

# **Wavepiston A/S**

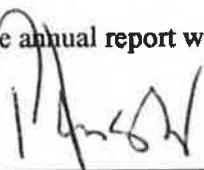
**Kronborg 3B, 2., 3000 Helsingør**

**Company reg. no. 35 68 08 29**

## **Annual report**

**1 January - 31 December 2021**

The annual report was submitted and approved by the general meeting on the 24 May 2022.



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**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 %.

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## Management's statement

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Today, the Board of Directors and the Managing Director have approved the annual report of Wavepiston A/S for the financial year 1 January - 31 December 2021.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Helsingør, 10 May 2022

**Managing Director**



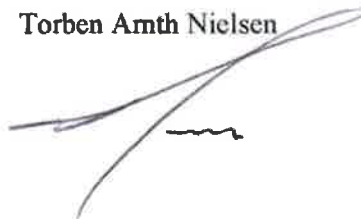
Michael Henriksen

**Board of directors**

**Jesper Højer**  
Chairman



**Torben Arnth Nielsen**



**Martin von Bülow**



## **Independent auditor's report**

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### **To the Shareholders of Wavepiston A/S**

#### **Opinion**

We have audited the financial statements of Wavepiston A/S for the financial year 1 January - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Material Uncertainty Related to Going Concern**

We point out that there is uncertainty that may raise doubts about the company's opportunity to continue operations. We refer to Note 1 in the Annual Report, which states that the company is dependent on succeeding with the expected capital raise of approx. DKK 15 million in 2022, to be able to meet the company's obligations.

Our conclusion is not modified as a result of these circumstances.

#### **Management's Responsibilities for the Financial Statements**

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

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## **Independent auditor's report**

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### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive 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 for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of 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 and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on 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 financial statements 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

## **Independent auditor's report**

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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 internal control that we identify during our audit.

### **Statement on Management's Review**

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 10 May 2022

### **Grant Thornton**

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

Jan Tønnesen

State Authorised Public Accountant  
mnc9459

## **Company information**

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<b>The company</b>	Wavepiston A/S Kronborg 3B, 2. 3000 Helsingør
	Company reg. no. 35 68 08 29 Domicile: Financial year: 1 January - 31 December
<b>Board of directors</b>	Jesper Højer, Chairman Torben Arnth Nielsen Martin von Bülow
<b>Managing Director</b>	Michael Henriksen
<b>Auditors</b>	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø
<b>Subsidiary</b>	Wavepiston SL, Gran Canaria, Spanien

## **Management's review**

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### **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 2021 has been on advancing our demonstration projects, improving our digital twin to enable system and performance simulations, and finalising the equity issue. The consequences of COVID-19 incl. the stressed supply chain has negatively impacted delivery times, material cost and transportation costs. We have been able to partially mitigate this by cutting in scope, but the consequence is still a cost increase and a delay in the finalisation of the demonstration projects.

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

The pre-installation system with two energy collectors was tested in Gran Canaria, Spain, until March 2021, where the system (energy collectors, strings, buoys, and mooring) was taken back to shore for analysis.

The pre-installation test gave us valuable input on what is working well and what is not working well. This is key input to our updates of the design and the procedures. We now await the W2EW installation before finalising the CWEI project with an updated system design.

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

Our focus, in collaboration with our consortium partners, Vryhof, Fiellberg and Enermed, has been to prepare for the installation and start the manufacturing of all components for the W2EW system.

The experience from the CWEI pre-installation system has been used for the updated design.

All parts except the energy collectors were ordered in 2021. We have performed various onshore tests in relation to key components on the energy collectors to reduce the technical risks. The design will be finalised in 2022.

Throughout 2021 we have kept a large focus on 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.

We successfully finalised the factory acceptance test of the power generation unit and shipped this to our mobilisation site in Gran Canaria, Spain. Here we also have Fiellberg's desalination unit plus all the infrastructure components needed to connect the WEC to the conversion station on the PLOCAN offshore platform off the east coast of Gran Canaria.

The infrastructure installation work on the PLOCAN platform was initiated towards the end of 2021. The infrastructure is comprised of the pressure pipe, the connection system on the platform, and the power generation and desalination units.



## **Management's review**

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At the time of writing, we have ordered all components except the last parts for the energy collectors. We have been impacted by the war in Ukraine as this has negatively impacted the steel supply chain. We are working on getting updated quotes and delivery times that we can rely on.

### **Accelerated and virtual testing: Horizon 2020 - Verification through Accelerated testing Leading to Improved wave energy Designs (VALID)**

In 2021 our focus in VALID has been on specifying a hybrid test framework and designing the physical onshore test platform with focus on our PTO. Also here, the simulations, aka digital twin, have been the main focus as they are crucial for the physical and virtual testing, including understanding the hydraulics and forces on the system.

The actual testing will be performed during 2022 - 2023.

### **Economy**

Our actual costs are in total below the budgeted framework of 2021.

Staff costs have been 3 % higher than budgeted (DKK 200k higher). External costs on material, assistance etc. have been lower than budgeted (DKK 2.5m lower), but this covers higher costs in CWEI on material and offshore operations (DKK 600k), and lower in W2EW due to delay in material and installation costs that will incur in 2022.

Costs on "non-project" activities remain below budget i.e., we are still good at keeping a low overhead.

We finalised our equity crowdfunding in Spring 2021, adding another EUR 650k on top of the EUR 1.75m that was lifted end of 2020, reaching EUR 2.4m in this round of equity.

Due to the current strain on the global supply chain and subsequent delays, we expect app. 10 % higher costs to finalise our demonstration phase projects, reflecting EUR 1m extra. Hence the initiated capital raise in 2022 of a total of EUR 2m in equity to finance the remainder of the ongoing projects and prepare for the next phase. We plan to raise 2/3 of the round by first half of 2022 and run another equity crowdfunding campaign on top this to reach EUR 2m.

### **Going concern**

The management expects that the necessary liquidity for the budgeted activities can be obtained on an ongoing basis. We plan to raise 2/3 of the EUR 2m round by first half 2022 and run another equity crowdfunding campaign on top of this to reach EUR 2m. Based on this, the management presents the annual report in accordance with the going concern criteria.

## **Management's review**

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### **Organisation**

Per 31/12-2021 we were 9 full time employees and 2 freelancers in Wavepiston Denmark. In addition, we were 3 full-time employees in Wavepiston Gran Canaria.

We have managed to keep a stable base and a low employee turnover, only saying goodbye to one employee by end of 2021.

In the Wavepiston board our chairman since 2014, Asger Kej, resigned as he was going on a well-deserved pension at the age of 72. Jesper Højer took over the chairman seat. Jesper is a mechanical engineer, but has a different background than Asger, with a large experience on sales and a successful start-up. We expect this to be an important asset for the board.

To get better working conditions for the Danish team we moved into new office premises in Spring 2021 with more space and a dedicated conference room. We are still at Kronborg, but much better.

We continued to expand our network of suppliers and potential future partners.

### **Commercialization, Communication and PR**

In 2021 we were so fortunate to participate and be the winner of the SDG Tech Awards finals in the category of Energy Innovation.

We participated and presented at several conferences and webinars. Although many were still virtual, we were fortunate that end of 2021 most COVID-19 restrictions were lifted, and we could again attend some events physically. The most important conferences and webinars were:

- OEE 2021
- ICOE 2021
- MaRINET2
- EIB and Copernicus Marine Service
- OEE - Innovation in Renewable Energy
- SDG Tech Awards

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 also used a lot of effort on presenting and pitching for potential investors. This is an ongoing activity that is needed to keep the "pot warm" and in the end reaching the right investors at the right time.

We have kept a steady activity level on social media with 28 posts on LinkedIn where we currently have 2,330 followers. This is an increase of nearly 200 % since May 2020 where we initiated our more active SoMe campaign – achieved solely via organic growth driven by a focused content strategy. On Twitter we are still small with 108 followers, but we see relevant parliamentarians engage with and commenting on our content.

## Management's review

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We continue to participate in the work to influence Danish politicians into a more favourable policy in relation supporting the development of wave energy.

In October 2021 we had a visit from Torsten Gejl, Helene Liliendahl Brydensholt and Morten Hvidberg Greve from the party Alternativet. Together with the Partnership for Wave Power in Denmark we presented in November 2021 for the Danish Parliament's Committee for Climate, Energy and Utility with the key message to include wave energy in the plans for the energy island in the North Sea and establish a strategy for wave energy in Denmark. To put things in perspective, EU has a strategy for ocean energy in Europe with the goal of reaching minimum 1 GW by 2030 and 40 GW by 2050.

There have been articles and features about Wavepiston in the following media:

International media (online magazines)

- <https://www.offshore-energy.biz/>

- <https://www.maritimejournal.com/>

Danish media (podcasts, newspapers and online magazines)

- <https://www.energy-supply.dk/>

- <https://scandinavianmind.com/>

- <https://ctwatch.dk/>

- <https://helsingordagblad.dk/>

- <https://energywatch.com/>

- <https://www.sn.dk/e-avis/> (Frederiksborg Amts Avis)

- <https://ivaerksaetterhistorier.dk/> (podcast)

- <https://aasr.dk/series/bla-bla-podcast/> (podcast)

Our PTO patent has now been issued in all strategic countries except USA, where it is still pending. We have two other patent applications pending. We are following the strategy of broadening and extending the protection of Wavepiston's intellectual property rights besides our original conceptual patent on force cancellation. Besides patents, in 2021 we also got the Wavepiston trademark registered in EU and UK.

We have identified more interesting locations for our first commercial projects. The two locations that are most developed are still in the Canary Islands and the French Caribbean.

We are still 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 outside of Denmark on what we are doing in the sector.

### Plan for 2022

There are a lot of uncertainties roaming in the first months of 2022. We need to navigate in the post-COVID world, lockdowns in China, stress on the supply chain with increased costs, delivery times and transportation times, war in Ukraine, which besides the dreadful situation for the Ukrainian people also impact the European steel supply etc. This is of course the same situation for all of us, but it makes it more difficult to plan and we need to ensure extra buffers, time and money, for our activities.

## Management's review

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In parallel with our ongoing projects, we also need to plan several years ahead for the upcoming projects including: partners - the right partners at the right time, funding – the right funding at the right time, competences – the right competences at the right time. We need to be able to scale up, but first we need to show results in our ongoing demo projects. In 2022 we plan to:

- Increase the Wavepiston team with a couple of employees to prepare for the following phase. And then maintain and stabilise the Wavepiston team for efficient cooperation.
- Complete our full-scale installation at PLOCAN, Gran Canaria. Planned for end 2022, to be tested and updated in 2023.
- Finalise our ongoing equity issue of EUR 2m to ensure adequate funding to finalise the ongoing projects and prepare for the next phase.
- Expand our network of potential partners and customers, including communication campaigns and preparations of the first commercial projects.

For those of you with good memories, you can recall repetitions from previous years in this year's management report. The next is also a repetition, but still very true: Blood, sweat, tears, and challenges are still the name of the game. We keep our heads up high and we work hard as we can still say that we can revolutionise the wave energy sector and make Wavepiston a provider of competitive wave energy solutions for clean energy and desalination of seawater complementing wind and solar power.

## Accounting policies

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The annual report for Wavepiston A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

### Income statement

#### Gross profit

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

Revenue, which consists of grants for specific projects, is recognised in the income statement as costs are incurred and the grant conditions are met.

Direct costs comprises costs concerning 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 expenses comprise expenses 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 social security costs, etc., for staff members. Staff costs are less government reimbursements.

#### Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible 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, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency as well as surcharges and reimbursements under the advance tax scheme, etc.

#### Results from investment in subsidiarie

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

## **Accounting policies**

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### **Tax on net profit or loss for the year**

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

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

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable by the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

## **Statement of financial position**

### **Intangible assets**

#### **Patents and licences**

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, however, for a maximum of 10 years.

#### **Plant, and equipment**

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.

## Accounting policies

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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.

Profit or loss derived from the disposal of 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.

### Investments

#### Investments in subsidiarie

Investments in subsidiarie is recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in subsidiarie is 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.

Investments in subsidiarie with a negative equity value is 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 a negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investment in subsidiarie transferred to the reserve under equity for net revaluation according to the equity method. Dividend from subsidiarie 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 subsidiarie.

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.

#### Impairment loss relating to non-current assets

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

## **Accounting policies**

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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.

### **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.

### **Prepayments**

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand.

### **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.

#### **Income tax and deferred tax**

As administration company, Wavepiston A/S is liable to the tax authorities for the subsidiaries' corporate income taxes.

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.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.



## **Accounting policies**

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Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

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.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

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.

### **Deferred income**

Payments received concerning future income are recognised under deferred income.

**Income statement 1 January - 31 December**

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Gross profit</b>	<b>2.910.456</b>	<b>1.298.575</b>
2 Staff costs	-5.852.303	-4.191.368
Depreciation, amortisation, and impairment	-122.635	-89.888
<b>Operating profit</b>	<b>-3.064.482</b>	<b>-2.982.681</b>
Income from investment in subsidiarie	-1.087.751	0
Other financial income	892	4.140
Other financial expenses	-137.222	-85.011
<b>Pre-tax net profit or loss</b>	<b>-4.288.563</b>	<b>-3.063.552</b>
3 Tax on net profit or loss for the year	-767.988	1.597.964
<b>Net profit or loss for the year</b>	<b>-5.056.551</b>	<b>-1.465.588</b>
<b>Proposed appropriation of net profit:</b>		
Allocated from retained earnings	-5.056.551	-1.465.588
<b>Total allocations and transfers</b>	<b>-5.056.551</b>	<b>-1.465.588</b>

**Balance sheet at 31 December**

All amounts in DKK.

<b>Assets</b>		
<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Non-current assets</b>		
4 Completed development projects, including patents and similar rights arising from development projects	1.393.590	991.725
Total intangible assets	1.393.590	991.725
5 Other fixtures and fittings, tools and equipment	23.469	35.203
Total property, plant, and equipment	23.469	35.203
6 Investment in subsidiary	50.414	22.401
7 Other receivables	1.607.432	0
Total investments	1.657.846	22.401
<b>Total non-current assets</b>	<b>3.074.905</b>	<b>1.049.329</b>
<b>Current assets</b>		
Receivables from subsidiaries	0	59.642
Deferred tax assets	0	1.253.110
Income tax receivables	688.120	545.951
Other receivables	1.301.684	9.438.905
Prepayments	690.198	257.814
Total receivables	2.680.002	11.555.422
Cash and cash equivalents	9.209.356	11.922.229
<b>Total current assets</b>	<b>11.889.358</b>	<b>23.477.651</b>
<b>Total assets</b>	<b>14.964.263</b>	<b>24.526.980</b>

**Balance sheet at 31 December**

All amounts in DKK.

<b>Equity and liabilities</b>		
<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Equity</b>		
Contributed capital	1.118.406	1.058.687
Share premium	23.342.591	18.989.212
Retained earnings	-12.030.710	-7.419.354
<b>Total equity</b>	<b><u>12.430.287</u></b>	<b><u>12.628.545</u></b>
<b>Long term liabilities other than provisions</b>		
Trade payables	954.322	327.550
Income tax payable to subsidiaries	202.998	0
Other payables	491.949	1.196.354
Deferred income	884.707	10.374.531
Total short term liabilities other than provisions	<u>2.533.976</u>	<u>11.898.435</u>
<b>Total liabilities other than provisions</b>	<b><u>2.533.976</u></b>	<b><u>11.898.435</u></b>
<b>Total equity and liabilities</b>	<b><u>14.964.263</u></b>	<b><u>24.526.980</u></b>

**1** Uncertainties concerning the enterprise's ability to continue as a going concern**8** Contingencies

**Statement of changes in equity**

All amounts in DKK.

	<b>Contributed capital</b>	<b>Share premium</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 January 2020	896.848	6.083.332	-6.075.925	904.255
Cash capital increase	161.839	13.028.040	0	13.189.879
Profit or loss for the year brought forward	0	0	-1.465.588	-1.465.588
Transferred to retained earnings (costs cash capital increase)	0	-122.160	0	-122.160
Transferred to retained earnings (costs cash capital increase)	0	0	122.159	122.159
Equity 1 January 2021	1.058.687	18.989.212	-7.419.354	12.628.545
Cash capital increase	59.719	4.798.574	0	4.858.293
Profit or loss for the year brought forward	0	0	-5.056.551	-5.056.551
Transferred to retained earnings (costs cash capital increase)	0	-445.195	0	-445.195
Transferred to retained earnings (costs cash capital increase)	0	0	445.195	445.195
	<b>1.118.406</b>	<b>23.342.591</b>	<b>-12.030.710</b>	<b>12.430.287</b>

## Notes

All amounts in DKK.

### 1. Uncertainties concerning the enterprise's ability to continue as a going concern

The management expects that the necessary liquidity for the budgeted activities can be obtained on an ongoing basis. We plan to raise 2/3 of the EUR 2m round by first half 2022 and run another equity crowdfunding campaign on top of this to reach EUR 2m.

Based on this, the management presents the annual report in accordance with the going concern criteria.

	2021	2020
<b>2. Staff costs</b>		
Salaries and wages	5.481.886	3.925.393
Pension costs	295.004	217.157
Other costs for social security	30.957	24.235
Other staff costs	44.456	24.583
	<b>5.852.303</b>	<b>4.191.368</b>
 Average number of employees	 9	 7
<b>3. Tax on net profit or loss for the year</b>		
Adjustment for the year of deferred tax	1.253.110	-1.052.013
Tax credit regime	-485.122	-545.951
	<b>767.988</b>	<b>-1.597.964</b>
<b>4. Completed development projects, including patents and similar rights arising from development projects</b>		
Cost 1 January 2021	1.204.087	943.132
Additions during the year	512.766	260.955
<b>Cost 31 December 2021</b>	<b>1.716.853</b>	<b>1.204.087</b>
Amortisation and writedown 1 January 2021	-212.362	-126.034
Amortisation for the year	-110.901	-86.328
<b>Amortisation and writedown 31 December 2021</b>	<b>-323.263</b>	<b>-212.362</b>
 <b>Carrying amount, 31 December 2021</b>	 <b>1.393.590</b>	 <b>991.725</b>

## Notes

All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>5. Other fixtures and fittings, tools and equipment</b>		
Cost 1 January 2021	208.003	172.800
Additions during the year	<u>0</u>	<u>35.203</u>
<b>Cost 31 December 2021</b>	<b><u>208.003</u></b>	<b><u>208.003</u></b>
Depreciation and writedown 1 January 2021	-172.800	-169.240
Depreciation for the year	<u>-11.734</u>	<u>-3.560</u>
<b>Depreciation and writedown 31 December 2021</b>	<b><u>-184.534</u></b>	<b><u>-172.800</u></b>
<b>Carrying amount, 31 December 2021</b>	<b><u>23.469</u></b>	<b><u>35.203</u></b>
<b>6. Investment in subsidiary</b>		
Acquisition sum, opening balance 1 January 2021	22.401	0
Additions during the year	<u>1.115.764</u>	<u>22.401</u>
<b>Cost 31 December 2021</b>	<b><u>1.138.165</u></b>	<b><u>22.401</u></b>
Results for the year before goodwill amortisation	<u>-1.087.751</u>	<u>0</u>
<b>Revaluation 31 December 2021</b>	<b><u>-1.087.751</u></b>	<b><u>0</u></b>
<b>Carrying amount, 31 December 2021</b>	<b><u>50.414</u></b>	<b><u>22.401</u></b>
<b>Subsidiary:</b>		
	<b>Domicile</b>	<b>Equity interest</b>
Wavepiston SL	Gran Canaria, Spanien	100 %

**Notes**

All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>7. Other receivables</b>		
Additions during the year	1.607.432	0
<b>Cost 31 December 2021</b>	<u>1.607.432</u>	<u>0</u>
<b>Carrying amount, 31 December 2021</b>	<u>1.607.432</u>	<u>0</u>
Der specificeres således:		
Other debtors	1.607.432	0
	<u>1.607.432</u>	<u>0</u>

**8. Contingencies****Joint taxation**

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.





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**Jan Tønnesen**

Statsautoriseret revisor

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