE, 2018	31 DEC, 2018
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6,354	3,085	2,312
Short-term deposits	376	263	257
Other receivables	1,251	1,128	1,133
<b>Total current assets</b>	<b>7,982</b>	<b>4,476</b>	<b>3,702</b>
<b>Fixed assets</b>			
Property, plant and equipment	10,311	9,829	9,832
Intangible assets	2,023	0	0
<b>Total fixed assets</b>	<b>12,334</b>	<b>9,829</b>	<b>9,832</b>
<b>Total assets</b>	<b>20,316</b>	<b>14,306</b>	<b>13,534</b>
<b>Liabilities and Equity</b>			
<b>Current liabilities</b>			
Credit from banks	0	0	0
Trade payables	125	140	97
Other accounts payables	718	319	817
<b>Total current liabilities</b>	<b>843</b>	<b>459</b>	<b>914</b>
<b>Non-current liabilities</b>			
Shareholders	9,973	8,903	8,554
Related parties	5,371	5,380	5,174
<b>Total non-current liabilities</b>	<b>15,344</b>	<b>14,283</b>	<b>13,728</b>
<b>Equity</b>			
Share capital	577	2	2
Share premium	1,476	19,138	21,517
Foreign currency translation reserve	-120	-189	-63
Retained earnings	-3,711	-24,071	-28,254
<b>Equity attributable to shareholders</b>	<b>-1,778</b>	<b>-5,119</b>	<b>-6,798</b>
Minority interest	5,907	4,683	5,689
<b>Total equity</b>	<b>4,129</b>	<b>-437</b>	<b>-1,109</b>
<b>Total liabilities and equity</b>	<b>20,316</b>	<b>14,306</b>	<b>13,534</b>

## Consolidated cash flow statement

KSEK	Q2 2019	Q2 2018	H1 2019	H1 2018	YEAR 2018
<b>Operating activities</b>					
Net loss	-3,678	-2,023	-5,306	-3,524	-8,167
Add-back depreciation and amortization	52	50	103	98	200
<b>Changes in assets and liabilities</b>					
Decrease (increase) in other accounts receivables	-1,333	-132	-1,507	-387	-227
Increase (decrease) in trade payables	74	60	20	-250	-279
Increase (decrease) in other accounts payables	1,299	20	1,295	67	576
<b>Net cash flow from operating activities</b>	<b>-3,586</b>	<b>-2,025</b>	<b>-5,395</b>	<b>-3,995</b>	<b>-7,898</b>
<b>Investing activities</b>					
Purchase of fixed assets	-103	28	-206	-292	-748
Investment in bank deposits	0	12	-97	0	9
<b>Net cash flow from investing activities</b>	<b>-103</b>	<b>40</b>	<b>-303</b>	<b>-292</b>	<b>-739</b>
<b>Financing activities</b>					
Issue of shares	8,735	4,067	8,735	4,067	6,656
Issue of shares to non-controlling interests	0	4	0	24	668
Increase/Repayment of long-term loans and other liabilities	791	40	942	-68	-276
Credit from banks	0	-2	0	0	0
<b>Net cash flow from financing activities</b>	<b>9,527</b>	<b>4,108</b>	<b>9,677</b>	<b>4,022</b>	<b>7,048</b>
Exchange rate differences on balances of cash and cash equivalents	0	-17	0	-92	-14
Cash flow for the period	5,837	2,123	3,979	-265	-1,589
Cash and cash equivalents at the beginning of the period	517	979	2,376	3,442	3,394
<b>Cash and cash equivalents at the end of the period</b>	<b>6,354</b>	<b>3,085</b>	<b>6,354</b>	<b>3,085</b>	<b>1,791</b>

## Consolidated statement of changes in equity

KSEK	ATTRIBUTABLE TO THE OWNERS OF THE COMPANY						TOTAL
	SHARE CAPITAL	SHARE PREMIUM	FOREIGN CURRENCY TRANSLATION RESERVE	RETAINED EARN- INGS (DEFICIT)	TOTAL	MINORITY INTEREST	
<b>Balance as of 1 Jan, 2019</b>	<b>2</b>	<b>21,517</b>	<b>-63</b>	<b>-28,254</b>	<b>-6,798</b>	<b>5,689</b>	<b>-1,109</b>
Net loss	0	0	0	-5,352	-5,352	61	-5,291
Issue of share capital	0	8,735	0	0	8,735	0	8,735
Change in foreign currency translation reserve	0	592	-202	-807	-418	157	-261
<b>Balance as of 30 June, 2019</b>	<b>2</b>	<b>30,844</b>	<b>-265</b>	<b>-34,414</b>	<b>-3,832</b>	<b>5,907</b>	<b>2,075</b>
<b>Balance as of 1 Jan, 2018</b>	<b>2</b>	<b>14,245</b>	<b>-30</b>	<b>-19,241</b>	<b>-5,023</b>	<b>4,314</b>	<b>-709</b>
Net loss	0	0	0	-3,616	-3,616	92	-3,524
Issue of share capital	0	4,067	0	0	4,067	0	4,067
Change in Foreign currency translation reserve	0	827	-160	-1,214	-547	253	-294
Invest by non-controlling interests	0	0	0	0	0	24	24
<b>Balance as of June 30, 2018</b>	<b>2</b>	<b>19,138</b>	<b>-189</b>	<b>-24,071</b>	<b>-5,119</b>	<b>4,683</b>	<b>-437</b>

# Parent company financials

## Parent company income statement

KSEK	1 APRIL - 30 JUNE 2019	27 - 31 MARCH 2019
Revenues	0	0
Operating costs	0	0
<b>Gross loss</b>	<b>0</b>	<b>0</b>
General and administrative costs	-1,324	0
<b>Operating loss</b>	<b>-1,324</b>	<b>0</b>
Financial income	0	0
Financial expenses	0	0
<b>Net loss</b>	<b>-1,324</b>	<b>0</b>

## Parent company balance sheet

KSEK	30 JUNE 2019	31 MARCH 2019
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	51	0
Short-term deposits	0	0
Other receivables	90	5
<b>Total current assets</b>	<b>141</b>	<b>5</b>
<b>Fixed assets</b>		
Property, plant and equipment	0	0
Financial assets	577	0
Intangible assets	0	0
<b>Total fixed assets</b>	<b>577</b>	<b>0</b>
<b>Total assets</b>	<b>718</b>	<b>5</b>
<i>Liabilities and Equity</i>		
<b>Current liabilities</b>		
Credit from banks	0	0
Trade payables	0	0
Other accounts payables	1,465	0
<b>Total current liabilities</b>	<b>1,465</b>	<b>0</b>
<b>Non-current liabilities</b>		
Shareholders	0	0
Related parties	0	0
<b>Total non-current liabilities</b>	<b>0</b>	<b>0</b>
<b>Equity</b>		
Share capital	577	5
Share premium	0	0
Foreign currency translation reserve	0	0
Retained earnings	-1,324	0
<b>Equity attributable to shareholders</b>	<b>-747</b>	<b>5</b>
Minority interest	0	0
<b>Total equity</b>	<b>-747</b>	<b>5</b>
<b>Total liabilities and equity</b>	<b>718</b>	<b>5</b>

# Notes to the financials

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## Note 1: Summary of significant accounting policies

### Company information

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.

### 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, the consolidated figures therefore shows the period. Comparative figures are the amounts for the legally subsidiary Eco Wave Power Ltd.

### Consolidation

The "Group", "EWP" or "Eco Wave Power" refers to the group of which the Company is the parent company, which also includes the Subsidiaries. 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

- 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
- 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 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 actors. 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.

### Reporting entity

The interim report comprises summary financial statements for the Parent Company and the Group.

### Basis of accounting

This interim report for the group has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable sections of the 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 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.

## Note 2: Options and warrants

There are no outstanding options or warrants.

## Note 3: Related party disclosure

Eco Wave Power Ltd. has entered two loan agreements with the shareholder and member of the board David Leb which, as of 30 June 2019, amounts to a total of kUSD 1,000 (equivalent to ca. MSEK 10). The first loan agreement amounts to a total of kUSD 200 (equivalent to ca. MSEK 2). 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 kUSD 800 (equivalent ca. MSEK 8). 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.

## 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

## Definitions of key figures

KEY FIGURE	DEFINITION
Equity ratio (%)	Equity in relation to total assets at the end of the period.
Earnings per share (SEK)	Net loss in relation to outstanding shares at the end of the period.
Shareholders' equity per share (SEK)	Net loss in relation to outstanding shares at the end of the period.

## 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 18 July, 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 18 July, 2019

As per 18 July, 2019, the Company's shares are owned by 5,900 shareholders. In the table below the Company's largest shareholders are listed.

SHAREHOLDER	SHARES/VOTES	PERCENT
David Leb	11,750,000	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 %
Others	8,747,029	25 %
<b>Total</b>	<b>35,249,344</b>	<b>100 %</b>

## Extraordinary General Meeting on 10 September, 2019

As previously communicated in the IPO prospectus, EY is proposed to replace KPMG as the Company's auditor. The notice of the Extraordinary General Meeting to be held 10 September, 2019 to elect the new auditor has been published. For more information, please visit [www.ecowavepower.com/investor-relations](http://www.ecowavepower.com/investor-relations).

## Financial calendar

**2019-11-29:** Interim report for July – Sep 2019.

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# Affirmation of the Board of Directors

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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 interim report has not been reviewed by the Company's auditors.

The Board of Directors and CEO hereby assure that this Interim report for the second 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, 30 August, 2019

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**MATS ANDERSSON**  
CHAIRMAN OF THE BOARD

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**ELIAS JACOBSON**  
BOARD MEMBER

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**DAVID LEB**  
BOARD MEMBER

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**INNA BRAVERMAN**  
CEO



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