

## Newsletter Tidetec

Dear Tidetec friends – we wish you a happy new year!

Tidetec has now moved from the technical phase and is entering the commercial phase, moving forward to establish a licence contract with a turbine producer, developer or Engineering, Procurement, Construction and Installation (EPCI) company, and deliver for a major barrage project.

### Steps forward during 2017

Tidetec has taken some significant steps during 2017: We have secured the IP in Norway through a new patent, which currently has moved further to a PCT application (European and worldwide patent). Tidetec have proven the technology further with a functioning model turbine, tested at Technical University in Munich (TUM). We have also established contact with CEO of [Atlantis](#) and his team, UK developer of [WYRE project](#), who has invited us to pre-qualify for a [FEED](#) project towards the Wyre barrage project.

[Mott Macdonald](#) are doing a technical prequalifying round for Atlantis, and we have had several positive meetings with them. It is important that Tidetec can build a solid consortium that can deliver for this project. We are in dialogue with large, international turbine producers regarding production of the Tidetec turbine for the Wyre project. We are more certain than ever that our technology outperforms any other turbine on the market at a competitive cost. The consortium we are developing to be able to bid for Wyre will outperform any other proposition in the market, on both cost and efficiency. More details to be found on our investor homepage: [www.Tidetec.com/for-investors/](http://www.Tidetec.com/for-investors/).



### **Technology:**

Tidetec technical development is complete. Tidetec has the last year completed its model turbine, and although the turbine needs some final optimization before it can be built in a full scale version, we are confident we have proven the mechanical and hydrodynamical aspects of the turbine. We are changing the design of the periphery to a more proven solution – a dry-running sealed generator. As used for more than 30 years in the [Annapolis Tidal Power Plant](#). As we now have proven the Tidetec concept, we want to focus our efforts towards the potential projects and the market.

### **IP:**

Tidetec were [granted](#) a new patent in Norway October 2017. This [patent](#) is to protect the IP of the “rolling turret”, which is fundamentally different from the original Tidetec concept. The application is currently also delivered in Europe (PCT), and a conclusion on this application will be given during 2018.

In addition we have filed another patent regarding sealing and locking of the turret. Initial response for this patent is expected Q2 2018.

### **Market:**

Although the market is moving a bit slower than preferred, there are some very promising projects in the pipeline. Atlantis Energy is developing the Wyre project – a highly competitive project, with comparable prices to onshore wind on the energy cost. We are in frequent dialogue with the CEO, Tim Cornelius and his team, who would be very happy to see a Tidetec proposition for this project. The current deadline for delivery of a proposal for this project is probably late 2018 – and we are working together with turbine producers on getting into this project.

Annapolis Tidal Power Plant and their owner [Nova Scotia Power](#) are considering Tidetec turbine as one interesting option for replacement of their old turbine in the power plant as the old Straflo turbine needs replacement.

### **Team & Partners:**

We are currently working closely with an international turbine producer – who is also a competent resource to bring with us as the turbine project manager. We have also started dialogue with several EPCI partners. Our long cooperation with Femkuber is further strengthened as Arne Ziegler, CEO Femkuber now assists us on various technical issues on a more regular basis. [Frederik W. Mowinckel](#), who introduced us to Tim Cornelius and the Wyre Project, is also now assisting us on commercial negotiations as well as strategic and relationship matters.

### **Way forward:**

Tidetec is aiming to deliver a proposal for the Wyre project, with a Norwegian consortium consisting of a turbine producer and EPCI company (we are in dialogue with some). We are confident that this proposition can outperform the market on most aspects:

- **Cost:** the turbine system will be more cost efficient than the traditional GE and Andritz solutions due to less material needed
- **Efficiency:** The turbine system will have higher efficiency and discharge
- **Financing:** With a Norwegian consortium, we are able to tap into [GLEK financing](#) (favourable conditions for 80% of the contract value), and Enova/MTO softfunding “MiljøTeknologiOrdningen” co-financing up to 35% of the contract value

Tidetec has secured short term financing through a convertible loan given by existing shareholders in April 2018.

