

Year-End Report 2023

FOURTH QUARTER 2023

- Net sales amounted to TSEK 10 522 (4 706)
- EBITDA amounted to TSEK -6 382 (-2 274)
- Operating profit amounted to TSEK -7 042 (-2 633)
- Earnings per share before and after dilution amounted to SEK -0.36 (-0.31)
- A new Board of Directors was elected at the Extraordinary General Meeting on 19 December 2023
- The Company signed a conditional sale and purchase agreement (SPA) with OMF Fund II H Ltd (Orion) for the purchase of 100% of the share capital and shareholder loans of Sydvaranger Mining AS
- The Company entered into a royalty agreement with Anglo American for partial funding of the acquisition and for the future development and operation of the Sydvaranger mine
- On 22 December 2023, the Board of Directors resolved on a rights issue of a maximum of 5 796 574 shares, corresponding to approximately MSEK 81.2.

After the end of the period

- The prospectus for the rights issue was published on 2 February. The issue is guaranteed to 92 percent.

FULL YEAR 2023

- Net sales amounted to TSEK 35 372 (23 138)
- EBITDA amounted to TSEK -19 154 (-11 684)
- Operating profit amounted to TSEK -20 574 (-12 574)
- Cash and cash equivalents amounted to TSEK 34 489 (12 712)
- Earnings per share before and after dilution amounted to SEK -3.20 (-1.51)
- The Board of Directors proposes no dividend
- The environmental permit to restart mining operations in Dannemora became effective on 17 July
- Pumping and water treatment systems for draining the Dannemora mine were ordered.

Financial overview	Q4 2022	Q4 2023	FY 2023	FY 2022
Net sales, TSEK	10 522	4 706	35 372	23 138
EBITDA, TSEK	-6 382	-2 274	-19 154	-11 684
Operating profit (EBIT), TSEK	-7 042	-2 633	-20 574	-12 574
Earnings per share, SEK	-0,36	-0,31	-3,20	-1,51
Cash liquidity, (%)	118	124	118	124
Equity, TSEK	104 584	132 408	104 584	132 408
Cash and cash equivalents, TSEK	34 489	12 712	34 489	12 712
Total assets, TSEK	261 246	148 266	261 246	148 266
Equity ratio, (%)	40	89	40	89
Number of employees	13	12	13	12

The comparative figures refer to the corresponding period previous year.

COMMENTS FROM THE CEO

When we sum up the results of the past year, I am pleased to note significant events shaping the future direction of GRANGEX.

It is important to reflect on 2023, a year of many successes. I am thinking in particular of developments in the Dannemora project, which received an environmental permit from the Swedish Land and Environment Court in record time – only 51 weeks from submitting the application. This was a key milestone in the Dannemora project's progress towards the start of production.

The year 2023 was also characterised by the royalty agreement with Anglo American in March, vital for the Dannemora project, which not only strengthened the project with a seal of approval but later also laid the foundation for the decision to start the work on acquiring the Sydvaranger mine in northern Norway. Anglo American, as a strategic partner and co-financier, is an important part of the opportunity to acquire the Sydvaranger mine.

During the quarter, we took the next step in the acquisition of the Sydvaranger mine by signing the SPA with the seller Orion. Shortly thereafter, a new royalty agreement was signed with Anglo American. This agreement is significant for the financing of Sydvaranger and deepens the relationship between the companies. It also shows that Anglo American believes that our cooperation is important to restart the mines in both Dannemora and Sydvaranger. This expanded cooperation is now historic in our part of Europe.

Acquisition of the Sydvaranger mine will transform GRANGEX fundamentally. The acquisition will make GRANGEX a significant future European producer of high-quality ore concentrate for the steel industry's green transition. This takes place in a market segment of the iron ore market with increasing demand, where we already see that demand exceeds supply.

What lies ahead of us in 2024 is to complete the ongoing rights issue and then the project financing for the Dannemora project, as well as to start the construction work. We aim to finalise the acquisition of the Sydvaranger mine shortly and, together with Anglo American, update the feasibility study. These next steps represent crucial milestones in our efforts to realise our vision to contribute positively to the mining industry and society as a whole.

Christer Lindqvist

THE BUSINESS

GRANGEX, through its subsidiaries Dannemora Iron AB and Grängesberg Exploration AB, develops mineral deposits containing iron ore and apatite, a phosphate mineral containing rare earth elements (REE). The subsidiary Sala Bly AB is the only producer of lead manufacturing in the Nordic region that supplies inputs to the industry. A new subsidiary, GRANGEX Sydvaranger AS, was established during the quarter prior to the acquisition of the Sydvaranger mine.

THE DANNEMORA PROJECT

The environmental permit to restart mining operations in Dannemora became effective on 17 July 2023.

An updated Feasibility study was initiated in December. Based on new drill core analyses, this will provide a new optimisation of the mining plan, which is part of the preparation for mining. The work on procuring time-critical equipment is in its final phase. This will define the total planned investment ("CAPEX") and thus the total financing need into a so-called "Bankable feasibility study" that project finance banks and other investors can use in their due diligence.

Anglo American intends, in line with the agreement announced in March 2023, to sign an off-take agreement for the entire production of the mine. The updated feasibility study is part of Anglo American's preparation to also be able to participate with a larger, subordinated loan in the project financing. Two leading European financing banks have submitted term sheets for the senior financing. GRANGEX will then determine the necessary equity content. The project financing is planned to be completed in the second quarter of 2024. The Final Investment Decision (FID) is expected to be taken when the project financing is finalised.

The main equipment for the drainage project, two high-capacity pumps with approximately 500 metres of lift height and a capacity of up to 720 cubic metres per hour, as well as associated piping and control system, have been ordered from Carl Hamm. The treatment plant will be hired from NSI Mobile Water Solutions, which will also staff the plant during operation. Drainage of the mine is planned to start as soon as the Final Investment Decision and full project financing are in place.

Iron ore market

World crude steel production in 2023 has remained at about the same level as in 2022 despite a recession with high interest rates and low growth. The total production amounted to 1 888 million tonnes (2022: 1 889 million tonnes), of which China accounted for 1 019 million tonnes. Countries such as Russia, India and South Korea have increased production, while large producer countries such as Japan, Germany, Turkey and Brazil have seen a decrease in production volumes.

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 of DRI quality as feedstock, where the need 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. Prices for 67.5% iron ore for pellet production in 2023 have fluctuated over the year between USD 116 per tonne and USD 165 per tonne and have ranged between USD 150 and 165 per tonne at the beginning of 2024. Like everything else in the world economy, the iron ore market continues to be characterised by high uncertainty, largely due to the ongoing conflict between Russia and Ukraine and, since October 2023, also the conflict in Gaza.

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. There will be a severe imbalance between what iron ore buyers want to buy and what producers can offer. The Company's assessment is that premiums for high-grade products may increase further.

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 AB (publ). Completion is planned for 2024.

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 have continued to rise

Crude phosphate prices continued to rise in early 2023, up to a reference level of 350 USD/tonne. This price level has stabilised in 2023 and early 2024 and seems to have formed a new base level from which planning will be possible. Most likely, only major geopolitical changes, such as lifting trade restrictions on Russia and dismantling protectionist policies in China, could lead to a price change.

In 2023, the policy framework for phosphate mining in Sweden changed for the better when the EU adopted the Critical Raw Materials Act, which will be implemented in the legislation of all EU countries in 2024. This legislation classifies crude phosphate as a critical raw material, meaning countries must extract 10 percent of consumption from mines and recover 25 percent. Apatite from Grangex will be classified as recycled and this project will be one of very few in Europe to be classified in this way. Under the new rules, Member States will be required to facilitate recycling and reuse. The EU is also developing financing schemes for recycling critical raw materials.

The standard price for crude phosphate is based on phosphate rock from Morocco with a 32% quality. GRANGEX will, in turn, produce apatite with about 38% quality. Based on the current market price, we can, therefore, expect a premium of at least USD 65 per tonne. In addition, the apatite from Grangex has other advantages, such as low cadmium and uranium content and the fact that the production will take place in the EU, which could provide an additional premium.

Large phosphate buyers like the Norwegian company Yara are hit particularly hard, as they are less able to buy Moroccan fertiliser. They are more dependent on fertilisers of the apatite type, which GRANGEX will be able to produce. The Swedish company LKAB has launched plans to produce phosphate fertiliser based on the same type of apatite that GRANGEX produces.

SYDVARANGER

Since GRANGEX entered into an exclusivity agreement with Orion at the end of June for the acquisition of Sydvaranger Mining AS, the Company signed a conditional SPA with Orion on 30 November, following a technical and financial due diligence, for the purchase of 100% of the share capital and shareholder loans of Sydvaranger Mining AS. An initial consideration of MUSD 20 will be paid by GRANGEX by 31 March 2024 (of which MUSD 1 has already been settled). A deferred consideration of MUSD 13 will be paid by GRANGEX upon the Final Investment Decision to restart operations in Sydvaranger, currently expected in early 2026. GRANGEX will also assume the current care and maintenance costs for Sydvaranger from 1 January 2024.

GRANGEX immediately initiated financing work with its financial advisors to fund the purchase, operation and development work in Sydvaranger. This resulted in the Company entering into a royalty agreement with Anglo American for partial funding of the Sydvaranger mine, with Anglo American contributing MUSD 17 in the event that the Company finds other financings of the same amount or more. The key terms of the royalty agreement are as follows:

- GRANGEX has established a new fully-owned subsidiary, GRANGEX Sydvaranger AS ("GRANGEX Sydvaranger"), which will own Sydvaranger
- GRANGEX Sydvaranger will grant Anglo American a royalty equivalent to 3% of the revenue for the life-of-mine production from Sydvaranger.

GRANGEX's green strategy has formed the basis for assessing the technical conditions to complement and improve the planned mine production to be able to produce an ore concentrate for fossil-free sponge iron production (DRI), thus improving the price premium.

SALA BLY

Sala Bly has not only broken the turnover record in 2023 with TSEK 35 280 (22 763) but also the profit after financial items increased and amounted to TSEK 6 457 (1 199). The increase in sales and profits was partly due to extra orders for lead wire for the ammunition industry. Even without the additional orders, good demand for lead wire was seen in 2023, along with demand from the medical device industry for lead sheets and lead bricks in 2023. Demand growth has been good on the medical device side since the end of the Covid-19 pandemic.

COMMENTS ON RESULTS AND FINANCIAL POSITION OF THE GROUP

Future liquidity development and funding

The various projects of the GRANGEX Group have significant capital needs. The financial needs of GRANGEX to implement the restart of the Dannemora Mine and the Apatite Project in Grängesberg require access to capital. As part of the financing strategy and to be able to;

- o carry out an updated feasibility study for Dannemora,
- o finalise the purchase of pumping equipment for draining the mine,
- o cover overhead costs and other project development,

the Board of Directors decided on 22 December to carry out a rights issue of approximately MSEK 81.2 before issue costs, as part of the financing strategy and to be able to cover overhead costs and other project development, which the Company believes is sufficient to drive the business forward for 12 months.

Fourth quarter 2023

Net sales during the quarter amounted to TSEK 10 522 (4 706). The operating profit amounted to TSEK -7 042 (-2 633), and the net of financial items was TSEK 3 920 (-90) due to interest and positive exchange rate adjustment of the royalty agreement.

Full year 2023

Net sales during the year amounted to TSEK 35 372 (23 138). The operating profit amounted to TSEK -20 574 (-12 574). The other external costs are higher during the period, mainly due to the increased activities with Dannemora's project development and the due diligence process in Sydvaranger. The increased negative net financial items of TSEK -7 255 (-387) are due to recorded interest expenses and exchange rate adjustments on the royalty agreement that do not affect cash flow.

EVENTS DURING THE QUARTER IN ADDITION TO THOSE PRESENTED ABOVE

Safety and environment

The Company works continuously to improve procedures and the working environment to prevent workplace accidents. No workplace accidents leading to sick leave, and there were no incidents reported during the quarter.

Personnel

The number of employees in the Group at the end of the reporting period amounted to 13, of which two in the Parent Company. In addition, there is a project organisation consisting primarily of selected specialist consultants.

Organisational development

Jenny Eriksson was hired as Sustainability & Environment Manager for Dannemora and also for GRANGEX in the fourth quarter of 2023 and assumed her position in January 2024.

EVENTS AFTER THE REPORTING PERIOD

The prospectus for the rights issue was published on 2 February after approval by the Swedish Financial Supervisory Authority. The issue is guaranteed to 92 percent. The main terms of the issue were:

- The Rights Issue comprises a maximum of 5 796 574 shares, corresponding to total issue proceeds of approximately MSEK 81.2 before deduction of related issue costs.
- One (1) subscription right for each one (1) held share. Three (3) subscription rights will entitle the holder to subscribe for two (2) new shares, implying a subscription ratio of 2:3.
- The subscription price in the Rights Issue has been set at SEK 14 per share, corresponding to a discount of approximately 26.9 percent compared to the theoretical price after the separation of subscription rights (TERP), based on the volume-weighted average price (VWAP) of the share on 21 December 2023 on NGM Nordic SME.
- Senior executives of the Company and major shareholders have together undertaken to subscribe for shares for approximately MSEK 11, corresponding to roughly 14 percent of the rights issue.

SHARES AND TRADING

Share data	2023-12-31	2022-12-31
Number of shares	8 694 861	8 694 861
Share capital, SEK	43 474 307	43 474 307

On 31 December 2023, the share capital of GRANGEX AB (publ) 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 and the subscription of shares will 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.

GRANGEX AB (publ) is 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 that industrial activities and planned mining operations may expose the Company to. The Company can control and manage these risks to varying degrees. For a more detailed description of significant risks, including financing risks, uncertainties and how GRANGEX mitigates them, please refer to the 2022 Annual Report pp. 28–29.




FINANCIAL CALENDAR

- Annual Report will be published in week 18
- Interim report Q1 2024 will be published on 16 May 2024
- The Annual General Meeting will be held on 16 May 2024
- Interim report Q2 2024 will be published on 22 August 2024
- Interim report Q3 2024 will be published on 14 November 2024
- Year-end report for 2024 will be published on 20 February 2025.

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in TSEK	Not	Q4 2023	Q4 2022	2023	2022
Net sales	3	10 522	4 706	35 372	23 138
Other income		610	598	1 624	948
Sum of income		11 133	5 304	36 997	24 086
Supplies		-5 655	-2 016	-19 636	-13 997
Staff costs	6	-7 995	-4 118	-24 538	-12 552
Employee benefits		-3 864	-1 444	-11 976	-9 220
EBITDA		-6 382	-2 274	-19 154	-11 684
Depreciation and amortization		-660	-359	-1 421	-890
Operating profit		-7 042	-2 633	-20 574	-12 574
Financial income		8 408	0	8 839	0
Financial expenses		-4 489	-90	-16 094	-387
<i>Net financial items</i>		<i>3 920</i>	<i>-90</i>	<i>-7 255</i>	<i>-387</i>
Result after financial items		-3 122 	-2 724	-27 830	-12 961
Income tax expense		-7	0	-8	0
Result for the period		-3 129 	-2 724	-27 838	-12 961
Other comprehensive income		0	0	0	0
Total profit for the period		-3 129 	-2 724	-27 838	-12 961
Total profit for the period attributable to: Parent company's shareholders		-3 129	-2 724	-27 838	-12 961
Profit per share, before and after dilution SEK		-0,36	-0,31	-3,20	-1,51
Weighted average of shares after dilution		8 694 861	8 694 861	8 694 861	8 563 182

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in TSEK		Dec 31 2023	Dec 31 2022
ASSETS			
Fixed assets	Not		
Intangible fixed assets	4	136 333	93 090
Right of use assets		2 706	688
Tangible fixed assets		64 808	33 266
Financial fixed assets		114	224
Total fixed assets		203 960	127 267
Current assets			
Inventories		2 431	2 703
Accounts receivables		3 034	1 272
Other assets		16 886	3 930
Accrued income and prepaid expenses		446	381
Cash and cash equivalents		34 489	12 712
Total current assets		57 286	20 998
TOTAL ASSETS		261 246	148 266
EQUITY AND LIABILITIES			
Equity			
Share capital		43 474	43 474
Other equity		207 694	207 681
Retained earnings		-146 584	-118 747
Equity attributable to the parent company's shareholders		104 584	132 408
Long term liabilities			
Other long term liabilities	5	108 989	975
Lease liability		1 295	184
<i>Total long term liabilities</i>		<i>110 284</i>	<i>1 159</i>
Short term liabilities			
Lease liability		913	265
Accounts payable		17 001	6 457
Current tax liability		267	273
Other short term liabilities		24 321	4 393
Accrued expenses and prepaid income		3 877	3 311
<i>Total short term liabilities</i>		<i>46 378</i>	<i>14 699</i>
Total liabilities		156 662	15 858
TOTAL EQUITY AND LIABILITIES		261 246	148 266

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Amounts in TSEK	Q4 2023	Q4 2022	2023	2022
Cash flows from operating activities				
Profit/loss for the period before financial costs	-6 382	-2 274	-19 154	-11 684
Adjustments for non-cash items	8 367	286	6 735	190
Intrests income	65	1	86	1
Interest paid	-8 745	-93	-8 908	-387
Tax Paid	266	0	-98	-98
Cash flows from operating activities before change in working capital	-6 428	-2 080	-21 339	-11 978
Cash flow from changes in working capital				
Change in inventories	-286	-1 378	272	-1 360
Change in operating receivables	-1 189	498	-14 488	560
Change in operating liabilities	21 925	2 276	32 189	2 380
Cash flows from operating activities	14 022	-684	-3 365	-10 398
Cash flows from investing activities				
Acquisition of intangible fixed assets	-12 255	-9 950	-43 384	-36 625
Acquisition of tangible fixed assets	-10 420	-359	-32 459	-704
Aquisitions of long-term financial assets	110	0	110	0
Cash flows from investing activities	-22 565	-10 309	-75 733	-37 329
Cash flows from funding activities				
New share issues	0	0	0	40 744
Issue costs	0	0	14	-4 962
Amortisation of non-current loans	-580	-758	-2 616	-3 427
New loans	0	0	103 478	0
Cash flows from financing activities	-580	-758	100 876	32 355
Cash flow for the period	-9 124	-11 751	21 778	-15 372
Cash and cash equivalent at beginning of period	43 613	24 463	12 712	28 084
Cash and cash equivalents at end of period	34 489	12 712	34 490	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			-12 961	-12 961
Other comprehensive income			0	0
Total comprehensive income			-12 961	-12 961
Transactions with shareholders in their capacity as owners				
New Share Issue	5 195	35 549		40 744
Cost of issue		-4 962		-4 962
Total transactions with shareholders	5 195	30 587		35 782
Closing equity 2022-12-31	43 474	207 681	-118 747	132 408
Opening equity 2023-01-01	43 474	207 681	-118 747	132 408
Comprehensive income				
Profit/loss for the period			-27 838	-27 838
Other comprehensive income			0	0
Total comprehensive income			-27 838	-27 838
Transactions with shareholders in their capacity as owners				
Share issue costs		14		14
Sum transactions with shareholders		14		14
Closing equity 2023-12-31	43 474	207 695	-146 585	104 584

CONDENSED PARENT COMPANY INCOME STATEMENT

Amounts in TSEK	Not	Q4 2023	Q4 2023	2023	2022
Net sales	3	2 379	2 409	9 715	11 822
Other income		6	16	13	-26
Total income		2 385	2 425	9 728	11 796
Other external costs	6	-13 261	-5 382	-24 787	-18 294
Staff costs		-2 767	-997	-4 747	-3 993
Depreciation and amortization		-40	90	-46	-13
Operating profit/loss		-13 683	-3 864	-19 852	-10 505
Financial income		373	41	2 266	2 338
Financial expenses		-700	-4 999	-30 946	-5 082
<i>Net financial items</i>		<i>-327</i>	<i>-4 958</i>	<i>-28 680</i>	<i>-2 744</i>
Profit/loss after financial items		-14 010	-8 822	-48 533	-13 249
Group contribution	6	6 747	1 361	6 747	1 363
Profit/loss before tax		-7 263	-7 461	-41 786	-11 886
Tax on profit/loss for the period		0	0	0	0
Profit-loss for the period		-7 263	-7 461	-41 786	-11 886

There are no items recognised in other comprehensive income in the Parent Company. Total comprehensive income thus equals profit or loss for the period.

CONDENSED PARENT COMPANY BALANCE SHEET

Amounts in TSEK		Dec 31 2023	Dec 31 2022
ASSETS			
Fixed assets	Not		
Tangible fixed assets		331	47
Financial fixed assets		0	110
Shares in Group companies		97 848	70 848
Total fixed assets		98 178	71 005
Current assets			
Receivables from Group companies	6	15 263	69 406
Other current receivables		13 467	2 172
Prepaid expenses and accrued income		335	2 516
Cash and cash equivalents		21 499	10 107
Total current assets		50 564	84 200
TOTAL ASSETS		148 742	155 205
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital		43 474	43 474
<i>Total restricted equity</i>		<i>43 474</i>	<i>43 474</i>
<i>Non-restricted equity</i>			
Retained earnings		104 948	116 820
Profit/loss for the period		-41 786	-11 886
<i>Total non-restricted equity</i>		<i>63 162</i>	<i>104 934</i>
Total equity		106 636	148 408
Long term liabilities			
Liabilities from Group companies	6	11 859	0
Current liabilities			
Accounts payable		4 687	2 540
Tax liability		55	181
Other current liabilities		22 822	1 833
Accrued expenses and deferred income		2 682	2 242
<i>Total current liabilities</i>		<i>30 246</i>	<i>6 796</i>
Total liabilities		42 105	6 796
TOTAL EQUITY AND LIABILITIES		148 742	155 205

OTHER INFORMATION

Note 1 General information

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

The operations of the Parent Company and its subsidiaries include GRANGEX AB (publ), Grängesberg Exploration AB, Dannemora Iron AB, Sala Bly AB, and Sala Bly Fastigheter AB as well as GRANGEX Sydvaranger AS.

The Board of Directors approved this interim report for publication on 20 February 2024.

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 and Sustainability 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 and Sustainability 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. All amounts are rounded to the nearest thousand unless otherwise stated.

New and amended standards applied by the Group

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

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

TSEK	Q4 2023	Q4 2022	2023	2022
Sweden	3 677	4 533	23 600	20 934
EU (other than Sweden)	4 556	104	9 027	1 495
Non EU Europe	2 289	68	2 745	708
Sum	10 522	4 706	35 372	23 138

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

TSEK	Dec 31 2023	Dec 31 2022
Accumulated acquisitions		
At the beginning of the year	93 933	56 605
Acquisitions during the year	43 384	37 328
Accumulated acquisitions sum	137 317	93 933
Accumulated depreciation and amortization		
At the beginning of the year	-844	-703
Depreciation and amortisation for the year	-141	-141
Sum accumulated depreciation and amortization	-984	-844
Carrying amount	136 333	93 090

The mineral rights and accumulated acquisitions consists of:

Dannemora Iron AB

Mineral rights and capitalised expenditures relating to iron ore 103 319 62 037

Grängesberg Exploration AB

Mineral rights and capitalised expenditures relating to apatite and iron ore 33 014 31 053

Sum 136 333 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 due to 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.

Royalty agreement Anglo American	TUSD	TSEK
Nominal amount	10 000	105 399
Acquisition costs	-406	-4 265
Acquisition value	9 594	101 135
Accrued interest until Dec 31 2023	838	13 206
Currency conversion rate 10.0416 SEK/USD	0	-5 471
Closing balance at Dec 31 2023	10 432	108 870
Other non-current liabilities		119
Total non-current liabilities		108 989

Note 6 Transactions with related parties

The write-down of the shares in Dannemora Iron AB of MSEK 30 in the Parent Company took place after a shareholder contribution. The value of Dannemora Iron AB in the Parent Company is unchanged after the write-down. Sala Bly AB made a group contribution to the Parent Company of MSEK 6.7 (1.4). Otherwise, no significant changes or related party transactions have taken place.

Note 7 Events after the reporting period

The prospectus for the rights issue was published on 2 February. The issue is guaranteed to 92 percent.

This quarterly report has not been reviewed by the Company's auditors.

Stockholm on 20 February 2024

GRANGEX AB (publ)

Klas Åström
Chairman of the Board

Bård Bergfald
Director

Annika Billberg
Director

Tobias Fagerlund
Director

Johan Lundqvist
Director

Thomas Söderqvist
Director

Christer Lindqvist
CEO

Alternative key figures

In addition to the key financial figures that are prepared in accordance with the IFRS, GRANGEX 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 financial reports. 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 below.

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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