

Gothenburg, 2018-01-25

## SeaTwirl year-end report

### Important events during the period (2017-09-01 – 2017-11-30)

- Granted 500 000 SEK of funding from Vinnova
- Granted European patent for a turbine construction that can withstand hard winds
- Started a Norwegian subsidiary
- Participated at the Stora Aktiedagen in Stockholm

### Important events after the period (2017-12-01 –)

- Another two people hired, one of whom for business development
- Granted US patent for solution which optimizes rotational speed

### Financial development during the period (2017-06-01 – 2017-08-31)

- Turnover was 0 SEK (0) and the operating result was -1 172 182 SEK (-892 293). The negative result is attributable to development costs, including personnel cost.
- Balanced development cost amounted to 12 049 675 SEK at the end of the period (9 863 665), in addition to patent costs of 729 619 SEK (597 699).
- Cashflow for the period amounted to -1 529 751 SEK (-703 204). Cash amounted to 16 517 350 SEK (319 037) at the end of the period.
- Shareholder's equity amounted to 27 545 628 SEK (9 078 169) at the end of the period, of which the result for the fiscal year (2017-09-01 – 2017-11-30) amounted to -1 175 475 SEK (-899 140). No changes other than the result for the period and transfer to Fund for development costs has affected the shareholder's equity during the fourth quarter.

### Comment from the CEO

"Another quarter has passed and for us 2020, when we are going to take the next version of our floating turbine, the SeaTwirl S2, into operation, has become more tangible. The project is running according to plan. As we have mentioned before, we're now in the phase where we are choosing technology and partners for different parts of the project. During the quarter we've hired another business developer, which is a sure sign that we are preparing for a more commercial phase.

Since the last report we have been granted 0,5 MSEK in soft funding from Vinnova's runner's up programme. The runner's programme is part of funding that Vinnova grants Swedish companies whose applications to the EIC's SME instrument, which is an EU programme established within the Horizon 2020 framework, have been granted a "Seal of Excellence" but where the funding in the instrument has run out. The soft funding is of course good in and of itself, but more importantly our application scored high marks which is good when we apply to the second phase of the SME instrument, where the grants range from 0,5-2,0 MEUR.

We have also been granted two new patents, one in the US and one in Europe, which strengthens our position in the market by denying our competitors the ability to copy us. Strengthening our patent portfolio carries strategic importance to us and it is gratifying to be able to report progress.

Out in the growing world of wind power, things are continuing apace. New record low prices have been noted in procurements for offshore wind power in the UK and several countries reported

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record shares for wind in 2017 power production. Judging by market forecasts for investments in wind power those records won't stand very long.

In our part of the wind power world, the part that floats, strides are continuously made. The world's first floating offshore wind power park, Hywind off the coast of Scotland, started to deliver power the Scottish grid in mid-October. In France the consortium behind the Groix and Belle Île project on the Atlantic coast submitted the final project development plan in mid-November. Both projects are small – Hywind is 30 MW and the French one 24 MW – but it's a sign that things are moving forward.

In other parts of the world, the ambitions are greater. One of the companies in the French consortium, Eolfi, together with Spanish Cobra Concesiones, has plans to develop five commercial scale floating wind power parks, each with a capacity of 500 MW, off the coast of Taiwan. The project development plan for the first park is now being studied by the authorities.

In conclusion we are following our project plan and are thereby keeping pace to have a full-scale model of a very competitive product to display on a market in very strong growth in 2020. This makes us look towards the future with great confidence.”

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**About SeaTwirl**

SeaTwirl AB is a Swedish development stage wind power company with the vision to become a leading player in the new and fast-growing market for floating offshore wind power. SeaTwirl's unique floating wind turbine is simple and robust in its design with few moving parts. That suits the conditions at sea and minimizes the need for maintenance, which leads to less downtime and more uptime. The company's first prototype was installed at sea in 2015. Development is now ongoing of the next full-size unit with a 1MW installed turbine effect. Read more at: [www.SeaTwirl.com](http://www.SeaTwirl.com)

The company's Certified Adviser is Mangold Fondkommission AB that can be reached at: +46 8 5030 1550.