Grant Thornton

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Wavepiston A/S

Kronborg 10 A, 3000 Helsingør

Company reg. no. 35 68 08 29

Annual report

1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the 5 May 2021.

Peter Jørn Jensen
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Contents

Management's report

The board of directors and the managing director have today presented the annual report of Wavepiston A/S for the financial year 1 January to 31 December 2020.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2020 and of the company's results of its activities in the financial year 1 January to 31 December 2020.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Helsingør, 21 April 2021

Managing Director

Michael Henriksen

Board of directors

Asger Kej

Torben Arnth Nielsen

Martin von Bülow

Independent auditor's report

To the shareholders of Wavepiston A/S

Opinion

We have audited the annual accounts of Wavepiston A/S for the financial year 1 January to 31 December 2020, which comprise accounting policies, profit and loss account, balance sheet, statement of changes in equity and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2020 and of the results of the company's operations for the financial year 1 January to 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section “Auditor’s responsibilities for the audit of the annual accounts”. We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

Management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used by management and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

Statement on the management's commentary

Management is responsible for the management's commentary.

Our opinion on the annual accounts does not cover the management's commentary, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's commentary and in that connection consider whether the management's commentary is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's commentary is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's commentary.

Copenhagen, 23 April 2021

Grant Thornton
State Authorised Public Accountants
Company reg. no. 34 20 99 36

Jan Tønnesen
State Authorised Public Accountant
mne9439

Company information

The company	Wavepiston A/S Kronborg 10 A 3000 Helsingør	
	Company reg. no.	35 68 08 29
	Domicile:	
	Financial year:	1 January - 31 December
Board of directors	Asger Kej Torben Arnth Nielsen Martin von Bülow	
Managing Director	Michael Henriksen	
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	
Subsidiary	Wavepiston SL, Gran Canaria, Spanien	

Management commentary

The principal activities of the company

Like previous years, the principal activities are to develop and produce solutions, advise and make investments in renewable energy.

Our focus in 2020 has been on our two EU-supported demonstration projects and the required equity issue, as well as handling the consequences of COVID-19.

Demonstration Project 1: SME Phase 2 – Competitive Wave Energy on Islands (CWEI)

CWEI has still been our primary focus in 2020 where we have worked on the preparations for the planned pre-installation. The project was considerably delayed due to COVID-19, uncertainties from the Spanish authorities regarding the permits to install the system, the heavy Spanish bureaucracy, and the large tasks to prepare and handle a full-scale installation. Although we experimentally "only" installed 2 energy collectors in the pre-installation, everything else was full-scale.

The purpose of the pre-installation was to test and gain experience with the installation of mooring, buoys, and energy collectors. Based on this experience, the system design and procedures are updated, hereafter the full system is manufactured and installed, including pressure pipe from the string to the turbine generator, and connected to the microgrid on the PLOCAN platform.

We put the pre-installation system in the water in October 2020 in the Port of Las Palmas. We then had to stop the installation work due to uncertainties on permits. After the green light from both national authorities, local authorities and port authorities, we were able to continue the work in November and complete the installation in December 2020.

At the time of writing, we have taken the system (energy collectors, strings, and buoys) back into port and are analysing the condition of all the components. In parallel, we are working on updates of the design and the procedures.

Demonstration Project 2: Fast Track to Innovation - Wave to Energy and Water (W2EW)

In W2EW we got the plan for the relocation of the physical installation from Isola Piana, Sardinia, to Gran Canaria approved.

Our focus, in collaboration with our consortium partners, Vryhof, Fiellberg and Enermed, has been to update the design of the system, both in terms of experience from CWEI and in relation to the combined electricity and desalination solution. We have also devoted a lot of effort to update our simulation tools, also known as "digital twins". These analyses are an important input for understanding the full-scale system and for the design updates.

In parallel, we are undertaken focused onshore tests of the specific parts that have been updated, in order to minimize the risk as much as possible before final installation.

At the time of writing, the power generation unit (with the turbine and generator) and the desalination unit have been produced and will soon be sent for test installation at one of our Danish suppliers before they are both sent to Gran Canaria.

We are also engaged in a shortlist of possible suppliers to produce the other system components (mainly the energy collectors, string components and buoys).

Management commentary

We expect to install the infrastructure, i.e. pressure pipe, connection system on the platform, power generation including connection to grid and desalination during summer/autumn 2021. The installation of the first full-scale string is expected by the end of 2021.

Based on this experience, the plan is to install another string by 2022.

Accelerated and virtual testing: Horizon 2020 - VALID (Verification through Accelerated testing Leading to Improved wave energy Designs)
In 2020, we became involved in a major EU project focusing on developing a test platform for accelerated and virtual testing. The aim is to test earlier in the process, test more virtually and test more onshore, thus reducing risks and reducing offshore testing time, which in total also leads to reduced development costs.
The project was approved by the EU in autumn 2020 and officially started on 1 December 2020.
We are one of three wave energy companies used as "case studies". Our focus area is to test the wagon/pump unit on the energy collector. For Wavepiston this means that we can achieve a better and more durable solution in this area.
Our share of the project budget is EUR 448k plus overhead. The project is under an R&D programme where costs are covered 100 %.

Economy
Our actual costs are in total below the budgeted framework of 2020.
For CWEI and W2EW, we spend less than budgeted. The reason is that it took longer to prepare and install the pre-installation system, hence the first full installation is moved to the end of 2021, where the major investments in hardware and installation are to be paid.
Costs on "non-project" activities remain significantly below budget, i.e. we have been good at taking care of our money.
We completed the first part of the equity issue in November 2020 with EUR 1.75M. This was used as a foundation to launch a crowdfunding campaign in which an additional of EUR 650k was lifted as of February 2021, i.e. a total of EUR 2.4M.
The plan is to lift another EUR 1-2M by the first quarter of 2022 to finance the remainder of the ongoing projects and prepare for the next phase.

Change in accounting policies
It is worth noting that in the annual report we have chosen to change the accounting policies. In the past, all project costs have been booked as intangible assets and the grants have been booked as liabilities under long term debt. This has meant that for outsiders and EU's financial officers, it appeared as if we had a large debt and were not financially stable, even though the grants do not have to be paid back. To address this problem, we have conferred with our auditor on the possibilities for changing this. Based on the advice from the auditors the board of directors decided that we should change the accounting policies and instead use the net principle, where project costs and grants are booked directly over the profit/loss

Management commentary

accounts.

The consequences are:
1.Intangible assets are reduced significantly (corresponding to our project costs over the years). In the 2020 financial report from app. DKK 35M to app. DKK 1 M.
2.Accruals under long term debt are reduced significantly (corresponding to grants received except the pre-payment of the grants). In the 2020 financial report from app. DKK 38M to app. DKK 10 M.
3.The equity is reduced with app. DKK 6M (corresponding to the difference between the project costs and the grants and the effect of taxes).

Organization
Per 31/12-2020 we were 9 full time employees and 2 freelancers in Wavepiston Denmark. In addition, we were 1 full-time employee and 1 freelancer in Wavepiston Gran Canaria.
In 2020 we continued to expand our network of suppliers and potential future partners.

Commercialization, Communication and PR
We have participated and presented at several conferences and webinars in 2020. Due to the COVID-19 restrictions, all events have been virtual. These include:
- Ocean Energy Europe
- Greening the Islands
- Copernicus Webinar
- PLOCAN Webinar

Presenting and participating at the seminars and conferences is important to spread the good message about Wavepiston and build relationships with potential business partners and customers.
We have intensified our communication and social media presence (LinkedIn and Twitter). In 2020, we produced a promotion film on Wavepiston, which to date has been viewed 108,000 times on YouTube and 18,000 times on LinkedIn. This is very remarkable.
On LinkedIn we have gone from 785 followers to 1,719 (to date). In 2020 we also started with Twitter including an initiative to boost the number of relevant followers. There are now 72 followers. Some of these are notable persons within renewable energy and a few members of the Danish parliament have also commented on our tweets.
Through the Partnership for Wave Power in Denmark, we have continued to participate in the work to influence Danish politicians into a more favourable policy in relation supporting the development of wave energy, for instance to include wave energy in the plans for the energy island in the North Sea.
There have been articles and features about Wavepiston in the following media:

International media (online magazines)
- https://energynews.biz/
- https://www.offshore-energy.biz/

Management commentary

Danish media (TV, newspapers and online magazines)
- https://vejr.tv2.dk/
- https://www.tvmidtvest.dk/
- https://berlingske.dk/
- https://www.energy-supply.dk/
- https://policywatch.dk/

Spanish media (TV, newspapers and online magazines)
- https://www.rtve.es/
- http://www.rtvc.es/
- https://www.canarias7.es/
- https://www.laprovincia.es/
- https://www.teldeactualidad.com/
- https://puertos928.com/
- https://www.lavanguardia.com/
- https://espiral21.com/

Our pump patent is still in the process of being issued in several strategic countries. We have also applied for another follow-up patent. In doing so, we are following the strategy of broadening and extending the protection of Wavepiston's intellectual property rights.
We have identified several interesting locations for our first commercial projects. The two locations that are most developed are in the Canary Islands and the French Caribbean.
We are continuously being contacted by stakeholders, potential business partners and customers from locations around the world. It is nice to know that there is a great deal of attention on what we are doing in the sector.

Plan for 2021
- Maintain and stabilize the current Wavepiston team for efficient cooperation, including hiring an employee in relation to the development of commercial projects.
- Complete our first full installation at PLOCAN, Gran Canaria.
- Prepare for the next equity issue to ensure adequate funding for the final round of maturing the technology and for preparation of commercial projects.
- Expand our network of potential partners and customers, including communication campaigns and preparations of the first commercial projects.
- Increased focus on the possibilities of desalination.

Management commentary

As everywhere else in the world, 2020 has also for us been characterized by COVID-19. Despite this, we have managed to keep progress in the projects. We are the only company in Europe to have a wave energy system installed in 2020! Although it has not gone as planned, this has still been quite an achievement.

We have secured a large increase of our equity from many small investors and one large investor investing DKK 11M. This has created a good foundation for the coming years.

The activities in Gran Canaria have begun. We got one person employed in Wavepiston Gran Canaria and another person joined us in January 2021. We experienced a degree of bureaucracy and uncertainties regarding laws and regulations that we have not been used to in Denmark, but we handled these challenges as well.

We have reached a stable level in the organisation, which will be the foundation for the future.

Blood, sweat, tears, and challenges are not over. However, with the above in mind, we can still look in the mirror and say that we can revolutionize the wave energy sector and make Wavepiston a competitive alternative to other renewable energy sources and a new concept for desalination of seawater!

Accounting policies

The annual report for Wavepiston A/S is presented in accordance with the regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The annual report is presented in Danish kroner.

Changes in the accounting policies

In relation to applying for EU-funding and in order to present a more fair view of the company's financial position, the management of the company has decided to change the accounting policies as regards recognition of the company's development costs and the company's grant received.
Earlier development costs were recognised as intangible assets, while grants received were measured as accrued expenses and deferred income. After the change, development costs are recognised in the income statement as costs in the acquisition year. After the change, grants received are recognised in the income statement as income in the acquisition year.

The change in the accounting policies has had the following impact on the comparative figures in the annual report for 2020:
- Adjustment of deferred tax for 2019 has been positively affected with DKK 304.645
- Actual tax of 2019 remains unchanged
- The pre-tax net loss of 2019 has increased with DKK 1.408.470
- The equity at the end of 2019 has decreased with DKK 4.541.691

The change in the accounting policies has had the following impact on the 2020 figures in the annual report for 2020:
- Adjustment of deferred tax for 2020 has been positively affected with DKK 453.960
- Actual tax of 2020 remains unchanged
- The pre-tax net loss of 2020 has increased with DKK 2.063.454
- The equity at the end of 2020 has decreased with DKK 6.151.186

The comparative figures have been adjusted to the changed accounting policies.

The accumulated effect of the changes in the accounting policies is recognized in the opening balance of the equity.

Except for the above, the accounting policies for the financial statements remain unchanged from last year.

Income statement

Gross profit

Gross profit comprises the revenue, other operating income, and external costs.

Accounting policies

Revenue, which as of now consists of grants, is recognised in the income statement if delivery and passing of risk to the buyer has taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Direct consts includes costs for the purchase of raw materials and consumables less discounts.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from equity investment in group enterprise

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the group enterprise is recognised in the income statement as a proportional share of the group enterprises’ post-tax profit or loss.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

Tax reimbursed under the Danish tax credit regime on development costs are calculated with 22 % and recognised as income in the income statement.

Accounting policies

The balance sheet

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, which is typical 10 years.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Accounting policies

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investment in group enterprise are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Financial fixed assets

Equity in group enterprise

Equity in group enterprise are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Equity in group enterprise recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

In relation to material assets and liabilities recognised in group enterprises, associates and equity interests but are not represented in the parent, the following accounting policies have been applied.

Equity in group enterprise with a negative equity value measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

Accounting policies

To the extent the equity exceeds the cost, the net revaluation of equity investment in group enterprise is transferred to the reserve under equity for net revaluation according to the equity method. Dividend from group enterprise expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprise.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank.

Equity

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium.

The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Accounting policies

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2020	2019
	Gross profit	**1.370.212**	**2.246.295**
1	Staff costs	-4.263.005	-4.257.791
	Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-89.888	-100.939
	Operating profit	**-2.982.681**	**-2.112.435**
	Other financial income	4.140	1.035
	Other financial costs	-85.011	-33.010
	Pre-tax net profit or loss	**-3.063.552**	**-2.144.410**
2	Tax on ordinary results	1.597.964	475.371
	Net profit or loss for the year	**-1.465.588**	**-1.669.039**
	Proposed appropriation of net profit:		
	Allocated from retained earnings	-1.465.588	-1.669.039
	Total allocations and transfers	**-1.465.588**	**-1.669.039**

Statement of financial position at 31 December

All amounts in DKK.

Note	Assets	2020	2019
	Non-current assets		
3	Completed development projects, including patents and similar rights arising from development projects	991.725	817.098
	Total intangible assets	991.725	817.098
4	Other fixtures and fittings, tools and equipment	35.203	3.560
	Total property, plant, and equipment	35.203	3.560
5	Equity investment in group enterprise	22.401	22.401
	Total investments	22.401	22.401
	Total non-current assets	**1.049.329**	**843.059**
	Current assets		
	Trade receivables	0	3.750
	Receivables from group enterprises	59.642	0
	Deferred tax assets	1.253.110	201.097
	Receivable corporate tax	545.951	406.937
	Other debtors	9.438.905	4.542.564
	Accrued income and deferred expenses	257.814	83.731
	Total receivables	11.555.422	5.238.079
	Available funds	11.922.229	7.192.445
	Total current assets	**23.477.651**	**12.430.524**
	Total assets	**24.526.980**	**13.273.583**

Statement of financial position at 31 December

All amounts in DKK.

Note	Equity and liabilities	2020	2019
	Equity		
	Contributed capital	1.058.687	896.848
	Share premium account	18.989.212	6.083.332
	Results brought forward	-7.419.354	-6.075.925
	Total equity	**12.628.545**	**904.255**
	Liabilities other than provisions		
	Other payables	0	152.011
	Prepaid grants	10.374.531	11.457.560
	Total long term liabilities other than provisions	10.374.531	11.609.571
	Trade creditors	327.550	232.778
	Other debts	1.196.354	526.979
	Total short term liabilities other than provisions	1.523.904	759.757
	Total liabilities other than provisions	**11.898.435**	**12.369.328**
	Total equity and liabilities	**24.526.980**	**13.273.583**

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Share premium	Other statutory reserves	Retained earnings	Total
Equity 1 January 2019	896.848	6.083.332	6.753.047	-7.722.067	6.011.160
Adjustment due to changed procedures	0	0	0	3.315.181	3.315.181
Provisions of the results for the year	0	0	0	-1.669.039	-1.669.039
Adjustment due to changed procedures	0	0	-6.753.047	0	-6.753.047
Equity 1 January 2020	896.848	6.083.332	0	-6.075.925	904.255
Cash capital increase	161.839	13.028.040	0	0	13.189.879
Provisions of the results for the year	0	0	0	-1.465.588	-1.465.588
Distributed to retained earnings (costs cash capital increase)	0	-122.160	0	0	-122.160
Distributed to retained earnings (costs cash capital increase)	0	0	0	122.159	122.159
	1.058.687	**18.989.212**	**0**	**-7.419.354**	**12.628.545**

Notes

All amounts in DKK.

		2020	2019
1.	**Staff costs**		
	Salaries and wages	3.997.030	3.987.867
	Pension costs	217.157	217.980
	Other costs for social security	24.235	24.898
	Other staff costs	24.583	27.046
		4.263.005	**4.257.791**
	Average number of employees	7	7
2.	**Tax on ordinary results**		
	Adjustment for the year of deferred tax	-1.052.013	-68.434
	Tax credit regime	-545.951	-406.937
		-1.597.964	**-475.371**
3.	**Completed development projects, including patents and similar rights arising from development projects**		
	Cost 1 January 2020	943.132	413.260
	Additions during the year	260.955	529.872
	Cost 31 December 2020	**1.204.087**	**943.132**
	Amortisation and writedown 1 January 2020	-126.034	-59.655
	Amortisation for the year	-86.328	-66.379
	Amortisation and writedown 31 December 2020	**-212.362**	**-126.034**
	Carrying amount, 31 December 2020	**991.725**	**817.098**

Notes

All amounts in DKK.

		31/12 2020	31/12 2019
4.	**Other fixtures and fittings, tools and equipment**		
	Cost 1 January 2020	172.800	172.800
	Additions during the year	35.203	0
	Cost 31 December 2020	**208.003**	**172.800**
	Depreciation and writedown 1 January 2020	-169.240	-134.680
	Depreciation for the year	-3.560	-34.560
	Depreciation and writedown 31 December 2020	**-172.800**	**-169.240**
	Carrying amount, 31 December 2020	**35.203**	**3.560**
5.	**Equity investment in group enterprise**		
	Additions during the year	22.401	22.401
	Cost 31 December 2020	**22.401**	**22.401**
	Carrying amount, 31 December 2020	**22.401**	**22.401**

Group enterprise:

	Domicile	**Equity interest**
Wavepiston SL	Gran Canaria, Spanien	100 %

The company was founded in 2019 and has not yet submitted it's first annual report.