

HALF-YEAR REPORT
1 JANUARY-30 JUNE

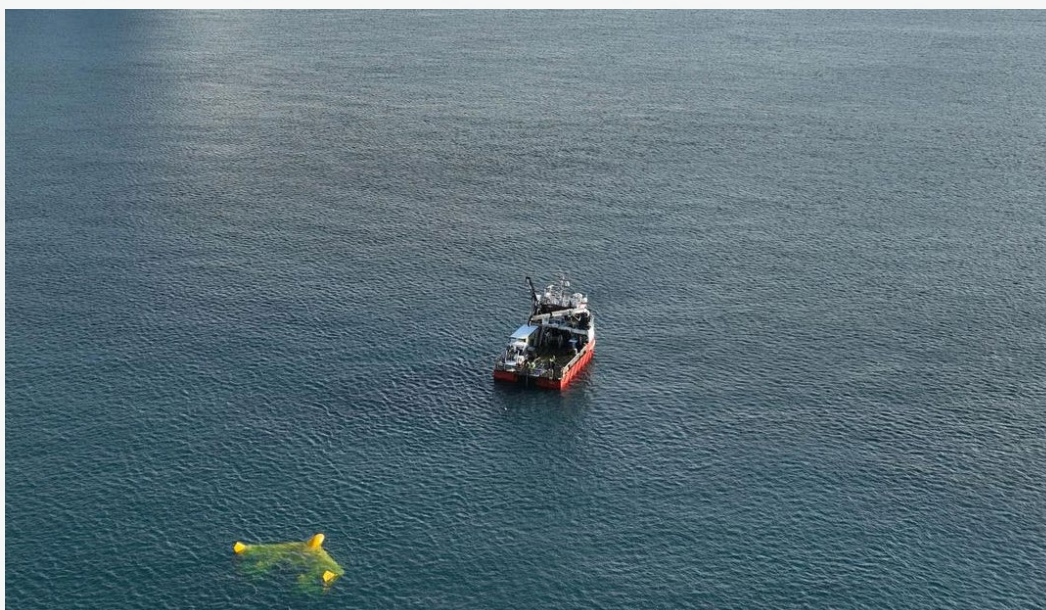
2024



 Minesto

Significant events April–June 2024

- On 3 April 2024, the final outcome of the company's rights issue was announced. 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.
 - In the beginning of May, grid-connected megawatt powerplant Dragon 12 reaches its first three-month milestone of trouble-free testing. In addition, for the first time, an array of tidal kites is in operation – the 1.2 MW D12 and one 100kW D4, adding valuable production data for array build-out.
 - At the Annual General Meeting, CEO Dr Martin Edlund presents Dragon Class performance data based on accumulated analysis of Dragon 4 power production curve and verified simulation modeling. The data plays a key role in third-party technical feasibility evaluations and in calculating yearly yields for investment proposals at specific site locations.
 - Minesto and Faroese utility company Sev jointly renew and update existing Power Purchase Agreement. The price-level is adjusted to denote the total system value of tidal energy in the future 100% renewable energy mix in the Faroe Islands.
 - After four months of grid-connected operation, the Dragon 12 is successfully recovered for service and inspection. The demonstration site in Vestmanna continues to attract visits from international stakeholders and high-level decision-makers, there among top politicians in the EU. Minesto is also featured in international media, for instance in a BBC news coverage.
- After the end of the period**
- No significant events after the end of the period.



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.

This document is a translation of Minesto AB's Half-Year report 1 January–30 June in Swedish that was published on 22 August 2024. In the event of any inconsistency between the English and the Swedish versions, the latter shall prevail.

The Group in summary

1 January–30 June 2024

- Total operating income amounted to SEK 13,549 thousand (25,016) and mainly included capitalised development work. Net sales amounted to SEK 75 thousand (391).
- Operating loss amounted to SEK –23,268 thousand (–13,271). The negative result is largely attributable to business development and administration related to technology development. Of the personnel costs, SEK 13,452 thousand (22,549) has been capitalised as development work.
- At the end of the period, intangible assets amounted to SEK 519,460 thousand (430,677), of which capitalised development costs amounted to SEK 502,733 thousand (415,009) and capitalised patent expenses amounted to SEK 16,727 thousand (15,668).
- Grants of SEK 414 thousand (23,206) were accrued during the period, of which SEK 406 thousand (21,615) reduced the acquisition value of the capitalised development costs. During the period, payments of SEK 27,627 thousand (40,533) were received from public funding schemes, of which SEK 26,298 thousand (40,533) is approved claims and the remaining part is advance payments.
- Cash flow amounted to SEK 60,670 thousand (50,997). At the end of the period, cash and cash equivalents amounted to SEK 76,051 thousand (86,891).
- At the end of the period, equity amounted to SEK 581,462 thousand (540,099) divided into 194,116,040 shares (160,732,694), of which loss for the period amounted to SEK –23,143 thousand (–9,781).

SEK thousand	Jan–Jun 2024	Jan–Jun 2023	Full Year 2023
Net sales	75	391	391
Operating profit/loss	–23,268	–13,271	–28,680
Net profit/loss for the period	–23,143	–9,781	–27,123
Cash flow for the period	60,670	50,997	–20,015



CEO comment

Continued business development driven by the success of Dragon 12



We have an ambitious autumn and winter ahead of us.

Minesto's second quarter has been characterised by business development driven by the success of Dragon 12.

After four months of grid-connected operation with Dragon 12, service and inspection have proceeded according to plan. Taking Minesto into the next development phase, we benefit greatly from production and performance data from both D12 and the smaller D4s. A key third-party assessment of the technology is ongoing together with DNV, and over the summer, we hosted several study visits in Vestmanna for key stakeholders from Europe, Asia, and other parts of the world.

Every member of Minesto's strengthened management team has an explicit, expanded role in securing the commercial roll-out. Sales of our Dragons to production sites and the work to finance tidal energy projects is very much a team effort. We take on risk management associated with new technologies, sensitivity analysis of investment cases, verification of the natural resource in specific geographies, development of locally adapted business cases, and last but not least, involvement of governmental bodies to secure power purchase agreements and potential funding support.

It is demanding yet highly rewarding work - the feeling of breaking new ground and creating a business in the centre of the global energy transition, generates additional motivation and drive.

Of course, our technology requires further attention, and preparations for the first dragon farm are running in parallel with systematic upgrades and improvements of the Dragon-class to secure commercial performance and life length.

We have an ambitious autumn and winter ahead of us:

- Based on the now verified Dragon 12, we have put together an investment offer related to a first-phase buildout of an array in Hestfjord. We greatly benefit from the actual production results of D12 to predict electricity production volumes in the business plan for the site.
- A large number of potential strategic partners, customers, ministers and governmental officials, and other stakeholders have visited Minesto over the summer and additional visits are planned for autumn. The interest in our technology is huge.
- The Power Purchase Agreement – basically unique in the industry – that we have together with Sev was renewed in spring and continues to secure the first buildout phase.
- We will take part in many international forums to leverage on the year's success on the technical front, and to contribute positioning ocean energy, and specifically our Dragon technology, as a necessary ingredient to ensure a successful energy transition.
- Supported by the Swedish Energy Agency, we are driving market development work in key markets for our energy technology in Asia. Hereto, we also accepted to participate in this year's climate change meeting by United Nations, COP 29.

The last few years I had the privilege to present Minesto all over the world. We are now promoting a verified, unique and competitive technology, needed for the world to afford the transition to net zero. Our message is stronger and more relevant than ever, and our audience is bigger and more responsive.

Martin Edlund, CEO

Group Income Statement

SEK thousand	Jan–Jun 2024	Jan–Jun 2023	Full Year 2023
Operating income			
Net sales	75	391	391
Capitalised development work	13,452	22,549	41,393
Other operating income	23	2,076	3,806
Total income	13,549	25,016	45,590
Operating expenses			
Other external expenses	-11,435	-10,621	-22,991
Personnel costs	-25,241	-27,515	-50,958
Depreciation	-141	-151	-321
Total costs	-36,818	-38,287	-74,270
Operating loss	-23,268	-13,271	-28,680
Profit/loss from financial items			
Interest income and similar income statement items	274	3,501	1,583
Interest expense and similar income statement items	-148	-11	-25
Total profit/loss from financial items	125	3,490	1,558
Loss after net financial items	-23,143	-9,781	-27,122
Tax on net loss	–	–	-1
Net loss	-23,143	-9,781	-27,123
Capital structure			
Earnings per share before dilution, SEK	-0,13	-0,07	-0,17
Earnings per share after dilution, SEK	-0,12	-0,06	-0,17
Number of outstanding shares at the end of the reporting period before dilution	194,116,040	160,732,694	160,732,694
Number of outstanding shares at the end of the reporting period after dilution	206,564,072	162,052,944	162,052,944
Average number of outstanding shares before dilution	177,424,367	148,691,171	155,168,791
Average number of outstanding shares after dilution	189,872,399	150,011,241	156,489,041

Group Balance Sheet

SEK thousand	30 Jun 2024	30 Jun 2023	31 Dec 2023
ASSETS			
Non-current assets			
Intangible assets	519,460	430,677	492,928
Tangible assets	425	915	534
Financial assets	272	313	291
Total non-current assets	520,157	431,905	493,753
Current assets			
Current receivables	7,627	45,953	43,228
Cash and cash equivalents	76,051	86,891	15,160
Total current assets	83,678	132,844	58,388
TOTAL ASSETS	603,835	564,749	552,141
EQUITY AND LIABILITIES			
Equity	581,462	540,099	522,746
Non-current liabilities	500	500	500
Current liabilities	21,873	24,150	28,896
TOTAL EQUITY AND LIABILITIES	603,835	564,749	522,141

Group

Statement of Changes in Equity

SEK thousand	Share capital	Additional paid-up capital	Other equity incl. result for the year	Total equity
2023				
At beginning of the year	6,883	750,436	-303,976	453,343
<i>Changes</i>				
Net loss	–	–	-27,123	-27,123
Translation differences	–	–	-203	-203
New shares according to warrants	1,154	118,849	–	120,003
Issue expenses, net of tax effect	–	-23,274	–	-23,274
Total changes	1,154	95,575	-27,327	69,402
Equity at the end of the year	8,037	846,011	-331,302	522,746
Jan–Jun 2024				
At beginning of the year	8,037	846,011	-331,302	522,746
<i>Changes</i>				
Net loss	–	–	-23,143	-23,143
Translation differences	–	–	-11	-11
New shares according to warrants	1,669	98,371	–	100,040
Issue expenses, net of tax effect	–	-18,169	–	-18,169
Total changes	1,669	80,201	-23,154	58,716
Equity at the end of the period	9,706	926,212	-354,456	581,462

Group Cash Flow Statement

SEK thousand	Jan–Jun 2024	Jan–Jun 2023	Full Year 2023
Operating activities			
Loss after net financial items	-23,143	-9,781	-27,122
Adjustments for items not included in cash flow	-1,157	-3,732	-472
Cash flow from operating activities before changes in working capital	-24,300	-13,513	-27,596
Changes in working capital			
Changes in operating receivables	37,147	14,957	15,432
Changes in operating liabilities	-7,516	-8,884	-4,038
Cash flow from changes in working capital	29,631	6,073	11,394
Cash flow from operating activities	5,331	-7,440	-16,201
Investing activities			
Investments in intangible assets	-26,532	-38,220	-100,471
Investments in property, plant and equipment	-32	-72	-72
Change in financial assets	33	–	–
Cash flow from investing activities	-26,531	-38,292	-100,543
Financing activities			
Warrants	100,040	120,003	120,003
Issue expenses	-18,169	-23,274	-23,274
Cash flow from financing activities	81,871	96,729	96,729
Cash and cash equivalents at beginning of period	15,160	34,579	34,579
Cash flow for the period	60,670	50,997	-20,015
Exchange rate difference for cash equivalents	221	1,315	596
Cash and cash equivalents at end of period	76,051	86,891	15,160

Group

Key Performance Indicators

	Jan–Jun 2024	Jan–Jun 2023	Full Year 2023
Profitability			
Operating income, SEK thousand	13,549	25,016	45,590
Operating loss, SEK thousand	-23,268	-13,271	-28,680
Net loss for the year, SEK thousand	-23,143	-9,781	-27,123
Return on equity, %	neg.	neg.	neg.
Capital structure			
Equity ratio, %	96	96	95
Personnel			
Average number of employees	49	59	58
Personnel costs, SEK thousand	-25,241	-27,515	-50,958

Definitions, see page 17.

Comments on the Income Statement and Balance Sheet

Position and results

The Group's operating income for the reporting period amounted to SEK 13,549 thousand (25,016) and consisted mainly of capitalised development work. Net sales amounted to SEK 75 thousand (391) and operating loss was SEK -23,268 thousand (-13,271). The negative result is attributable to business development and administration related to technology development. Of the personnel costs, SEK 13,452 thousand (22,549) has been capitalised as development work.

At the end of the period, intangible assets amounted to SEK 519,460 thousand (430,677), of which capitalised development costs amounted to SEK 502,733 thousand (415,009) and capitalised patent expenses amounted to SEK 16,727 thousand (15,668). All expenses are attributable to the development of Minesto's technology and have been capitalised at the Parent Company. Grants of SEK 414 thousand (23,206), of which SEK 406 thousand (21,615) reduced the acquisition value of capitalised development costs.

Cash flow and financial position

During the reporting period, payments of SEK 27,627 thousand (40,533) were received from public funding schemes, of which SEK 26,298 thousand (40,533) is approved claims and the remaining part is advance payments.

The Group's cash flow amounted to SEK 60,670 thousand (50,997). At the end of the reporting period, cash and cash equivalents amounted to SEK 76,051 thousand (86,891).

Changes in equity

At the end of the reporting period, the Group's equity amounted to SEK 581,462 thousand (540,099). During the reporting period 33,383,346 (23,077,551) new shares were issued. During the corresponding period of the previous year a total of SEK 81,871 thousand (96,729) net of issue expenses, was added to the Company's equity. Furthermore, Group's equity was affected by the net loss for the period of SEK -23,143 thousand (9,781). At the end of the reporting period, there were 194,116,040 (160,732,694) registered shares, each with a quota value of SEK 0.05 (0.05).

Parent company

The core business of Minesto, i.e. the development of plannable generation of renewable electricity from the ocean, which is mostly conducted in the parent company. As the parent company forms such a large part of the Group, an account of the parent company's results, financial position and cash flow would not provide any additional information to that described in the report on the Group. Therefore, this is only presented in report format on pages 11–15.

Parent Company

Income Statement

SEK thousand	Jan–Jun 2024	Jan–Jun 2023	Full Year 2023
Operating income			
Net sales	75	391	391
Capitalised development work	12,201	15,645	28,721
Other operating income	–	–	5
Total income	12,276	16,036	29,117
Operating expenses			
Other external expenses	-14,078	-6,297	-20,721
Personnel costs	-20,718	-20,255	-37,268
Depreciation	-141	-151	-302
Total costs	-34,937	-26,703	-58,291
Operating loss	-22,662	-10,666	-29,174
Profit/loss from financial items			
Interest income and similar income statement items	1	670	1,849
Interest expense and similar income statement items	-514	-11	-25
Total profit/loss from financial items	-513	659	1,824
Loss after net financial items	-23,175	-10,006	-27,350
Tax on net loss	–	–	–
Net loss	-23,175	-10,006	-27,350
Attributable to Shareholders in the Parent Company	-23,175	-10,006	-27,350

Parent Company

Balance Sheet

SEK thousand	30 Jun 2024	30 Jun 2023	31 Dec 2023
ASSETS			
Non-current assets			
Intangible assets	519,460	430,677	492,928
Tangible assets	425	686	534
Financial assets	4,359	46,097	33,744
Total non-current assets	524,244	477,460	527,206
Current assets			
Current receivables	4,049	6,324	4,306
Cash and cash equivalents	65,918	71,054	10,576
Total current assets	69,968	77,378	14,882
TOTAL ASSETS	594,212	554,838	542,088
EQUITY AND LIABILITIES			
Equity	581,173	539,821	522,477
Non-current liabilities	743	695	801
Current liabilities	12,296	14,322	18,810
TOTAL EQUITY AND LIABILITIES	594,212	554,838	542,088

Parent Company

Statement of Changes in Equity

SEK thousand	Share capital	Fund for development	Share premium	Balanced results	Loss for the year	Total equity
2023						
At beginning of the year	6,883	377,173	–	153,497	-84,454	453,099
<i>Changes</i>						
Allocation of previous year's result	–	–	–	-84,454	84,454	–
New shares according to warrants	1,154	–	118,849	–	–	120,003
Issue expenses, net of tax effect	–	–	-23,274	–	–	-23,274
Fund for development	–	98,519	–	-98,519	–	–
Net loss for the period	–	–	–	–	-27,350	-27,350
Total changes	1,154	98,519	95,575	-182,973	57,104	69,377
Equity at the end of the year	8,037	475,691	95,575	-29,476	-27,350	522,477
Jan–Jun 2024						
At beginning of the year	8,037	475,691	95,575	-29,476	-27,350	522,477
<i>Changes</i>						
Allocation of previous year's result	–	–	-95,575	68,225	27,350	–
New shares according to warrants	1,669	–	98,371	–	–	100,040
Issue expenses, net of tax effect	–	–	-18,169	–	–	-18,169
Fund for development	–	27,042	–	27,042	–	–
Net loss for the period	–	–	–	–	-23,175	-23,175
Total changes	1,669	27,042	-15,373	41,183	4,175	58,696
Equity at the end of the period	9,706	502,733	80,202	11,707	-23,175	581,173

Parent Company

Cash Flow Statement

SEK thousand	Jan–Jun 2024	Jan–Jun 2023	Full Year 2023
Operating activities			
Loss after net financial items	-23,175	-10,006	-27,350
Adjustments for items not included in cash flow	127	151	300
Cash flow from operating activities before changes in working capital	-23,048	-9,855	-27,050
Changes in working capital			
Changes in operating receivables	256	5,689	8,084
Changes in operating liabilities	-6,514	2,099	6,315
Cash flow from changes in working capital	-6,258	7,788	14,399
Cash flow from operating activities	-29,306	-2,067	-12,651
Investing activities			
Investments in intangible assets	-26,532	-38,220	-100,471
Investments in property, plant and equipment	-32	-72	-71
Change of receivables from Group companies	29,385	-2,995	9,358
Cash flow from investing activities	2,821	-41,287	-91,184
Financing activities			
Warrants	100,040	120,003	120,003
Issue expenses	-18,169	-23,274	-23,274
Change of liabilities, Group companies	-58	-2	-
Cash flow from financing activities	81,813	96,727	96,729
Cash and cash equivalents at beginning of period	10,576	17,681	17,681
Cash flow for the period	55,327	53,373	-7,107
Kursdifferens i likvida medel	15	-	2
Cash and cash equivalents at end of period	65,918	71,054	10,576

Parent Company

Key Performance Indicators

	Jan–Jun 2024	Jan–Jun 2023	Full Year 2023
Profitability			
Operating income, SEK thousand	12,276	16,036	29,117
Operating loss, SEK thousand	-22,662	-10,666	-29,174
Net loss for the year, SEK thousand	-23,175	-10,006	-27,350
Return on equity, %	neg.	neg.	neg.
Capital structure			
Equity ratio, %	98	97	96
Personnel			
Average number of employees	39	41	41
Personnel costs, SEK thousand	-20,718	-20,255	-37,268

Definitions, see page 17.

Accounting principles and auditing

The Half-Year Report 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 Half-Year Report has not been reviewed by the company's auditor.

Risks

The Company's activity mainly involves developing and commercialising new technology. The Company's development is therefore associated with technical, financial and regulatory risks.

Please see the prospectus published in March 2024 in conjunction with Minesto's rights issue for more detailed information about the Company's risks. The prospectus is available on the Company's website.

Future information

2024-10-24	Interim Management Statement 1 Jan–30 Sep 2024
2025-02-27	Year-End Report 2024
2025-03-13	Annual Report 2024
2025-04-30	Interim Management Statement 1 Jan–31 March 2025

Gothenburg on 22 August 2024

Martin Edlund
CEO

Definitions

Operating income

All income, including capitalised development work.

Operating result

Result after depreciation.

Net loss for the period

Result after tax.

Return on equity

Profit after tax in relation to equity.

Equity ratio

Equity in relation to total assets.

Earnings per share before dilution

Profit after tax in relation to the weighted average number of shares that have been outstanding during the period before dilution.

Earnings per share after full dilution

Profit after tax in relation to the weighted average number of shares during the period after full dilution.

Number of shares at the end of the period

Outstanding shares at the beginning of the period adjusted with newly issued shares during the period.

Number of shares at the end of the period after full dilution

Outstanding shares at the beginning of the period adjusted with newly issued shares during the period and outstanding options per balance sheet date converted to potential shares.

Average number of shares during the period before dilution

Weighted number of outstanding shares during the period adjusted by weighted number of newly issued shares during the period.

Average number of shares during the period after full dilution

Weighted number of outstanding shares during the period adjusted with weighted number of newly issued shares during the period and outstanding options per balance sheet date converted to weighted number of potential shares.

Average number of employees

Average number of employees during the period.

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