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## Press release

2 February 2023

The board of directors in Minesto resolves on a rights issue of approximately SEK 153 million, subject to the approval by an extraordinary general meeting

The board of directors in Minesto AB ("Minesto" or the "Company") has today, subject to the approval by an extraordinary general meeting, resolved to carry out a partially secured rights issue of shares of approximately SEK 153.4 million before deduction of transaction costs (the "Rights Issue"). The subscription price has been set to SEK 5.20 per share. Those who on the record date are registered as shareholders in Minesto have, for each fourteen (14) existing shares, preferential rights to subscribe for three (3) newly issued shares in the Rights Issue. The Company has received subscription commitments from Corespring New Technology AB, the Company's senior management, and the chairman of the board, amounting to approximately SEK 15.2 million, corresponding to approximately 9.9 percent of the Rights Issue. Furthermore, the Company has entered into agreements on guarantee commitments of SEK 104.8 million, which secures the Rights Issue to approximately 78.2 percent. The notice to the extraordinary general meeting will be published today through a separate press release. Due to the Rights Issue, the publishing of Minesto's Year-End Report and Annual Report is brought forward to the 24<sup>th</sup> of February 2023. Previously communicated dates were 16<sup>th</sup> of March 2023 (Year-End Report) and 23<sup>rd</sup> of March 2023 (Annual Report).

## Summary

- The board of directors in Minesto has today, subject to the approval by an extraordinary general meeting, resolved to carry out the Rights Issue.
- The extraordinary general meeting will be held on 20 February 2023 and the notice will be published through a separate press release.
- The net proceeds from the Rights Issue are intended to be used for the following purposes stated in order of priority; (i) continue commercialization and expansion of the Company's project portfolio in early target markets, (ii) finance the completion of Dragon 12 installation, commissioning and continuous production, (iii) finance the first phase of the 10 MW site at Hestfjord, Faroe Islands, and initial investments in infrastructure, (iv) strengthening of balance sheet to enable orders, matching public investments and external site development and (v) general costs associated with the business operations.
- Upon full subscription in the Rights Issue, Minesto will receive approximately SEK 153.4 million before deductions of costs related to the Rights Issue.
- The subscription price in the Rights Issue is set to SEK 5.20 per share.
- Shareholders in Minesto on the record date of 27 February 2023 have preferential rights to subscribe for new shares in the Rights Issue.
- One (1) existing share in the Company entitle the holder to one (1) subscription right. Fourteen (14) subscription rights entitle for subscription of three (3) new shares.

- Shareholders who choose not to participate in the Rights Issue will have their ownership diluted by up to approximately 17.6 percent but have the opportunity to compensate themselves financially for the dilution effect by selling their subscription rights.
- The subscription period in the Rights Issue is expected to take place from 1 March 2023, up to and including 15 March 2023.
- Corespring New Technology AB, the Company's senior management and the chairman of the board has entered into subscription commitments which amounts to approximately SEK 15.2 million in total, corresponding to approximately 9.9 percent of the Rights Issue.
- The Company has entered into agreements on guarantee commitments of SEK 104.8 million, corresponding to approximately 68.3 percent of the Rights Issue.
- In total, approximately 78.2 percent of the Rights Issue is secured by subscription- and guarantee commitments.
- The full terms and conditions for the Rights Issue will be available in the prospectus which is expected to be published on or about 27 February 2023.
- Due to the Rights Issue, the publishing of Minesto's Year-End Report and Annual Report is brought forward to the 24th of February 2023. Previously communicated dates were 16th of March 2023 (Year-End Report) and 23rd of March 2023 (Annual Report).

*"Over the past year, Minesto's technology has refined into products that have proven their competitiveness by continuous electricity production and unmatched performance. This rights issue strengthens our financial position for scale-up investments and broadening of a commercial project portfolio. Minesto has entered a new development phase on the road towards utilization of a so far untapped global natural resource."* says Dr Martin Edlund, CEO, Minesto.

## Background and motive

Minesto currently has a verified technology for extracting electricity from ocean currents with an established plant in operation in the Faroe Islands. In order to realize the following global market potential, the Company needs to strengthen its financial resources. Minesto will require a strong balance sheet and long-term delivery capacity to take orders from larger players and provide project customers with power plants. This investment initiative gives Minesto the opportunity to achieve commercial breakthrough. The strategy includes three main steps: (i) Expanding the project portfolio and initiating the first project investments, (ii) completing the installation of the first commercial-scale power plant, Dragon 12 (1.2 MW), as well as (iii) realizing the first phases of the first commercial tidal park in Hestfjord, Faroe Islands.

## Use of proceeds

If the Rights Issue is fully subscribed, the Company will receive a maximum of approximately SEK 153.4 million before deduction of transaction costs. Given the Company's current business plan and against the above background, the Company intends to distribute the expected net cash in accordance with the below order of priority:

- Continue the commercialization and expand of the Company's project portfolio in early target markets – approximately 25 percent.
- Finance the completion of Dragon 12 installation, commissioning and continuous production – approximately 25 percent.
- Finance the first phases of the 10 MW site at Hestfjord, Faroe Islands, and initial investments in infrastructure – approximately 20 percent.
- Strengthening of balance sheet to enable sales orders, match public investments and external site investments – approximately 20 percent.
- General costs associated with business operations – approximately 10 percent.

## Extraordinary general meeting

Through a separate press release, the Company will convene an extraordinary general meeting to be held on 20 February 2023 to approve the Rights Issue.

## The Rights Issue

Those who on the record date, 27 February 2023, are registered in the share register of Minesto as shareholders will receive one (1) subscription right for each share held in the Company. Fourteen (14) subscription rights entitle the holder to subscription of three (3) new shares. In addition, investors are offered to subscribe for shares without subscription rights. The subscription price is SEK 5.20 per share, which means that Minesto will receive gross proceeds of approximately SEK 153.4 million before deduction of issue costs, provided that the Rights Issue is fully subscribed.

Provided that the Rights Issue is fully subscribed, the number of shares in Minesto will increase by 29,497,530, from 137,655,143 to 167,152,673, and the share capital will increase by a maximum of SEK 1,474,876.50, from SEK 6,882,757.15 to SEK 8,357,633.65. Shareholders who choose not to participate in the Rights Issue will have their ownership diluted by up to 17.6 percent through the Rights Issue (based on the total outstanding shares after the Rights Issue). These shareholders have the opportunity to compensate themselves financially for the dilution effect by selling their subscription rights received.

## Subscription- and guarantee commitments

Minesto has received subscription commitments from Coespring New Technology AB and the Company's senior management, Martin Edlund (CEO), Fredrik Ahlström (CFO), Bernt Erik Westre (CTO), David Collier (COO) and the Company's chairman Jonas Millqvist, amounting to a total of approximately SEK 15.2 million, corresponding to approximately 9.9 percent of the Rights Issue. Furthermore, the Company has entered into agreements guarantee commitments on customary terms, including conditions that subscription is made at least equivalent to the subscription commitments. The guarantee commitments amount to a total of SEK 104.8 million, corresponding to approximately 68.3 percent of the Rights Issue. Through the subscription and guarantee commitments, the Rights Issue is secured to approximately 78.2 percent. Neither the subscription nor the guarantee commitments are secured by bank guarantees, escrow funds, pledges or similar arrangements.

The guarantee commitments are subject to a underwriting commission, adapted to the prevailing market condition, of twelve (12) percent of the guaranteed amount in cash compensation. No commission is paid for the subscription commitments.

The full terms and conditions of the Rights Issue and further information about the parties that have entered into subscription- and guarantee commitments will be presented in the prospectus that is expected to be published around 27 February 2023.

## Lock-up undertakings

Prior to the execution of the Rights Issue, all the board of directors and senior management of the Company as well as the major shareholders Coespring New Technology AB and BGA Invest AB have entered into lock-up undertakings, which, among other things mean that they, with customary exceptions, have undertaken not to sell shares in the Company. The lock-up undertakings expire on the day that falls 180 days after the announcement date of the outcome in the Rights Issue.

Furthermore, the Company has undertaken towards Pareto Securities AB and Skandinaviska Enskilda Banken AB, subject to customary exceptions, not to issue additional shares or other share-related instruments for a period of 12 months after the end of the subscription period.

## Indicative time plan

The following time plan for the Rights Issue is preliminary and subject to change.

Extraordinary general meeting	20 February 2023
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Last day of trading in shares including right to receive subscription rights	23 February 2023
First day of trading in shares excluding right to receive subscription rights	24 February 2023
Publication of the prospectus	27 February 2023
Record date in the Rights Issue	27 February 2023
Trading in subscription rights	1 March – 10 March 2023
Subscription period	1 March – 15 March 2023
Trading in paid subscribed shares (BTAs)	1 March – 24 March 2023
Announcement of the preliminary outcome in the Rights Issue	15 March 2023

### Financial reporting brought forth

To ensure a formally correct execution of the Rights Issue, the board of directors of the Company has resolved to bring forward the publishing of Minesto's Year-End Report and its Annual Report to the 24th of February 2023. Previously communicated dates were 16th of March 2023 (Year-End Report) and 23rd of March 2023 (Annual Report) respectively.

### Advisers

Pareto Securities AB and Skandinaviska Enskilda Banken AB are acting as Joint Global Coordinators and Bookrunners. MAQS Advokatbyrå is legal adviser to the Company and Baker & McKenzie Advokatbyrå is legal adviser to the Joint Global Coordinators and Bookrunners in connection with the Rights Issue.

### For additional information please contact

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*This information is such information that Minesto AB (publ) is obligated to make public pursuant to the EU Market Abuse Regulation 596/2014. The information was submitted, through the agency of the contact person above, for publication on 2 February 2023, 08:32 CET.*

### About Minesto

Minesto is a leading marine energy technology company with the mission to minimise the global carbon footprint of the energy industry by enabling commercial power production from the ocean.

Minesto's award winning and patented product, Deep Green, is the only verified marine power plant that operates cost efficiently in areas with low-flow tidal streams and ocean currents.

With more than €40 million of awarded funding from the European Regional Development Fund through the Welsh European Funding Office, European Innovation Council and InnoEnergy, Minesto is the European Union's largest investment in marine energy.

Minesto was founded in 2007 and has operations in Sweden, the Faroe Islands, Wales, Northern Ireland, and Taiwan. The major shareholders in Minesto are BGA Invest and Coespring New Technology. The Minesto share (MINEST) is traded on Nasdaq First North Growth Market. Certified Adviser is G&W Fondkommission, email: ca@gwkapital.se, telephone: +46 8 503 000 50.

Read more about Minesto at [www.minesto.com](http://www.minesto.com)

Press images and other media material is available for download via [minesto.com/media](http://minesto.com/media)

Financial information in English, including reports, prospectuses, and company descriptions, is available at [www.minesto.com/investors](http://www.minesto.com/investors).

### Important information

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This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) and has not been approved by any regulatory authority in any jurisdiction. A prospectus, equivalent to an EU growth prospectus, regarding the Rights Issue referred to in this press release will be prepared and published by the Company before the subscription period in the Rights Issue begins.

This press release does not identify, or purport to identify, risks (direct or indirect) that may be associated with an investment in the Company. The information contained in this announcement is for background purposes for the Rights Issue only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. Pareto Securities and Skandinaviska Enskilda Banken AB act for Minesto and not on behalf of anyone else. Pareto Securities and Skandinaviska Enskilda Banken AB are not liable to anyone else for providing the protection provided to their clients or for providing advice in connection with the Rights Issue or with respect to anything else mentioned herein.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into the United States, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa, South Korea, Switzerland, or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, “qualified investors” who are (i) persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “**relevant persons**”). In the United Kingdom, any investment or investment activity to which this communication relates is available only to,

and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

#### *Forward-looking statements*

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is required by law or Nasdaq First North Growth Market rule book for issuers.

#### *Information to distributors*

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in the Company may decline and investors could lose all or part of their investment; the shares in the Company offer no guaranteed income and no capital protection; and an investment in the shares in the Company is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Rights Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in the Company.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the shares in the Company and determining appropriate distribution channels.