

INTERIM MANAGEMENT STATEMENT  
1 JANUARY-31 MARCH

2024

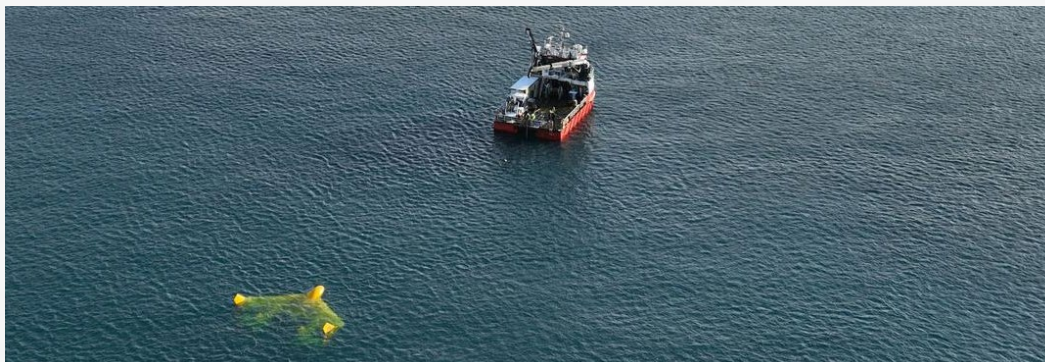


# Significant events January–March 2024

- Minesto verifies the Launch & Recovery method (LARS) for the first megawatt tidal kite Dragon 12 (1.2 MW, 25 tons). The operations developed for the Dragon 4 (100kW, 2.5 tons) were proven equally effective with the large-scale kites utilizing the same small work vessel.
- The Swedish Energy Agency awards Minesto a 2.8 MSEK grant to support development and testing of next generation mooring system. The grant co-funds a project through which Minesto will advance performance of the unique tether system that moors the powerplant to the seabed.
- The 9th of February, Minesto reaches an historic milestone: the utility-scale tidal powerplant Dragon 12 – rated at 1.2 MW – is commissioned and delivers its first electricity to the national grid in the Faroe Islands.
- After the first two weeks of testing, the Dragon 12 functionality is verified and power production performance is satisfactory and as projected. All core operating functions such as starting, turning with the tidal flow and electricity generation have been successfully verified in its first phase of operation. Given the stable system behaviour, Minesto concludes the technology risks of scale-up have been significantly reduced.
- On 26 February 2024, Minesto announced that the Board of Directors, conditional on the subsequent approval of an extraordinary general meeting, had resolved on a rights issue of units, consisting of new shares and warrants, of approximately SEK 120.5 million. The extraordinary general meeting on 14 March 2024 approved the Rights Issue. The subscription price in the Rights Issue was SEK 9.0 per Unit, corresponding to SEK 3.0 per share.
- Minesto is awarded a place in the acceleration programme BAPSEA (Business Acceleration Programme Southeast Asia), strengthening Minesto's business capabilities in the region. BAPSEA is a joint programme by the Swedish Energy Agency (SEA) and Business Sweden.
- The company also strengthens the market activities in Australia and New Zealand by collaboration agreement with a local project developer, Hydrokite Project Development.

## After the end of the period

- The subscriptions, with the support of unit rights and the applications for subscription without the support of unit rights, corresponded to approximately 50.9 percent of the Rights Issue. Guarantee commitments corresponding to approximately 32.2 percent of the Rights Issue, were utilized. The Rights Issue hence provided the company with proceeds of approximately SEK 100.2 million before deduction of costs related to the Rights Issue. Upon full exercise of all the warrants of series TO4 the Company is expected to raise up to an additional approximately SEK 50.1 million before deduction of cost related to the exercise of the warrants.



## Minesto in short

Minesto develops technology for plannable generation of renewable electricity from the ocean. With patented technology, tidal and ocean currents with low-flow velocities are exploited. The technology can be installed in areas where no other known technology can operate cost effectively.

The Group consists of the parent company Minesto AB, which is headquartered in Gothenburg and the sub-sidiaries Minesto UK Ltd, Minesto Taiwan Ltd, Sp/f Minesto Føroyar, Minesto Warrants One AB and Holy-head Deep Ltd.

The Group's registered office is in Gothenburg and the parent company's share (MINEST) is the subject of trading on Nasdaq First North Growth Market in Stockholm with G&W Fondkommission as Certified Adviser.

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

This document is a translation of Minesto AB's Interim Management Statement in Swedish that was published on 25 April 2024. In the event of any inconsistency between the English and the Swedish versions, the latter shall prevail.

# The Group in summary

## 1 January–31 March 2024

- Total operating income amounted to SEK 6,791 thousand (12,691) and mainly included capitalised development work.
- Operating loss amounted to SEK –11,794 thousand (–6,045). The negative result is largely attributable to business development and administration related to technology development. Of the personnel costs, SEK 6,712 thousand (10,932) has been capitalised as development work.
- At the end of the period, intangible assets amounted to SEK 508,537 thousand (408,146), of which capitalised development costs amounted to SEK 492,016 thousand (392,763) and capitalised patent expenses amounted to SEK 16,520 thousand (15,383).
- Grants of SEK 439 thousand (7,953) were accrued during the period, of which SEK 425 thousand (7,056) reduced the acquisition value of the capitalised development costs. During the period, payments of SEK 27,511 thousand (5,929) were received from public funding schemes, of which SEK 26,240 thousand (5,929) is approved claims and the remaining part is advance payments.
- Cash flow amounted to SEK –1,844 thousand (78,391). At the end of the period, cash and cash equivalents amounted to SEK 13,595 thousand (114,016).
- At the end of the period, equity amounted to SEK 511,171 thousand (545,120) divided into 160,732,694 shares (160,732,694), of which loss for the period amounted to SEK –11,574 thousand (–5,637).

SEK thousand	Jan–March 2024	Jan–March 2023	Full Year 2023
Net sales	75	391	391
Operating profit/loss	–11,794	–6,045	–28,680
Net profit/loss for the period	–11,574	–5,637	–27,123
Cash flow for the period	–1,844	78,391	–20,015



## CEO comment

# Business development and secured delivery capability in focus



*We now have full focus on business development to secure commercial rollout.*

Minesto's first quarter has been significant and lays the foundation for the company's path towards buildout of commercial arrays:

- Firstly, we have reached a historic milestone with the Dragon 12 connected to the Faroe Islands' grid, thus having a full-scale production site in operation to demonstrate our unique technology. Power production performance is at satisfactory levels and according to predictions. Now, intensive work continues to secure and verify production data.
- Secondly, we have secured the company's development agenda going forward through a capital injection in the form of a Rights Issue, providing the company with proceeds of approximately 100.2 million SEK before deduction of costs related to the Rights Issue. We can note that the Rights Issue was carried out under tough market conditions, but nonetheless, we managed to secure it to approximately 83% through subscription- and guarantee commitments.

During the first quarter, we have strengthened our market development efforts in Australia and New Zealand through a new collaboration with a local project developer. We also embarked on a market development program in Southeast Asia under the auspices of the Swedish Energy Agency and Business Sweden.

Together with our customer and collaboration partner Sev in the Faroe Islands, we recently welcomed Jessika Roswall, Sweden's Minister for EU Affairs and Nordic cooperation, when she visited the Faroe Islands in connection with the Nordic Council's theme session on security, peace, and preparedness in the North Atlantic. From that meeting, it is evident that both Swedish and Faroese government representatives see the company's technology as a very important enabler for a 100% renewable energy system in the Faroe Islands.

We now have full focus on business development to secure commercial rollout.

Martin Edlund, CEO

## Group Financial information in summary

### Income

SEK thousand	Jan–March 2024	Jan–March 2023	Full Year 2023
Operating income	6,791	12,691	45,590
Operating costs	-18,584	-18,736	-74,270
<b>Operating profit/loss</b>	<b>-11,794</b>	<b>-6,045</b>	<b>-28,680</b>
Financial items	220	408	1,558
Tax	-	-	-1
<b>Net profit/loss for the period</b>	<b>-11,574</b>	<b>-5,637</b>	<b>-27,123</b>
Earnings per share, SEK	-0.07	-0.04	-0.17
Earnings per share after dilution, SEK	-0.07	-0.04	-0.17

### Balance

SEK thousand	31 March 2024	31 March 2023	31 Dec 2023
Total non-current assets	509,337	409,369	493,753
Total current assets	23,812	170,403	58,388
Total equity	511,171	545,120	522,746
Total liabilities	21,978	34,652	29,396
Equity ratio, %	96	94	95

### Cash flow

SEK thousand	Jan–March 2024	Jan–March 2023	Full Year 2023
Cash flow from operating activities before changes in working capital	-12,600	-6,163	-27,596
Changes in working capital	26,396	4,524	11,394
Cash flow from investing activities	-15,641	-17,421	-100,543
Cash flow from financing activities	-	97,451	96,729
Cash and cash equivalents at beginning of period	15,160	34,579	34,579
Cash flow for the period	-1,844	78,391	-20,015
Exchange rate difference for cash equivalents	279	1,046	596
Cash and cash equivalents at end of period	13,595	114,016	15,160

## About the Interim Management Statement

Minesto has chosen to disclose Interim Management Statements for the first and third quarters of the financial year in accordance with Nasdaq's *Guidance for preparing interim management statements*, instead of disclosing quarterly financial reports in accordance with IAS 34.

Minesto does not include information on revenue, earnings and assets per segment as this is not applicable to the business.

## Accounting principles and auditing

The Interim Management Statement has been prepared in accordance with the Swedish Annual Accounts Act and Swedish Accounting Standards Board standard BFNAR 2012:1 – Annual Reports and Consolidated Reports (K3). Please see the Company's Annual Report 2023 for more detailed principles.

Due to rounding, figures presented in this report might not in some cases add up to the total.

This Interim Management Statement has not been reviewed by the company's auditor.

## Future information

2024-05-22	Annual general meeting 2024
2024-08-22	Half-year Report 2024
2024-10-24	Interim Management Statement 1 Jan-30 Sep 2024
2025-02-27	Year-end Report 2024
2025-03-13	Annual Report 2024

Gothenburg on 25 April 2024

**Martin Edlund**  
CEO

# Definitions of Key Performance Indicators

**Operating income**

All income, including capitalised development work.

**Operating result**

Result after depreciation.

**Net loss for the period**

Result after tax.

**Equity ratio**

Equity in relation to total assets.

**Earnings per share**

Loss after tax in relation to the weighted average number of shares.

**Earnings per share after dilution**

Loss after tax in relation to the weighted average number of shares plus potential shares.

## Contact

**Cecilia Sernhage, Chief Communications Officer**

+46 735-23 71 58

ir@minesto.com

**Minesto AB (publ)**

Corporate registration number 556719-4914

J A Wettergrens gata 14

421 30 Västra Frölunda, Sweden

[www.minesto.com](http://www.minesto.com)

