

INTERIM MANAGEMENT STATEMENT
1 JANUARY–31 MARCH

2022



 Minesto

Significant events January–March 2022

- In March, Minesto announced that the company has decided to concentrate its operational activities this year on the new, upgraded Dragon Class power plants in Vestmannasund, Faroe Islands. Within the framework of the existing electricity purchase agreement with SEV, the company's customer and partner in the Faroe Islands, the plan is to install two Dragon 4 systems in 2022, followed by a Dragon 12 system – Minesto's first megawatt-scale power plant – for grid-connected operation in Vestmannasund.

After the end of the period

- In April, Minesto launched a build-out plan for tidal energy arrays in the Faroe Islands. The plan includes four new verified sites with potential to supply 40% of the country's growing electricity consumption, enabling the Faroe Islands to reach their policy goal of 100% renewable energy by 2030. Together with the local electricity company SEV, Minesto has presented the plan to a broad-based group of political and local community stakeholders - including the Faroese Prime Minister and the Minister of Environment, Industry and Trade - and it has been received very positively.



Minesto's CEO Martin Edlund (center) together with Kári Johansen, Chairman of the Board of SEV and Hákon Djurhuus, CEO of SEV.

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, which goes by the name Deep Green, 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 subsidiaries Minesto UK Ltd, Minesto Taiwan Ltd, Sp/f Minesto Føroyar, Minesto Warrants One AB and Holyhead 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.

The Group in summary

1 January–31 March 2022

- Total operating income amounted to SEK 11,117 thousand (10,480 thousand) and mainly included capitalised development work.
- Operating loss was SEK –4,450 thousand (–4,584 thousand). The negative result is largely attributable to business development and administration related to technology development and includes costs such as personnel and consultants. Of the personnel costs, SEK 10,232 thousand (9,862 thousand) has been capitalised as development work.
- At the end of the period, capitalised development costs amounted to SEK 313,037 thousand (241,377 thousand), in addition to patent expenses of SEK 14,514 thousand (13,629 thousand), all within the Intangible Assets of SEK 327,551 thousand (255,006 thousand).

SEK thousand	Jan–March 2022	Jan–March 2021	Full Year 2021
Net sales	0	0	0
Operating profit/loss	–4,450	–4,584	–20,136
Net profit/loss for the period	–3,595	–2,253	–14,929
Cash flow for the period	–27,531	–18,194	45,396



Some of the Minesto team members together with the company's first Dragon 4 power plant in Minesto's new series of marine power plants, Dragon Class.

CEO comment

Target set on large-scale buildout of tidal energy arrays



With a strong confidence from our financing partners, we continue our dedicated work to demonstrate tidal energy as a commercially viable energy source.

The updated project plan announced in the first quarter signifies that further to securing commitments in ongoing EU-funded partnerships, Minesto is also raising the bar for the deliveries. Through grid-connected operation within the existing electricity purchase agreement with our customer and partner in the Faroe Islands, utility company SEV, we can more rapidly generate electricity production data that will be beneficial in all ongoing collaboration projects. This is valuable not least in Wales, where we are focusing on securing permits as well as the buildout of a commercial 80 MW array in Holyhead Deep.

A detailed plan for the Faroe Islands – presented and well-received

During the first quarter, we have made advancements in the Faroe Islands and are now facing a very exciting future. We conducted an extensive meeting tour together with SEV in the Faroe Islands in March, where Minesto presented a detailed plan for large-scale buildout of tidal energy arrays. Minesto's technology can be pivotal to the island nation's transition to 100% renewable energy.

The plan includes four new verified sites with a total capacity of 120 MW of tidal energy. This would generate an estimated 350 GWh per year, which corresponds to 40% of the Faroe Islands' projected energy consumption in 2030. The plan was presented to several key stakeholders, including Bárður Nielsen, Prime Minister of Faroe Islands, and Magnus Rasmussen, The Minister of Environment, Industry and Trade, and was received very positively.

In our dialogue with the Faroe Islands, all major aspects of a complete integration of Minesto's tidal technology into the country's energy system have been addressed. This includes, for example, environmental permits, legislation for access to the seabed, local partnerships on port access, manufacturing, and financing. We are very pleased with the outcome of the tour. The interest and positive response from key stakeholders strengthen us for the next step towards large-scale buildout of tidal energy arrays.

Continued manufacturing of the first Dragon Class units

Manufacturing of our first Dragon Class units continues, and shortly after the end of the first quarter, we were able to showcase the first model in Minesto's new product line. The "Dragon 4" system is a 100kW state-of-the-art power plant we are very proud of, and it will soon be complemented by the larger model "Dragon 12" which has a capacity of 1.2 MW. Getting the "Dragon 4" installed in its right element and producing electricity in Vestmannasund is a top priority amongst our activities in the nearest future.

Minesto's solution is perhaps more important than ever now

The war in Ukraine and the human suffering that follows continue to create uncertainty in the world. The need to add clean, independent, and secure energy supply to the energy mix is reaching a critical point, and Minesto's task of contributing to the solution is perhaps now more important than ever.

Martin Edlund, CEO

Group

Financial information in summary

Income

SEK thousand	Jan–March 2022	Jan–March 2021	Full Year 2021
Operating income	11,117	10,480	41,869
Operating costs	-15,568	-15,064	-62,004
Operating profit/loss	-4,450	-4,584	-20,136
Financial items	-70	1,749	1,358
Tax	925	582	3,848
Net profit/loss for the period	-3,595	-2,253	-14,929
Earnings per share, SEK	-0.03	-0.02	-0.11
Earnings per share after dilution, SEK	-0.03	-0.02	-0.11

Balance

SEK thousand	31 March 2022	31 March 2021	31 Dec 2021
Total non-current assets	391,760	314,292	375,888
Total current assets	165,686	119,801	183,614
Total equity	534,193	411,600	537,751
Total liabilities	23,253	22,494	21,751
Equity ratio, %	96	95	96

Cash flow

SEK thousand	Jan–March 2022	Jan–March 2021	Full Year 2021
Cash flow from operating activities before changes in working capital	-4,312	-5,150	-21,189
Changes in working capital	-8,194	1,908	778
Cash flow from investing activities	-15,025	-16,972	-74,455
Cash flow from financing activities	0	2,021	140,262
Cash and cash equivalents at beginning of period	150,890	104,358	104,358
Cash flow for the period	-27,531	-18,194	45,396
Exchange rate difference for cash equivalents	-107	3,474	1,136
Cash and cash equivalents at end of period	123,252	89,638	150,890

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 2021 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

2022-06-08 Annual General Meeting 2022

2022-08-18 Half-Year Report 2022

2022-10-20 Interim Management Statement 1 Jan–30 Sep 2022

Göteborg on 21 April 2022

Martin Edlund
CEO

Definitions of Key Performance Indicators

Total operating income

All income, including capitalised development work.

Operating profit/loss

Result after depreciation.

Net profit/loss for the year

Result after taking into account actual tax and deferred tax.

Equity ratio

Equity in relation to total assets.

Earnings per share

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

Earnings per share after dilution

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

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This information 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 08:30 CEST on 21 April 2022.