

Translated and compressed from the Swedish version published on February 16<sup>th</sup>, 2023.

# GRANGEX Year-End Report 2022



## FOURTH QUARTER 2022

- The feasibility study for Dannemora, published on 16 December 2022, concluded that Dannemora may become a profitable producer of high-grade iron ore with a very low carbon footprint.
- Update and increase of the mineral resources by 24% in the Apatite Project, from 2.8 Mt to 3.5 Mt.
- The Swedish Land and Environmental Court at Nacka District Court announced the Company's permit application for renewed mining operations in the Dannemora mine in November.
- Net sales amounted to TSEK 4 706 (3 798).
- EBITDA amounted to TSEK -2 274 (-1 287).
- Operating profit amounted to TSEK -2 633 (-1 572).
- Earnings per share amounted to SEK -0.31 (-0.20).

## FINANCIAL YEAR 2022

- Income amounted to TSEK 23 138 (15 636).
- EBITDA amounted to TSEK -11 684 (-9 938).
- Operating profit amounted to TSEK -12 574 (-10 789).
- Cash at the end of the period amounted to TSEK 12 712 (28 084).
- Earnings per share amounted to SEK -1.51 (-1.46).
- Project investments amounted to TSEK 36 625.

## EVENTS AFTER THE END OF THE PERIOD

- GRANGEX appointed Swedbank AB and SpareBank 1 Markets AS as financial advisors for the project financing ahead of the restart of the Dannemora Mine and the build-up of the Apatite Project in Grängesberg.
- The Company is in discussions with a number of potential strategic partners in connection with the structured financing process.

Financial overview	Q4 2022	Q4 2021	FY 2022	FY 2021
Net sales TSEK	4 706	3 798	23 138	15 636
EBITDA TSEK	-2 274	-1 287	-11 684	-9 938
Operating profit (EBIT) TSEK	-2 633	-1 572	-12 574	-10 789
Earnings per share (corr. after reverse share split)	-0.31	-0.20	-1.51	-1.46
Cash liquidity (%)	125	282	125	282
Equity, TSEK	132 408	109 596	132 408	109 596
Cash and cash equivalents, TSEK	12 712	28 084	12 712	28 084
Balance sheet total, TSEK	148 266	126 109	148 266	126 109
Equity ratio (%)	89	87	89	87
Staff at end of period	12	11	12	11

The comparative figures refer to the corresponding period of the previous year adjusted according to IFRS.

## COMMENTS FROM THE CEO

In 2022, everything fell into place for GRANGEX, and we reached several important milestones. For the Dannemora Project, we applied to the Swedish Land and Environmental Court in June and also completed the investigation phase with the publication of the positive feasibility study in December. In the new year, the Dannemora Project is now changing as we leave the study phase and enter the implementation phase for the restart of the Dannemora Mine in 2025.

In light of the ongoing transformation of the steel industry, Dannemora's restart is timely. We can see this in the great interest in our high-grade ore concentrate during the year. With production scheduled to start in 2025, Dannemora will emerge as the greenest iron ore mine when demand picks up, thus creating a growing shortage of the high-grade ore concentrates required for an optimal transition to green steel production from an economic point of view.

After the publication of the pre-feasibility study at the beginning of last year, we noticed that interest in Dannemora's high-grade ore concentrates increased significantly among ore buyers, which accelerated with the publication of the final feasibility study at the end of the year. As a result, we are in contact with several potential buyers of the entire production in Dannemora for the next 11 years.

With an increasing shortage of iron ore concentrates above 67% iron content, Dannemora, with its green 68% ore concentrate, will be an enabler for ore customers wanting to produce green steel and thus provide a reduction of about 11 Mt CO<sub>2</sub> during the first 11 years of production. In light of this climate benefit and the current shortage of high-grade iron ore products, we can explain the high demand for Dannemora's future ore production.

With Russia's invasion of Ukraine almost a year ago, the fertiliser industry was plunged into crisis by losing considerable volumes of fertiliser from Ukraine and Russia. Producers of phosphoric acid and fertilisers have since been looking for alternative raw material suppliers. This is where our Apatite Project can make a marginal contribution to reducing the phosphate deficit. The shortfall has affected the world market price for phosphate, which since February last year has been at a level twice as high as the price we adopted in our scoping study. Customer interest is therefore still high for our expected apatite production. In project development, we have encountered technical process challenges during the year, which we have now resolved, and we are pleased that the tonnage in the Jan-Matts dam is increasing, allowing for another year of production. Work on environmental studies is basically complete, and we are now waiting to determine the final beneficiation process configuration before applying to the Swedish Land and Environmental Court. Several customers have requested product samples for their test runs during the year, which, in short, is very positive for the Apatite Project.

As current working capital is insufficient for all planned activities over the next 12-month period and does not allow for the planned development, we aim to ensure that the necessary capital will be available soon, which is a work carried out with our financial advisors, Swedbank and Sparebank 1 Markets. Both banks have an excellent track record in financing green raw material projects and are ideal for the future project financing of both the iron ore project in Dannemora and the Apatite Project in Grängesberg.

Christer Lindqvist  
Chief Executive Officer

## THE BUSINESS

GRANGEX, through its subsidiaries Grängesberg Exploration AB and Dannemora Iron AB, develops mineral deposits containing iron ore, apatite, and rare earth elements (REE). The feasibility studies carried out in 2021 were deepened in 2022, and the final feasibility study for Dannemora was published in December 2022.

During 2021, work began on environmental impact assessments ahead of planned applications for so-called environmental permits. The environmental application for Dannemora was submitted in June 2022 to the Swedish Land and Environmental Court in Nacka and was announced on 2 November 2022.

The environmental application for the Apatite Project in Grängesberg is expected to be submitted in the second quarter of 2023.

The subsidiary Sala Bly AB is the only producer in the Nordic countries of lead manufacturing that supplies inputs to the industry. Sala Bly is the first fossil-free producer of products based on circular lead.

## THE DANNEMORA PROJECT

### The feasibility study

On 16 December 2022, the feasibility study for the Dannemora Project was published, marking the end of the study phase and the starting point for the implementation phase, which will begin in the first quarter of 2023.

The positive results presented in the feasibility study show that a very high iron ore concentrate can be produced at Dannemora, most likely over a more extended production period than what was presented in the feasibility study and with the lowest carbon footprint in the market. Thus, another important milestone for reopening the Dannemora Mine has been passed. The port of export has been changed to Oxelösund as this allows to cost-effectively expand relevant markets and reach customers in the Middle East and North Africa. The Project is now entering the implementation phase, initially with project preparations, such as detailed design, organisational development, and critical procurements to be ready when the environmental permit is received to initiate construction works.

Based on the development of the new beneficiation process during the study phase, which enables the beneficiation of raw ore with lower iron grades, a systematic remapping of existing drill cores in the Dannemora drill core archive has been carried out. The result is that the mine's production life has been extended to 11 years. The remapping work will continue in 2023.

### Key study data

Net present value (NPV) @ 8% before tax	274	MUSD
Internal rate of return (IRR) before tax	31	%
Life of mine (LOM)	11	years
Annual mine production, fully electrical	3.0	Mt/year
Production, 68% iron ore concentrate	1.01	Mt/year
OPEX 68% Fe FOB	54.7	USD/t
-Pre production CAPEX	178.3	MUSD
-Sustainable CAPEX	17.3	MUSD
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Total LOM CAPEX	195.6	MUSD

### Main findings of the study:

- The financial evaluation of the project completed as part of the study has estimated pre-production capital expenditure including contingency and first year production costs of MUSD 178.3, (MSEK 1 872.6), sustaining capital during the life of mine (year 2 and forward) of MUSD 17.3 (MSEK 181.2) giving a total CAPEX during the life of mine of MUSD 195.6 (MSEK 2 053.8). The operating cost (OPEX), FOB, is USD 54.7/dmt for production of a 68% low sulphur iron ore concentrate. Based on a product price FOB of USD 129/dmt and 10.50 SEK/ USD this gives the following financial indicators, pre-tax:
  - Net Present Value @ 8%: MUSD 274 (MSEK 2 877)
  - Internal rate of return (IRR): 31 %
- Payback time is less than 4 years from production start.
- The report is based on recent quotations and price lists and thereby captures the current effects of the

inflationary economy, which results in higher capital and operating costs.

- The process plant flow sheet design criteria aim to produce ca. 1.14 Mt of magnetite concentrate per year, with a grade of ca. 68.15% Fe at full production. This is based on 400 t/hr run-of mine (3 000 000 t/year) feed at a grade of 32.1% Fe.
- The annual ROM rate has been calculated at 2.83 Mt resulting in an average production of 1.01 Mt (dry weight), 68% iron ore concentrate, meeting the requirements for direct reduction iron (DRI) and thus green steel production. A key conclusion of the study is the possibility that the Dannemora Mining Project can be a producer of high-grade iron ore with an extremely low carbon footprint and achieve this by operating a fully electrified underground mining and beneficiation process. This provides the opportunity to become the preferred supplier in the emerging transition of the steel industry towards the production of green steel.
- An updated JORC 2012 compliant Mineral Resource Estimate for the mine amounts to 32.20 Mt, at 34.91 % Fe, measured and indicated; and 5.94 Mt at 33.33% Fe, inferred.
- The Probable Ore Reserves for Dannemora Mine, as of 31<sup>st</sup> October 2022, is estimated to be 31.11 Mt, with 32.10% Fe, at a cut-off grade of 15%, giving a Life of Mine (LOM) of 11 years.
- Relogging of existing drill cores has resulted in an extension of the Life of Mine (LOM) compared to the Pre-Feasibility Study (PFS).
- Most of the interpreted mineralised ore bodies have exploration potential as they are open at depth. The total Exploration Target tonnage is estimated to be between about 20 Mt and 35 Mt with an estimated grade between of between 34% and 39% Fe.

### Mineral Resource Estimate

The Mineral Resource Estimate produced for inclusion in the study is compliant with the principles as set out in JORC-2012. The statement on mineral resources is supported by a completed Table 1 as required by JORC-2012.

The mineral resource table presents a summary of the iron ore resources for Dannemora Mine as of 8th August 2022 compared to those of 31<sup>st</sup> December 2021.

#### Mineral Resource Estimate for Dannemora Mine for 8<sup>th</sup> August 2022 compared to 31<sup>st</sup> December 2021

Category	8 August 2022				31 December 2021			
	Tonnes	Fe%	Mn%	S%	Tonnes	Fe%	Mn%	S%
Measured	17 319 000	37.49	1.90	0.25	16 733 000	37.87	1.90	0.30
Indicated (In Situ)	11 882 000	34.66	2.20	0.27	11 454 000	34.58	2.20	0.30
Indicated (Tailings)	3 000 000	22.50	2.50	0.19				
Total Measured + Indicated	32 201 000	34.91	2.06	0.25	28 187 000	36.53	2.00	0.30
Inferred (In Situ)	5 948 000	33.33	2.27	0.15	5 823 000	31.90	2.50	0.19
Inferred (Tailings)					1 700 000	21.00	2.50	0.19
Total Inferred	5 948 000	33.33	2.27	0.15	7 523 000	29.44	2.50	0.19

### Ore Reserve Estimate

The Mineral Resource Estimate presented above has been subject to detailed mine planning, including the consideration of expected or actual modifying factors such as waste inclusions (dilution) and planned and operational ore losses. The resulting tonnage is therefore considered to be a Probable Ore Reserve. The Estimated Probable Ore Reserve for the Dannemora Mine, effective date 31<sup>st</sup> October 2022, is estimated to be 31.11 Mt @ 32.10% Fe, 2.02% Mn and 0.24% S, as shown in the table below. Also included in the ore reserve estimate is ca. 3.0 Mt of tailings @ 22.5% Fe, 2.50% Mn and 0.19% S. The tailings included in the ore reserve estimate are based on tailings historically placed as backfill in several of the stopes in the Konstäng and Kruthus orebodies, in the south of the Dannemora Mine.

#### Probable Ore Reserves reported for Dannemora Mine (31<sup>st</sup> October 2022)

All orebodies	Diluted tonnes (kt)	Diluted Fe-grade (wt%)	Mn-grade (wt%)	S-grade (wt%)
Total	31 110 000	32.10	2.02	0.24

### Iron and steel markets in 2022

World crude steel production decreased in 2022 due to the war between Russia and Ukraine. Total production has fallen from 1 960 million tonnes to 1 878 million tonnes, a decline of 4.2%. Production in Russia and other CIS countries (incl. Ukraine) fell sharply by more than 20% to 85 million tonnes. EU countries reduced their production by 10.5% and finished at 137 million tonnes. China's production has fallen by 2.1% to 1 013 million tonnes. The decline in the EU is largely due to difficulties in replacing the sharp fall in iron ore imports from Russia and Ukraine. The only region in the world to see an increase in production is the Middle East, which produced 44 million tonnes in 2022, an increase of 7.1%.

Efforts to reduce carbon dioxide emissions in the steel industry continue, and a growing number of steel companies are devoting ever more research and development resources to finding greener production processes. Many opt to switch from basic oxygen furnace (BOF) technology, scrapping their blast furnaces and replacing them with electric arc furnace (EAF) technology. The EAF technology is based on a mixture of scrap and pellets with high-grade iron ore concentrate as feedstock, where the needs for large amounts of green electricity and the requirements for high-grade iron feedstock are the main challenges. In these respects, Sweden and Scandinavia have considerable advantages, both in terms of access to green electricity and, not least, to high-grade iron ore. Dannemora's magnetite concentrate, with an iron content of about 68%, ranks among the world's absolute top layer in terms of iron content. Its other chemical properties are also attractive for steel producers with ambitions to produce green steel.

In 2022, iron ore prices underwent major changes. We have seen a rise from around USD 120/tonne in January (standard product with 62% Fe) to USD 160/tonne in April and then a low of just under USD 80/tonne in early November. Since then, the price has gradually recovered and closed on 30 December at USD 111/tonne. Like everything else in the world economy, the iron ore market is currently characterised by high uncertainty, primarily due to the ongoing conflict between Russia and Ukraine. A multiplying factor in the iron ore industry is the concern felt by the major iron ore producers, particularly in Australia, about the green transition. Most industry analysts believe there will be a severe imbalance between what iron ore buyers want to buy and what producers can offer. Premiums for high-grade products may increase further.

### THE APATITE PROJECT IN GRÄNGESBERG

Work on the environmental impact assessment has continued during the quarter. As part of this work, further process tests have been carried out to optimise yields and finally define the required flotation chemicals. The external process laboratories that we sent material to during the year for additional process tests have had long lead times due to high loads, causing delays for the Company and the submission of the planned application for an environmental permit to the Swedish Land and Environmental Court.

The Apatite Project in Grängesberg is a recycling project where the old tailings from the iron ore beneficiation at the closed Grängesberg Mine are intended to be recycled to produce highly beneficiated apatite as input for, among others, the fertiliser industry, as well as highly beneficiated magnetite concentrate that can be used either in the steel industry or for industrial water treatment. The Project is planned to be carried out entirely using fossil-free methods for capture and beneficiation. The Project is timely, given the general focus on circular processes, and partly it is a desirable restoration project that ultimately contributes to increased biodiversity.

During the autumn, further investigations of the tailings in the Jan-Matts dam were carried out, making the Apatite Project even more profitable and important to implement. The work has resulted in an update and a 24% increase in mineral resources, from 2.8 Mton to 3.5 Mton, while maintaining the phosphorus content. The update was based on the sampling results of underwater tailings in the Jan-Matts dam.

Estimated indicated mineral resources in the Jan-Matts Dam sand reservoir, as of November 2022

2022 November			2021 November		
dry tonnes (Mton)	Fe%	P205(%)	dry tonnes (Mton)	Fe%	P205(%)
3.46	9.69	5.46	2.79	10.11	5.44

### Phosphate market in 2022, seller's market

2022 was a very challenging year for the European fertiliser industry. The prices of phosphate and other raw materials have broken previous records, and supply chains have been dramatically affected. There are several underlying factors, but the trigger is the war in Ukraine.

Europe has for many years been dependent on imports of chemical fertilisers, especially phosphate from Russia, potassium from Belarus, and ammonia from Ukraine. After Russia's invasion, all these markets were disrupted – simultaneously. This has been serious for the phosphate market. Phosphate is one of the world's largest basic raw materials, with steady and predictable demand and a relatively simple overview of the main producers. Long-term statistics are also available. For 120 years, until the autumn of 2021, phosphate prices were relatively stable within a window, mostly ranging between 40–80 USD/t.

In autumn 2021, China suspended all exports of fertiliser raw materials, including phosphate. The consequences were that prices quickly doubled to 150 USD/t. Since Russia's invasion, prices have doubled again to over 300 USD/t.

Global phosphate fertiliser production decreased by 5% in 2022, after falling by 2.7% in 2021. Now gas prices are coming down, but without a corresponding fall in phosphate prices. It provides interesting clues for establishing a new high price picture for crude phosphate.

Large phosphate buyers are hit particularly hard, as they have less opportunity to buy Moroccan phosphate. They are more dependent on fertilisers of the apatite type, which GRANGEX will produce. LKAB has launched plans to produce phosphate fertiliser based on the same apatite type as GRANGEX. This demonstrates a market that is undergoing significant change and offers exciting opportunities.

The indicative prices for 2023 are ca. 300 USD/tonne. In this price picture, it should also be remembered that GRANGEX phosphate contains more phosphorus and fewer impurities than Moroccan phosphate, so GRANGEX apatite is likely to achieve prices that are some tens of dollars higher per tonne.

Crude phosphate is considered a critical raw material by the EU. The EU has adopted a separate law for this sector, the Law on Critical Raw Materials. This will be followed up with a package of measures due in March/April 2023. There is reason to expect strong measures in the form of risk loans, subsidies, protection of competition, and more from the EU to increase the member states' self-sufficiency in critical raw materials. GRANGEX should be well placed to contribute to this work.

### THE OPERATIONS IN SALA BLY

Sala Bly has had a positive year with several new customers in the radiation protection and wire segments. In addition, sales of thick plates from 3 mm and upwards for radiation protection increased. Sala Bly's high-quality wire enables us to attract new customers in this segment as well. A focus on fossil-free production may have contributed to an influx of customers during 2022.

Net sales increased in the fourth quarter and amounted to TSEK 4 482 (4 122). The increase in sales, therefore, amounts to 9% compared to the fourth quarter of 2021. During the financial year 2022, the net sales amounted to TSEK 22 774 (15 417), an increase of 48 percent. The increase in sales was mainly in the sheet metal and lead brick segment for the medical device industry, but there was also a growth in sales of lead wire.

## COMMENTS ON THE RESULTS AND FINANCIAL POSITION OF THE GROUP

The transition to IFRS has had a minor impact on the balance sheets and income statements and has mainly concerned right-of-use assets 688 (517) and related lease liabilities. In the case of GRANGEX, this applies primarily to rental agreements. The income statements have been adjusted, and previously expensed lease and rental costs have been primarily allocated as depreciation of the right-of-use assets and interest expense, resulting in a small change in operating profit and a change in EBITDA. Comparative figures for 2021-12-31 have been adjusted according to IFRS, and a breakdown of changes made from previously published figures is provided together with the new accounting principles of GRANGEX in the notes of this report.

### Future liquidity development

The financial needs of GRANGEX to implement the restart of the Dannemora Mine and the Apatite Project in Grängesberg require access to financing. The Board assesses that current working capital is insufficient for all necessary activities over the next 12-month period, which means that material uncertainties could cast significant doubt on the Company's ability to continue according to the going-concern principle. The work with the Company's financial advisors, Swedbank and Sparebank1, has entered a phase where the talks with, among others, global strategic investors for an initial capitalisation can soon provide a solid basis for the entire project financing planned to be completed in autumn 2023.

### The quarter October–December 2022

Net sales have increased compared to the fourth quarter of 2021 from TSEK 3 798 to TSEK 4 706, mainly due to increased sales in Sala Bly. Due to a successful recycling project, the cost of raw materials decreased during the quarter. Parts of the recovered raw material remain in storage as of 31 December 2022.

During the quarter, development costs of TSEK 9 950 (9 649) arising from the Dannemora and Apatite Projects have been capitalised under the IFRS 6 Exploration for and Evaluation of Mineral Resources. These costs have mainly been incurred in connection with the ongoing preparations for the environmental assessments in both projects, as well as pilot tests and consultancy costs for completing the feasibility study in Dannemora.

### Financial year 2022

Net sales for 2022 amounted to TSEK 23 138 (15 636), which is mainly attributable to Sala Bly AB. With the increase in sales, the cost of raw materials also increased in 2022 to TSEK 13 997 from TSEK 9 966. Furthermore, administrative costs have increased mainly due to higher activity, while personnel costs have stabilised due to low salary increases and a robust staff organisation. Operating profit for the period amounted to TSEK -12 574 (-10 789).

In the cash flow, we see a slightly higher capital tie-up mainly due to increased inventory in Sala Bly AB. However, this is offset by increased short-term liabilities. In 2022, the liabilities were repaid by MSEK 3.4. Development costs capitalised during the year amounted to TSEK 36 625 (18 998).

During the financial year, a reclassification of the current portion of non-current liabilities to current liabilities of TSEK 2 024 was carried out. For comparability, this reclassification also took place on 31 December 2021.

## EVENTS DURING THE QUARTER IN ADDITION TO THOSE PRESENTED ABOVE

### Safety and environment

No workplace accidents leading to sick leave or incident notifications were reported during the quarter.

### Personnel

The number of employees in the Group at the end of the reporting period was 12, of which two in the Parent Company. In addition, there is a project organisation consisting primarily of consultants.

## EVENTS AFTER THE REPORTING PERIOD

GRANGEX appointed Swedbank AB and SpareBank 1 Markets AS as financial advisors for the project financing ahead of the restart of the Dannemora Mine and the build-up of the Apatite Project in Grängesberg. The Company is also in discussions with a number of potential strategic partners in connection with the structured financing process.

## SHARES AND TRADING

### Reverse share split

At the Annual General Meeting on 19 May 2022, it was decided to undertake a 1:500 reverse share split, whereby 500 shares would be merged into one (1) share. The reverse share split was completed on 3 June 2022 and trading of the merged shares commenced on 2 June 2022.

### Offset issue in August 2022

As a result of the reverse share split, a directed issue was made to Günther & Wikberg Kapitalförvaltning AB, which guaranteed the reverse share split.

The issue comprised 4 018 shares and the subscription price in the offset issue was equivalent to the quota value of the share, ca. SEK 5.00 per share. The issue proceeds totalled SEK 20 090.01. The share capital thus increases from SEK 43 454 216.82 to SEK 43 474 306.82 and the number of shares increases from 8 690 843 to 8 694 861, which entails a dilution of approximately 0.05%. The issue was registered on 5 August 2022.

Share data	2022	2021
Number of shares	8 694 861	3 827 883 284
Share capital SEK	43 474 307	38 278 833

On 31 December 2022, Grängesberg Exploration Holding AB's share capital amounted to SEK 43 474 306.82 and the number of shares was 8 694 861.

There are two warrant programmes, TO5 aimed at staff and strategically important consultants and TO6 aimed at the Board of Directors. The subscription price is SEK 36.70 per share in both programmes, with the subscription of shares to take place from 2 June 2025 up to and including 1 October 2025. Outstanding warrants as of 30 December 2022 are 57 310 warrants of series TO5 and 57 264 warrants of series TO6. If the two programmes are fully subscribed, the dilution will be 1.32% and the Company will receive MSEK 4.2.

Grängesberg Exploration Holding AB's shares are traded on NGM Nordic SME. The Company's ticker is GRANGX. The ISIN number of the shares is SE0018014243.

The number of shares traded on NGM Nordic SME during 2022 was approx. 7.4\* million.

(\* ) Figures converted for comparison purposes after reverse share split.

## RISK FACTORS

Financial and operational risks have an impact on the business of GRANGEX. The Company's activities must be weighed against the risks, complications, and additional costs to which industrial activities and planned mining operations may be exposed. The Company can control and act against these risks to varying degrees. For a more detailed description of significant risks, including financing risks, uncertainties and how GRANGEX manages them, please refer to the 2021 Annual Report pp. 24f.

In addition to the risks mentioned above, also see in particular the section "Future liquidity developments" on p. 7.

## FINANCIAL CALENDAR

- Annual Report 2022 will be published by 25 April 2023.
- Interim report Q1 2023 will be published on 16 May 2023.
- The Annual General Meeting is planned to be held on 16 May 2023.
- Interim report Q2 2023 will be published on 23 August 2023.
- Interim report Q3 2023 will be published on 9 November 2023.
- The year-end report for 2023 will be published on 20 February 2024.

## ANNUAL REPORT AND FINANCIAL STATEMENTS

Reports are available on the Company website: [www.grangex.se](http://www.grangex.se)

Stockholm February 16<sup>th</sup>, 2023

Grängesberg Exploration Holding AB (publ.)

Christer Lindqvist  
CEO and Director

Per Berglund  
Chairman of the Board

Jesper Alm  
Vice Chairman of the Board

Annika Billberg  
Director

Per Bergman  
Director

Anders Werme  
Director

## CONSOLIDATED STATEMENT OF INCOME

Amounts in TSEK	2022-10-01	2021-10-01	2022-01-01	2021-01-01
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Net turnover	4 706	3 798	23 138	15 636
Other income	598	608	948	747
<b>Sum of income</b>	<b>5 304</b>	<b>4 406</b>	<b>24 086</b>	<b>16 383</b>
Supplies	-2 016	-3 193	-13 997	-9 966
Other external expenses	-4 118	-392	-12 552	-7 199
Employee expenses	-1 444	-2 107	-9 220	-9 156
<b>EBITDA</b>	<b>-2 274</b>	<b>-1 287</b>	<b>-11 684</b>	<b>-9 938</b>
Depreciation and amortization	-359	-285	-890	-851
<b>EBIT</b>	<b>-2 633</b>	<b>-1 572</b>	<b>-12 574</b>	<b>-10 789</b>
Finance income	0	98	0	1 450
Finance cost	-90	-161	-387	-440
<i>Financial cost net</i>	<i>-90</i>	<i>-63</i>	<i>-387</i>	<i>1 010</i>
<b>Result after financial items</b>	<b>-2 724</b>	<b>-1 635</b>	<b>-12 961</b>	<b>-9 779</b>
Income tax expense	0	115	0	115
<b>Result for the period</b>	<b>-2 723</b>	<b>-1 520</b>	<b>-12 961</b>	<b>-9 664</b>
<b>Other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total profit for the period</b>	<b>-2 723</b>	<b>-1 520</b>	<b>-12 961</b>	<b>-9 664</b>
Total profit for the period attributable to:				
Parent companys shareholders	-2 723	-1 520	-12 961	-9 664
Profit per share, before and after dilution SEK	-0,31	-0,20	-1,51	-1,46
Weighted average of shares after dilution	8 694 861	7 556 975	8 563 182	6 633 866

## CONSOLIDATED BALANCE SHEET

Amounts in TSEK	2022-12-31	2021-12-31
<b>ASSETS</b>		
<b>Fixed assets</b>		
Intangible fixed assets	93 090	56 605
Assets with right of use	688	517
Tangible fixed assets	33 266	33 200
Financial fixed assets	224	224
<b>Total fixed assets</b>	<b>127 268</b>	<b>90 546</b>
<b>Current assets</b>		
Inventories	2 703	1 344
Accounts receivables	1 272	1 718
Other assets	3 930	4 155
Accruals and deferred income	381	262
Cash and cash equivalents	12 712	28 084
<b>Total current assets</b>	<b>20 998</b>	<b>35 563</b>
<b>TOTAL ASSETS</b>	<b>148 266</b>	<b>126 109</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	43 474	38 279
Other equity	207 681	177 094
Retained earnings	-118 747	-105 777
<b>Equity attributable to the parent company's share</b>	<b>132 408</b>	<b>109 596</b>
<b>Long term liabilities</b>		
Borrowings	975	4 089
Leasing liability	184	275
<i>Total long term liabilities</i>	<i>1 159</i>	<i>4 364</i>
<b>Short term liabilities</b>		
Leasing liability	265	187
Accounts payable	6 457	4 838
Current tax liability	273	175
Other short term liabilities	4 393	5 191
Accrued expenses and prepaid income	3 311	1 758
<i>Total short term liabilities</i>	<i>14 699</i>	<i>12 149</i>
<b>Total liabilities</b>	<b>15 858</b>	<b>16 513</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>148 266</b>	<b>126 109</b>

**GROUP'S CASHFLOW ANALYSIS IN SUMMARY**

Amounts in TSEK	2022-10-01 2022-12-31	2021-10-01 2021-12-31	2022-01-01 2022-12-31	2021-01-01 2021-12-31
<b>Cash flows from operating activities</b>				
Operating profit	-2 274	-1 572	-11 684	-10 789
Adjustments for non-cash items	286	253	92	2 083
Investment income	1	0	1	0
Interest expense	-93	-12	-387	-417
<b>Cash flows from operating activities before change in working capital</b>	<b>-2 080</b>	<b>-1 331</b>	<b>-11 977</b>	<b>-9 123</b>
<b>Working capital changes</b>				
Change in inventories	-1 378	-18	-1 360	-510
Change in trade and other receivables	498	-1 230	560	-3 314
Change in trade payables	2 276	4 078	2 380	-2 062
<b>Cash flows from operating activities</b>	<b>-684</b>	<b>1 499</b>	<b>-10 397</b>	<b>-15 009</b>
<b>Cash flows from investing activities</b>				
Acquisitions of mineral rights and exploration expenses	-9 950	-9 649	-36 625	-18 998
Acquisitions of equipment	-359	-352	-704	-998
Acquisitions of long-term financial assets	0	114	0	-1 700
<b>Cash flows from investing activities</b>	<b>-10 309</b>	<b>-9 888</b>	<b>-37 329</b>	<b>-21 697</b>
<b>Cash flows from financing activities</b>				
Proceeds from share capital issues	0	17 101	40 744	86 521
Share issue costs	0	-374	-4 962	-16 934
Amortization of long-term borrowings	-758	-4 199	-3 427	-5 226
<b>Cash flows from financing activities</b>	<b>-758</b>	<b>12 528</b>	<b>32 355</b>	<b>64 361</b>
Cash flows from investing activities	-11 751	4 140	-15 372	27 655
Cash and cash equivalent at beginning of period	24 463	23 944	28 084	429
<b>Cash and cash equivalents at end of period</b>	<b>12 712</b>	<b>28 084</b>	<b>12 712</b>	<b>28 084</b>