

Interim report first half of 2023

SECOND QUARTER 2023

- On 22 June, the Swedish Land and Environment Court granted permission to restart operations at the Dannemora mine.
- GRANGEX has entered into an exclusivity agreement with OMF Fund II H Ltd to acquire Sydvaranger Mining AS.
- The subsidiary Grängesberg Exploration AB has initiated an acquisition of Berg & Makadam i Grängesberg AB, with associated land of 126 hectares.
- Net sales amounted to TSEK 10 049 (8 279).
- EBITDA amounted to TSEK -4 409 (-1 159).
- Operating profit amounted to TSEK -4 764 (-1 489).
- Earnings per share before and after dilution amounted to SEK -1.48 (-0.18).

After the end of the period

- The ruling of the Swedish Land and Environment Court entered into force on 17 July 2023.
- GRANGEX has ordered equipment for pumping out and purifying the water in the Dannemora mine.

FIRST HALF OF 2023

- Net sales amounted to TSEK 19 477 (12 850).
- EBITDA amounted to TSEK -6 139 (-5 603).
- Operating profit amounted to TSEK -6 649 (-5 982).
- Cash and cash equivalents amounted to TSEK 74 786 (37 105).

Financial overview	Q2 2023	Q2 2022	H1 2023	H1 2022	FY 2022
Net turnover TSEK	10 049	8 279	19 477	12 850	23 138
EBITDA TSEK	-4 409	-1 159	-6 139	-5 603	-11 684
EBIT KSEK	-4 764	-1 489	-6 649	-5 982	-12 574
Earnings per share before dilution SEK	-1,48	-0,18	-1,61	-0,77	-1,51
Cash liquidity %	404	482	404	482	125
Equity TSEK	118 419	138 482	118 419	138 482	132 408
Cash TSEK	74 786	37 105	74 786	37 105	12 712
Balance sheet total TSEK	250 810	152 636	250 810	152 636	148 266
Equity ratio %	47	91	47	91	89
Employees at end of period	12	12	12	12	12

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

COMMENTS FROM THE CEO

Success continues for GRANGEX

I am pleased and proud to say that the performance of GRANGEX in 2023 has exceeded our expectations so far. In June, the Swedish Land and Environment Court granted permission to restart mining operations at the Dannemora mine. This is a very important milestone in GRANGEX's development and, thanks to a very fast and efficient court process, we are now well on track with our timetable for restarting the mine in the summer of 2025.

Earlier this year, another milestone was achieved when we signed an agreement with the major UK mining company Anglo American regarding a strategic partnership.

The agreement with Anglo American has secured important funding for Dannemora via a royalty agreement of USD 10 million and a supply agreement with an estimated sales value of approximately SEK 15 billion over 11 years. The supply agreement requires Anglo American to contribute a defined amount in the upcoming plant funding. With Anglo American as a strategic partner and the environmental permit obtained, the implementation risk of the Dannemora project has been significantly reduced.

During the second quarter, we also entered into an exclusive agreement with OMF Fund II H (Orion), an investment fund focused on the mining industry, to acquire Sydvaranger Mining AS.

The planned acquisition of the mine in Sydvaranger, Kirkenes, allows us to restart the production of ultra high-grade iron ore concentrate with a sustainable and commercially sound production. Sydvaranger is Norway's largest iron ore mine, with a planned nominal capacity of 4 MT per year of high-grade pellet concentrate and mineral reserves that are among the largest in Europe. In addition, the mine has all the necessary permits, which significantly reduces the implementation risk for GRANGEX once we have completed the acquisition.

By acquiring the mine in Sydvaranger, we will take the first step in our communicated consolidation strategy and position GRANGEX as a future Scandinavian supplier of significant volumes of ore concentrates for the green transition of Europe's steel industry. Market analysts expect an increasing demand for high-quality ore concentrates but a lack of supply. Based on this, I believe that the restart of Dannemora and the upcoming restart of Sydvaranger are well-timed. As a result, Anglo American is involved in both projects as a strategic partner.

The opportunity to acquire the Sydvaranger mine results from the successful development in Dannemora and the credibility that GRANGEX's project development expertise brings, a testament to our strength as a green mine developer. We see a good chance, as in Dannemora, to adapt the planned new production and ore product to strengthen both climatic and economic sustainability.

In January, the Dannemora project entered the implementation phase. Design work and procurements are now underway. For example, time-critical equipment for water treatment and drainage of the mine has already been ordered. The level of activity in the Dannemora project is high and increasing.

An important part of the phase we are now in concerns the plant funding. Following the announcement of the environmental permit, we are seeing increased interest from potential lenders and have recently received indicative loan funding proposals from several leading European banks. Thanks to our sustainability profile and an ore product adapted to the steel industry's green transition, there is an increasing interest in us as a company. This is very gratifying, of course, and I look forward with confidence to an exciting autumn.

Christer Lindqvist

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.

In June 2023, the Swedish Land and Environment Court granted permission to operate the Dannemora mine. Thus, all permits are in place to start construction work for a resumed production in Dannemora.

The environmental application for the Apatite project in Grängesberg is expected to be submitted by the end of 2023. As part of the preparations, the subsidiary Grängesberg Exploration initiated an acquisition of Berg- och Makadam i Grängesberg AB. The company owns a 126-hectare property, including the large open pit mine and surrounding land. The acquisition will ensure that resources are secured for the upcoming environmental application to store the remaining tailings from apatite production.

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

THE DANNEMORA PROJECT

On 22 June, the Swedish Land and Environment Court granted a permit under the Environmental Code, a landmark day in Dannemora's history. The ruling entered into force on 17 July 2023.

The ruling marked the start of practical procurement work. A pump installation for drainage has been procured together with a water treatment plant. It is estimated that, in total, about 3.2 million cubic metres of water will be pumped out of the mine, and the work is expected to be completed in 2024.

Work on the Dannemora ore deposit

The successful geological mapping work with existing drill cores has continued and is planned to last for the rest of the year.

Iron ore market in the first half of 2023

So far in 2023, the prices of iron ore with 62% Fe have undergone major changes. From just below USD 118 per tonne at the beginning of January, we have seen a rise to just over USD 130 per tonne in March, followed by a fall to around USD 103 per tonne in May and then a recovery to USD 112 at the end of June.

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 and what producers can offer, creating opportunities to increase premiums for high-grade products.

Efforts to reduce carbon dioxide emissions in the steel industry continue, and a growing number of steel companies are devoting research and development resources to finding greener production processes. Many are switching from basic oxygen furnace (BOF) technology and blast furnaces to electric arc furnace (EAF) technology. Iron raw materials for EAF technology are scrap and DRI or mixtures of these raw materials. The DRI is preferably produced from high-grade iron ore concentrates, reducing the otherwise very high demand for green electricity.

In February, Fastmarkets – formerly Metal Bulletin – launched a new price index for ore concentrates with 67.5% iron. Daily price indices for ore products with 58%, 62% and 65% iron content are already published. The background to the new price index is an increasing demand for ore concentrates in the market segment for sponge iron production.

THE APATITE PROJECT IN GRÄNGESBERG

In June, GRANGEX entered into an agreement to acquire all shares in Berg & Makadam i Grängesberg AB. The company owns the property Ludvika Grängesberg 1:126 with an area of 126 hectares. The purchase price amounts to MSEK 6 and is paid equally in cash and shares in the Parent Company, GRANGEX. The closing is scheduled for October this year.

The purpose of the acquisition is partly to secure access to land for the final disposal of the residual product after the planned beneficiation of the sand in the Jan-Mattsdammen in advance of the Apatite project's upcoming application to the Swedish Land and Environment Court, and partly to secure the land in the long term for the future development of the iron ore deposits in Grängesberg.

Phosphate is a critical raw material – and prices continue to rise

In the first half of 2023, prices have increased further by around 15 percent. This is happening at the same time as the dollar exchange rate is strong.

The most important thing that has happened in the first half of 2023 for GRANGEX, as a future supplier of phosphate raw materials, is political. Phosphate has long been on the EU's list of critical raw materials, and in March the European Commission proposed new legislation for such raw materials. As the proposal stands, EU countries must extract 10% of all critical raw materials from their deposits and recycle 20% of all consumption. Member States will be required to facilitate recycling and reuse. Since GRANGEX's Apatite project is based on waste recycling, it will be unique in Europe as it is one of the few that can contribute to the recycling requirement.

SYDVARANGER

At the end of June, GRANGEX took the first step in its consolidation strategy by entering into the exclusivity agreement to acquire all shares in Sydvaranger Mining AS (Sydvaranger) with OMF Fund II H Ltd. The total purchase price amounts to MUSD 33. The agreement also entails a deeper strategic and financial collaboration with Anglo American and a partnership with the Tschudi Group. The acquisition is planned to be completed in the last quarter of 2023.

Sydvaranger is a mining company located in Kirkenes, Sør-Varanger municipality in Finnmark, northern Norway. Sydvaranger consists of a magnetite mine established in 1910 and a modern processing plant. The planned activity holds all essential permits. As per the latest definitive 2020 feasibility study, the

project's net present value, calculated at a discount rate of 8%, was approximately MUSD 550 based on the planned nominal production capacity of 4 million tonnes per year. The mine has essential infrastructure and process installations in place and an integrated and strategic relationship with the Tschudi Group. For the past 7 years, the mine has been in so-called "care and maintenance" mode with 29 management and key employees at present. During the most recent production period, 2009–2015, the total production of 68% magnetite concentrate was about 8 million tonnes.

In line with the Company's green strategy, GRANGEX intends to make the production of high-grade iron ore concentrate in Sydvaranger climate-friendly to meet the increasing quality concentrate demand for sponge iron production in the transition of the steel industry.

During the summer, a due diligence process has been initiated.

SALA BLY

The positive trend from the first quarter of 2023 in the Group's only operating company, Sala Bly, continued in the second quarter. Net sales amounted to TSEK 10 018 (8 171). This increase has occurred mainly in the sheet metal and lead brick segments, which are mainly aimed at the medical device industry, and in the lead wire segment for the ammunition industry. The company has acquired several new customers in 2023.

Efforts to improve the work environment continue, and a new programme was initiated during the first quarter with the aim of highlighting both safety and the work environment. This has already brought results as blood lead levels have been reduced for all employees.

The company's transition to fossil-free oil for its smelting processes means it is Europe's only fossil-free producer of lead products.

COMMENTS ON THE RESULTS AND FINANCIAL POSITION OF THE GROUP

Future liquidity development and funding

The various projects of the GRANGEX Group have significant capital needs.

The final Dannemora feasibility study indicates a total capital cost of MUSD 178, excluding external technical and financial advisors' charges. It can also be expected that GRANGEX will need additional working capital to run the Dannemora project.

In June 2023, GRANGEX entered an exclusivity agreement for a potential investment in Sydvaranger. A due diligence work has started on Sydvaranger and will be completed in September 2023. If the outcome of this preliminary inspection is positive, GRANGEX will decide whether to complete the acquisition in the fourth quarter. Such a decision would entail a purchase of the shares in Sydvaranger and a capital requirement for the implementation of the project.

In addition to the operations in Dannemora and Sydvaranger, GRANGEX considers that raising additional funds for general business development needs and carrying out the Apatite project in

Grängesberg may also be appropriate. In collaboration with financial advisors and Anglo American as a strategic partner, GRANGEX works on raising capital for the various projects.

The quarter April–June 2023

Net sales amounted to TSEK 10 049 (8 279). This increase is attributed to Sala Bly. The operating profit amounted to TSEK -4 409 (-1 159). The other external costs are higher during the quarter and half year, mainly due to the increased activities with environmental permits and due diligence processes in connection with funding.

During the quarter, development costs of TSEK 20 822 (9 796) 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 environmental assessment in court, as well as pilot tests and consultancy costs for preparing the final and complementary feasibility studies. See also Note 4.

First half of 2023

During the half-year, liquidity has been strengthened by the royalty agreement with Anglo American. The funding of the preparatory steps for restarting the Dannemora mine up to the main funding is therefore deemed sufficient. The royalty agreement is treated as a financial liability at amortised cost with associated interest until production starts for accounting purposes. When payment has been made, and royalties will be paid in USD, there is also an exchange rate adjustment that is recognised as either a financial income or a financial expense. Accounting amortisation, i.e., payment of royalties, is expected to occur in line with the delivery and sale of iron ore from 2025 to 2036.

EVENTS DURING THE QUARTER IN ADDITION TO THOSE PRESENTED ABOVE

Safety and environment

No workplace accidents leading to sick leave or any 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 selected specialist consultants.

Organisational development

The appointment of a Sustainability & Environment Manager for Dannemora is currently underway.

EVENTS AFTER THE REPORTING PERIOD

- The environmental permit to restart mining operations in Dannemora became effective on 17 July.
- An order was placed for a pumping and water treatment system for draining the mine.

SHARES AND TRADING

Share data	2023-06-30	2022-06-30
Number of shares	8 694 861	8 690 843
Share capital, SEK	43 474 307	43 454 216

On 30 June 2023, GRANGEX AB's share capital amounted to SEK 43 474 307, 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 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.

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 2022 Annual Report pp. 28–29.

FINANCIAL CALENDAR

- Interim report Q3 2023 will be published on 9 November 2023.
- The year-end report for 2023 will be published on 20 February 2024.
- Interim report Q1 2024 will be published on 16 May 2024.
- The Q2 interim report will be published on 22 August 2024.

ANNUAL REPORT AND FINANCIAL STATEMENTS

Reports are available on the Company website: www.grangex.se

Stockholm on 23 August 2023

Grängesberg Exploration Holding AB (publ.)

Per Berglund
Chairman of the Board

Klas Åström
Director

Annika Billberg
Director

Mikael Kadri
Director

Anders Werme
Director

Christer Lindqvist
CEO and Director

Auditor's review report

GRANGEX AB (publ) corp. reg. no. 556710–2784

Introduction

We have reviewed the condensed interim report for GRANGEX AB (publ) as at 30 June 2023 and for the six months period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review under the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, the conclusion expressed on the basis of a review does not have the same level of assurance as a conclusion expressed on the basis of an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm on 23 August 2023

Öhrlings PricewaterhouseCoopers AB

Anna Rozhdestvenskaya
Authorised Public Accountant
Auditor-in-charge

Erik Hansson Widegren
Authorised Public Accountant

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in TSEK	Note	2023-04-01 2023-06-30	2022-04-01 2022-06-30	2023-01-01 2023-06-30	2022-01-01 2022-06-30	2022-01-01 2022-12-31
Net turnover	3	10 049	8 279	19 477	12 850	23 138
Other income		760	-73	872	234	948
Sum of income		10 808	8 206	20 349	13 084	24 086
Supplies		-5 696	-5 324	-10 714	-8 645	-13 997
Other external expenses	6	-6 221	-1 321	-10 109	-5 085	-12 552
Employee expenses		-3 300	-2 721	-5 664	-4 957	-9 220
EBITDA		-4 409	-1 160	-6 139	-5 603	-11 684
Depreciation and amortization		-355	-329	-511	-380	-890
EBIT		-4 764	-1 489	-6 649	-5 982	-12 574
Finance income		-4 301	0	-2 432	0	0
Finance cost		-3 825	-101	-4 921	-206	-387
<i>Financial cost net</i>		<i>-8 126</i>	<i>-101</i>	<i>-7 353</i>	<i>-206</i>	<i>-387</i>
Result after financial items		-12 889	-1 590	-14 002	-6 189	-12 961
Income tax expense		-1	3	-1	3	0
Result for the period		-12 890	-1 587	-14 003	-6 186	-12 961
Other comprehensive income		0	0	0	0	0
Total profit for the period		-12 890	-1 587	-14 003	-6 186	-12 961
Total profit for the period attributable to: Parent companys shareholders		-12 890	-1 587	-14 003	-6 186	-12 961
Profit per share, before and after dilution SEK		-1,48	-0,18	-1,61	-0,77	-1,51
Weighted average of shares after dilution		8 694 861	8 690 843	8 694 861	8 012 416	8 563 182

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in TSEK		2023-06-30	2022-06-30	2022-12-31
ASSETS				
Fixed assets	Note			
Intangible fixed assets	4	113 912	71 753	93 090
Assets with right of use		482	442	688
Tangible fixed assets		40 655	33 194	33 266
Financial fixed assets		224	224	224
Total fixed assets		155 273	105 612	127 267
Current assets				
Inventories		1 683	1 434	2 703
Accounts recivables		3 183	3 660	1 272
Other assets		15 751	4 810	3 930
Accruals and deferred income		134	15	381
Cash and cash equivalents		74 786	37 105	12 712
Total current assets		95 537	47 023	20 998
TOTAL ASSETS		250 810	152 636	148 266
EQUITY AND LIABILITIES				
Equity				
Share capital		43 474	43 454	43 474
Other equity		207 694	206 999	207 681
Retained earnings		-132 750	-111 972	-118 747
Equity attributable to the parent company's shareholders		118 419	138 482	132 408
Long term liabilities				
Other long term liabilities	5	109 020	4 508	975
Leasing liability		133	179	184
<i>Total long term liabilities</i>		<i>109 154</i>	<i>4 687</i>	<i>1 159</i>
Short term liabilities				
Leasing liability		172	208	265
Accounts payable		18 021	4 757	6 457
Current tax liability		0	54	273
Other short term liabilities		2 630	1 980	4 393
Accrued expenses and prepaid income		2 414	2 467	3 311
<i>Total short term liabilities</i>		<i>23 237</i>	<i>9 467</i>	<i>14 699</i>
Total liabilities		132 391	14 154	15 858
TOTAL EQUITY AND LIABILITIES		250 810	152 636	148 266

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Amounts in TSEK	2023-04-01 2023-06-30	2022-04-01 2022-06-30	2023-01-01 2023-06-30	2022-01-01 2022-06-30	2022-01-01 2022-12-31
Cash flows from operating activities					
Profit/loss for the period before financial costs	-4 409	-1 489	-6 139	-5 392	-11 684
Adjustments for non-cash items	-4 402	318	-2 668	-226	190
Intrests income	2	0	9	0	1
Interest paid	977	-100	-119	-203	-387
Tax Paid	-9	19	-275	-121	-98
Cash flows from operating activities before change in working capital	-7 841	-1 251	-9 191	-5 942	-11 978
Cash flow from changes in working capital					
Change in inventories	387	-33	1 020	-90	-1 360
Change in operating receivables	-9 553	658	-13 256	-2 333	560
Change in operating liabilities	7 760	-1 689	9 338	-556	2 380
Cash flows from operating activities	-9 246	-2 316	-12 090	-8 920	-10 398
Cash flows from investing activities					
Acquisition of intangible fixed assets	-11 882	-9 796	-20 893	-15 218	-36 625
Acquisition of tangible fixed assets	-7 518	17	-7 623	-227	-704
Cash flows from investing activities	-19 400	-9 779	-28 516	-15 445	-37 329
Cash flows from funding activities					
New share issues	0	2 780	0	40 042	40 744
Issue costs	14	-2 779	14	-4 962	-4 962
Amortisation of non-current loans	-900	-907	-1 437	-1 693	-3 427
New loans	564	0	104 103	0	0
Cash flows from financing activities	-308	-907	102 680	33 387	32 355
Cash flow for the period	-28 955	-13 002	62 075	9 021	-15 372
Cash and cash equivalent at beginning of period	103 741	50 106	12 712	28 084	28 084
Cash and cash equivalents at end of period	74 786	37 105	74 787	37 105	12 712

CHANGES IN GROUP EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS

Amount in TSEK

	Share capital	Other contributed capital	Retained earnings incl. profit for the period	Total equity
Opening balance equity 2022-01-01	38 279	177 094	-105 786	109 587
Comprehensive income				
Profit/loss for the period			-6 186	-6 186
Other comprehensive income			0	0
Total comprehensive income			-6 186	-6 186
Transactions with shareholders in their capacity as owners				
New Share Issue	5 175	32 088		37 263
Cost of issue		-2 183		-2 183
Total transactions with shareholders	5 175	29 905		35 080
Closing equity 2022-06-30	43 454	206 999	-111 972	138 481
Opening equity 2023-01-01	43 474	207 681	-118 747	132 408
Comprehensive income				
Profit/loss for the period			-14 003	-14 003
Other comprehensive income			0	0
Total comprehensive income			-14 003	-14 003
Transactions with shareholders in their capacity as owners				
Cost of issue		14		14
Total transactions with shareholders		14		14
Closing equity 2023-06-30	43 474	207 695	-132 750	118 419

CONDENSED PARENT COMPANY INCOME STATEMENT

Amounts in TSEK	Note	2023-04-01 2023-06-30	2022-04-01 2022-06-30	2023-01-01 2023-06-30	2022-01-01 2022-06-30	2022-01-01 2022-12-31
Net sales	3	2 042	3 253	7 336	5 182	11 822
Other income		1	-36	7	-36	-26
Total income		2 043	3 217	7 343	5 146	11 796
Other external costs		-5 754	-4 867	-11 526	-7 633	-18 294
Staff costs	6	-1 168	-1 031	-1 979	-1 807	-3 993
Depreciation and amortization	5	-4	-99	-7	-99	-13
Operating profit/loss		-4 883	-2 780	-6 170	-4 393	-10 505
Interest income and similar income items		1 887	746	1 893	1 347	2 338
Interest expenses and similar income items		-30 245	-34	-30 246	-56	-5 082
<i>Financial items, net</i>		<i>-28 358</i>	<i>713</i>	<i>-28 354</i>	<i>1 292</i>	<i>-2 744</i>
Profit/loss after financial items		-33 241	-2 067	-34 523	-3 101	-13 249
Group contribution		0	2	0	2	1 363
Profit/loss before tax		-33 241	-2 065	-34 523	-3 099	-11 886
Tax on profit/loss for the period		0	-2	0	0	0
Profit/loss for the period		-33 241	-2 067	-34 523	-3 099	-11 886

In the Parent Company, no items are recognised as other comprehensive income. Therefore, the total comprehensive income is consistent with the profit for the period.

CONDENSED PARENT COMPANY BALANCE SHEET

Amounts in TSEK

ASSETS		2023-06-30	2022-06-30	2022-12-31
Fixed assets	Note			
Intangible fixed assets	4	0	191	0
Financial fixed assets		40	51	47
Participations in Group companies		110	110	110
Participations in Group companies		97 848	70 848	70 848
Total fixed assets		97 998	71 200	71 005
Current assets				
Receivables from Group companies		17 254	47 436	69 406
Other current receivables		12 665	3 921	2 172
Prepaid expenses and accrued income		4 353	4 611	2 516
Cash and bank		415	34 527	10 107
Total current assets		34 687	90 495	84 200
TOTAL ASSETS		132 685	161 695	155 205
EQUITY AND LIABILITIES				
Equity				
<i>Restricted equity</i>				
Share capital		43 474	43 454	43 474
<i>Total restricted equity</i>		<i>43 474</i>	<i>43 454</i>	<i>43 474</i>
<i>Non-restricted equity</i>				
Retained earnings		104 948	116 138	116 820
Profit/loss for the period		-34 523	-3 099	-11 886
<i>Total non-restricted equity</i>		<i>70 424</i>	<i>113 039</i>	<i>104 934</i>
Total equity		113 899	156 493	148 408
<i>Non-current liabilities</i>				
Interest-bearing liabilities		0	441	0
<i>Total non-current liabilities</i>		<i>0</i>	<i>441</i>	<i>0</i>
<i>Current liabilities</i>				
Accounts payable		3 377	1 757	2 540
Tax liability		53	92	181
Intercompany liabilities		12 247	0	0
Other current liabilities		1 533	1 722	1 833
Accrued expenses and deferred income		1 575	1 189	2 242
<i>Total current liabilities</i>		<i>18 785</i>	<i>4 761</i>	<i>6 796</i>
Total liabilities		18 785	4 761	6 796
TOTAL EQUITY AND LIABILITIES		132 685	161 694	155 205

OTHER INFORMATION

Note 1 General information

GRANGEX AB, corp. reg. no. 556710-2784 is a Parent Company registered in Sweden with its office in Stockholm at Västmannagatan 1, 111 24 Stockholm, Sweden.

The operations of the Parent Company and its subsidiaries include GRANGEX AB, Grängesberg Exploration AB, Dannemora Iron AB, Sala Bly AB, and Sala Bly Fastigheter AB.

The Board of Directors approved this interim report for publication on 23 August 2023.

Note 2 Principles for the preparation of the quarterly report

The consolidated financial statements have been prepared under the International Financial Reporting Standards (IFRS) approved by the EU and the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups, specifying the amendments to IFRS disclosures required by the provisions of the Swedish Annual Accounts Act. This quarterly report has been prepared for the Group under IAS 34, Interim Financial Reporting, and the Swedish Annual Accounts Act, and for the Parent Company under the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities. Accounting principles and calculation methods remain unchanged compared to those applied in the 2022 Annual Report.

Unless otherwise stated, all amounts are reported in thousands of SEK (TSEK). The figures in brackets refer to the comparison period.

New and amended standards applied by the Group

None of the new and amended standards effective for financial years beginning 1 January 2023 impact the consolidated financial statements.

New and amended standards not yet applied by the Group

A series of new standards and interpretations come into effect for financial years beginning on or after 1 January 2023, and they have not been applied in preparing this financial report.

New significant estimates and assessments

The royalty agreement between Dannemora Iron and Anglo American is in USD and is translated into SEK, which is GRANGEX's accounting currency. The size of the royalty payment will depend on future cash flows from the ore sales. The Company estimates that royalty payments will be made during the planned first eleven years of production.

Note 3 Net sales

The Group's revenue from agreements with customers relates mainly to sales of lead manufacturing. Other revenue consists mainly of electricity subsidies.

Revenue from external customers by country, based on the location of the customers:

Amounts in TSEK	H1 2023	H1 2022	2022
Sweden	15 362	11 009	20 934
Other EU countries	3 999	1 353	1 495
Rest of Europe	116	488	708
Total	19 477	12 850	23 138

Note 4 Mineral rights and capitalised expenditure relating to exploration and evaluation assets

Amounts in TSEK	2023-06-30	2022-06-30	2022-12-31
Accumulated acquisition values			
At the beginning of the period	93 933	56 605	56 605
Aquisitions during the year	20 893	15 921	37 328
Closing accumulated acquisition values	114 826	72 526	93 933
Accumulated depreciations and write downs			
At the beginning of the period	-844	-703	-703
Depreciation during the period	-70	-70	-141
Closing accumulated depreciation	-914	-773	-844
Reported values	113 912	71 753	93 090

Note 5 Financial instruments

For most of the Group's borrowings, the carrying amount corresponds to their fair value since the interest on these borrowings is on par with current market rates or because of the short-term nature of the borrowings. The royalty agreement with Anglo American is recognised as a financial liability at amortised cost. Royalties are expected to be paid as iron ore is delivered and sold during the first eleven years of planned production and amortisation is calculated per ore tonne.

The net present value of the loan is calculated by discounting the estimated future cash flows to the present day. An accounting interest is added to the liability, and the interest is recognised on an ongoing basis in the profit and loss account. The USD value of the liability is converted to SEK at each balance sheet date.

	TUSD	TSEK
Nominal amount	10 000	105 399
Acquisition costs	-406	-4 265
Acquisition value	9 594	101 135
Accrued interest until 2023-06-30	442	4 798
Currency conversion rate 10.8509 SEK/USD	0	2 969
Closing balance at 2023-06-30	10 036	108 902

Note 6 Transactions with related parties

There have been no transactions between GRANGEX and related parties that have materially affected the position or performance.

Note 7 Events after the reporting period

- The ruling from the Swedish Land and Environment Court regarding the environmental impact assessment and permit for operations at the Dannemora mine came into force on 17 July 2023.
- An order was placed for a pumping and water treatment system to drain the mine in accordance with the current environmental permit.

Alternative key figures

In addition to the key financial figures that are prepared in accordance with the IFRS, Grängesberg presents key financial figures outside the scope of the IFRS, such as EBITDA and cash liquidity. These alternative key figures are considered to be important results and performance indicators for investors and other readers of the Annual Report. The alternative key figures should be regarded as complementary information and not as a substitute for the financial information presented in accordance with IFRS. GRANGEX's definitions of these measures that are not defined by the IFRS are provided in this note.

Definitions of key figures

EBITDA: Operating profit before depreciation and amortisation (Earnings Before Interest, Tax, Depreciation, and Amortisation).

EBIT: Operating profit (Earnings Before Interest and Taxes).

Cash liquidity (%): Current assets minus inventories in relation to current liabilities.

Equity ratio (%): Equity in relation to total assets.

A more detailed Key Figures table and glossary can be found in the Annual Report 2022, p. 69.

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