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Press release

Regulatory information

28 October 2019

Minesto completes a directed issue of Units – raising proceeds of SEK 60 million – and announces subsequent rights issue of Units of SEK 86.5 million

The board of directors of Minesto AB ("Minesto" or the "Company") has resolved to carry out a directed issue of 4,249,290 Units at a subscription price of SEK 14.12 per Unit (the "Directed Issue"). One Unit contains one (1) share and one (1) warrant to subscribe for shares in the Company no later than April 30, 2021. The issue of Units was subscribed for by an international institutional investor (40 MSEK) with previous experience from investing in clean tech companies as well as Midroc New Technology AB (20 MSEK). Through the Directed Issue, Minesto will receive proceeds amounting to SEK 60 million before transaction costs.

In order for all shareholders to receive the same offer and maintain their relative shareholding in the Company, the board of directors of Minesto has also decided to carry out a rights issue of SEK 86.5 million of identical Units as described above. The Company's largest shareholder BGA Invest AB has undertaken to invest SEK 20 million in the rights issue.

"These transactions allow us to accelerate the pace of commercialisation of our product. We secure the capital needed to realise our current public-funded projects as well as other market and product development activities. It also provides us with financial resources for the foreseeable future in order to facilitate the expansion to the first large-scale commercial farms based on Minesto's technology", said Dr Martin Edlund, CEO of Minesto.

The board of directors of Minesto has resolved to carry out the Directed Issue based on the authorization given by the annual general meeting on June 4, 2019.

The subscription price per Unit in the Directed Issue is set to SEK 14.12. The price per Unit as well as all other terms involving the warrants have been determined through a negotiation with the international institutional investor.

The Directed Issue entails a dilution of approximately 3.6 percent of the number of shares and the votes in the Company. Through the Directed Issue, the number of outstanding shares and votes will increase by 4,249,290 from 115,222,340 to 119,471,630. The share capital will increase by SEK 212,464.50 from SEK 5,761,117 to SEK 5,973,581.50.

The reason for the deviation from the shareholders' preferential rights in the Directed Issue are mainly to diversify the shareholder base among international institutional investors and at the same time raise capital in a time efficient manner.

In order to give the Company's existing shareholders the opportunity to subscribe for new shares in Minesto at the same terms and conditions as offered in the Directed Issue, the Company will carry out a rights issue of Units amounting to SEK 86.5 million (the "Rights Issue") at the same subscription price per Unit as in the Directed Issue. Midroc New Technology AB has waived its right to participate in the Rights Issue because of its subscription in the Directed Issue.

The intended subscription period for the Rights Issue is December 4–18, 2019. Final details on the Rights Issue are expected to be announced within short.

The warrant included in the Unit will expire on April 30, 2021 and each warrant gives the holder the right to subscribe for one (1) new share in the Company. The strike price for the warrant will be set to the lower of:

- SEK 19.42, which is a 10% premium to the closing price on the trading day prior to the announcement of the Directed Issue,
or
- a 10% premium to the volume weighted average price on the trading day following the record date (ex-date) for the detachment of the subscription rights in the Rights Issue.

Furthermore, should the strike price for the warrant be more than 10% higher than the volume weighted average price during the period April 20–30, 2020, the strike price will be reset to the volume weighted average price during the period April 20–30, 2020, plus 10%. The strike price for the warrant will not be lower than SEK 9.71.

Should the Rights Issue be fully subscribed, 6,127,464 warrants will be issued. Accordingly, in total through the Directed Issue and the Rights Issue, a maximum of 10,376,754 warrants will be issued.

Based on the strike price of SEK 19.42, which is a 10% premium to the closing pricing on the trading day prior to the announcement of the Directed Issue, the exercise of the maximum number of warrants will generate approximately SEK 202 million in gross proceeds to the Company.

The Directed Issue and the subsequent Rights Issue are carried out to finance the Company's current projects in the UK, the Faroe Islands, Taiwan and France and to facilitate the next phases of commercialisation of Minesto's technology in these markets. Proceeds will also be used for other product and market development activities, all with the aim of increasing the pace of commercialisation of Minesto's products.

In order to facilitate the delivery of shares to the investors in connection with the Directed Issue, Midroc New Technology AB have lent shares to Pareto Securities. The shares will be returned after the Directed Issue has been registered with the Swedish Companies Registration Office, which is expected to occur on or about 6 November 2019.

In connection with the Directed Issue, the Company's main shareholders¹, board members² and persons of the management³ have undertaken not to sell any shares in Minesto for a

¹ BGA Invest AB and Midroc New Technology AB.

² Chairman Bengt Adolfsson and board members Göran Linder, Martin Edlund, Git Sturesjö Adolfsson and Jonas Millqvist.

³ Martin Edlund, CEO, Fredrik Ahlström, CFO and Bernt Erik Westre, CTO.

period of 90 calendar days after the announcement of the Directed Issue, with customary exceptions.

Advisers

Pareto Securities AB is acting as Sole Manager and Bookrunner and MAQS Advokatbyrå is legal adviser in connection with the Directed Issue and the Rights Issue.

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The information in this press release is such that Minesto AB (publ) shall announce publicly according to the EU Regulation No 596/2014 on market abuse (MAR). The information was submitted for publication, through the agency of the contact person set out above, at 21:40 CET on 28 October 2019.

About Minesto

Minesto is a 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 to date.

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

Read more about Minesto at www.minesto.com

Press images and other media material is available for download via bit.ly/Minesto_media.

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This press release is not a prospectus for the purposes of the Prospectus Directive and has not been approved by any regulatory authority in any jurisdiction. Minesto has not

authorized any offer to the public of shares or rights in any member state of the EEA and no prospectus has been or will be prepared in connection with the Directed Issue.

This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision in connection with the Directed Issue must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by the Managers. The Managers are acting for the Company in connection with the transaction and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.

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This press release does not constitute an invitation to warrant, subscribe, or otherwise acquire or transfer any securities in any jurisdiction. This press release does not constitute a recommendation for any investors' decisions regarding the Directed Issue. Each investor or potential investor should conduct a self-examination, analysis and evaluation of the business and information described in this press release and any publicly available information. The price and value of the securities can decrease as well as increase. Achieved results do not provide guidance for future results. Neither the contents of the Company's website nor any other website accessible through hyperlinks on the Company's website are incorporated into or form part of this press release.

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.

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 in Minesto 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 Minesto may decline and investors could lose all or part of their investment; the shares in Minesto offer no guaranteed income and no capital protection; and an investment in the shares in Minesto 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 Directed 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 Minesto.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Minesto and determining appropriate distribution channels.