

**ANNUAL REPORT**

**and**

**CONSOLIDATED ACCOUNTS**

**of**

**Akobo Minerals AB (publ)**  
Corporate ID no. 559148-1253

**The Board of Directors annual report and consolidated financial statements for the financial year 2023-01-01 - 2023-12-31**

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# Akobo Minerals AB (publ)

Corporate ID no. 559148-1253

## BOARD OF DIRECTORS REPORT

The annual accounts are prepared in Swedish kronor, SEK.

### Business Concept & Overview

Akobo Minerals is a Scandinavian gold exploration and mining company that holds an exploration license covering 182 km<sup>2</sup> including ongoing mine development in the Gambela region and Dima Woreda, Ethiopia. The company has established itself as the leading the gold prospecting company in Ethiopia after operating on site for just over 13 years.

Akobo Minerals holds a mining license covering an area of 16 km<sup>2</sup> and is working to commence mining operations at its highly promising Segele target. This area has an inferred and indicated mineral resource of 68,000 ounces, with a world-leading gold grade of 22.7 g/t. The gold mineralized zone remains open at depth and continues to expand, which will have a positive impact on both future resource estimates and the life of the mine. The prospecting license covers many promising areas exploration resource building prospects both near Segele and in the wider license area.

Akobo Minerals maintains excellent relationships with everything from local communities to national authorities and the company sets environmental, social responsibility and governance (ESG) at the center of the business, as shown by the planned industry-leading joint value program. Akobo Minerals has built a strong local presence based on the principles of sound ethics, transparency and communication, and is ready to take on new opportunities and ventures as they arise. The company is uniquely positioned to become one significant player in the future development of Ethiopia's very promising mining industry. Akobo Minerals has a clear strategy which aims to build a portfolio of gold resources through exploration and mining breakthroughs, while maintaining a lean business operation. The company is headquartered in Oslo and is listed on Euronext Growth Oslo Exchange and Frankfurt Stock Exchange under the short name AKOBO. For US investors, Akobo Minerals AB (OTCQX: AKOBF) is trading at OTCQX Best Market. Akobo Minerals meets and complies with all elements of the JORC Code, 2012.

The company's seat is in Gothenburg.

### Multi-year comparison\*, group

The amounts in multi-year comparison, group are shown in KSEK

	2023	2022	2021	2020	2019
Net sales	0	0	0	0	83
Profit/loss after financial items	-169 053	-54 264	-9 860	-10 971	-1 047
Equity-assets ratio (%)	-50	0,00	0,00	112,76	

### Multi-year comparison\*, parent company

The amounts in multi-year comparison, parent company are shown in KSEK

	2023	2022	2021	2020	2019
Net sales	0	0	0	0	20
Profit/loss after financial items	-6 901	-416	25 371	-28 727	-1 054
Equity-assets ratio (%)	69	64,42	98,92	51,99	

\*For definitions of key ratios, please see notes

## **Akobo Minerals AB (publ)**

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### **Important events during the financial year**

During 2023, Akobo Minerals achieved significant milestones in exploration, mining, ESG, and financing.

#### **Exploration and Mining**

The company made significant progress in exploration and mining. The discovery of visible gold in the first drill hole at a new mineralization site near Segele reinforced the potential of the Segele project and supported future resource expansion. The start of core drilling at the Gindibab site, approximately six kilometers southeast of the Segele gold mine, provided initial indications of significant potential, contributing to the company's goal of developing a world-leading million-ounce discovery. Additionally, the company reached the Segele ore body, marking a crucial step towards full production and highlighting the high potential of the Segele project. The commissioning of the ultra-small scale plant enabled the company to produce its first gold, serving as proof of concept and preparation for the main operation.

#### **Environment, Social Responsibility, and Governance (ESG)**

Akobo Minerals continued to prioritize ESG during the year. The company's commitment to high standards in environment, social responsibility, and governance was recognized with the prestigious ESG Nature Award at Mining Indaba. Key ESG initiatives included the successful initiation of an environmental baseline study and improved biodiversity and community engagement projects. These efforts have underscored the company's commitment to integrating ESG principles into its core operations.

#### **Mine Closure Provisioning**

During 2023, Akobo Minerals made a mine closure provisioning based on estimates of closure costs according to industry standards. According to the World Bank's report "Costs of Mine Closure and the Implications for the Mining Industry", closure costs vary between \$15 and \$50 per ton of processed ore. This estimate is also supported by the Mining Association of Canada (MAC), which often refers to the same cost range for underground mine closures. Since the Segele mine is a small underground mine with a limited footprint and we operate in a low-cost country, we have chosen to use \$15 per ton as the basis for our provisioning. This is at the lower end of the cost spectrum, which we believe is reasonable based on our specific circumstances and operational efficiency.

#### **Financing and Financial Developments**

Akobo Minerals' financial stability and growth were strengthened through several significant financial initiatives. The company secured two convertible loans of NOK 22,475 million and NOK 34.4 million to support ongoing operations. Additionally, a directed new share issue was successfully completed, which further improved financial stability by redeeming a convertible loan from 2022. Furthermore, Akobo Minerals began trading on the OTCQX Best Market under the ticker symbol AKOBF, increasing the company's visibility and accessibility to American investors.

#### **Leadership and Partnerships**

To strengthen its leadership team, Akobo Minerals appointed Helge Rushfeldt as Head of Mining Operations and Steven Rupprecht as Mine Manager and Strategic Advisor, bringing extensive industry experience to the company. In terms of partnerships, the company signed an agreement with MKS PAMP, a renowned precious metals refining company, ensuring efficient and ethical processing of gold from the Segele mine to global markets.

#### **General Development in Ethiopia**

Ethiopia, with a population of approximately 126.5 million in 2023, is one of Africa's fastest-growing economies. The country's economy grew by 7.2% in 2023 according to government figures, while the International Monetary Fund (IMF) estimated a slightly lower growth rate of 6.1%. Despite this growth, Ethiopia faces significant economic challenges, including high inflation rates, a significant trade deficit, and low foreign exchange reserves.

The Ethiopian government's 10-year development plan, based on the Home-Grown Economic Reform Agenda established in 2019, aims to maintain high growth rates, transition to a private sector-driven economy, and address macroeconomic imbalances. The African Development Bank's strategy for 2023-2027 focuses on improving economic and financial governance, developing sustainable infrastructure, and promoting agro-industrialization to support inclusive and sustainable growth.

### **Important events after the end of the financial year**

After the end of the financial year, Akobo Minerals has focused on restructuring its loan with Monetary Metals and strengthening its balance sheet through a capital raise of a total of NOK 55 million, as well as converting all other external debt to equity. The restructuring with Monetary Metals resulted in an extended repayment period until the end of 2025, an interest rate of 30%, and a

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transition from fixed installment payments to a cash sweep mechanism, where monthly free cash flow exceeding USD 1.5 million is used to amortize the loan the following month. A restructuring fee of 1% on sold gold will be added until the end of 2025. The loan will default if accumulated capital exceeds 8,750 ounces.

The beginning of 2024 was slow, with several operational challenges. However, most of the issues that arose have been resolved, and the company is back on track to complete the processing plant.

### Future development

Akobo Minerals is ready to increase its operational capacity and financial performance in the coming years. The company is well-positioned to capitalize on its recent discoveries and operational milestones, driving its growth strategy forward. However, several significant risks and uncertainties must be addressed, particularly those related to capital repatriation and other currency restrictions. Fluctuations in gold prices and broader market conditions can impact revenue and profitability. The company continues to closely monitor these factors. Developing a mining operation in a developing country presents unique challenges, including logistical, regulatory, and infrastructure-related issues, which the company addresses through continuous interaction and dialogue with relevant stakeholders. Akobo Minerals remains committed to navigating these challenges with strategic focus, leveraging its strengths, and maintaining a commitment to sustainable growth and value creation for all stakeholders.

### Risks

#### RISKS RELATED TO THE BUSINESS AND INDUSTRY IN WHICH THE GROUP OPERATES

- **Political and economic risk:** The Group operates in Ethiopia. This exposes the Group to various political and economic risks and uncertainties. These factors may limit the Group's ability to conduct its operations, obtain necessary financing and otherwise have a material negative impact on the Group's financial position, results and prospects.
- **Pandemics:** There is a risk that outbreaks of pandemics in the future and the extraordinary health measures imposed as a result, may cause volatile and low gold prices and disruptions in the Group's operations.
- **Gold price:** Gold prices fluctuate widely and are affected by numerous factors beyond the control of the Group which could be detrimental to the business plan.
- **Mineral exploration and development is highly speculative in nature:** Mineral exploration and development is highly speculative in nature and involves a high degree of risk.
- **Attracting, retaining and training required personnel:** The business of the Group depends on the ability to recruit, develop and retain qualified employees.
- **Potential operational problems:** The activities of the Group are subject to all of the hazards and risks normally incidental to exploring and developing natural resource projects and operating in a developing country.
- **Mineral exploration may not result in any profitable commercial operation:** Even though the Group in the past have received encouraging results and mineral resource estimates from its drilling activities, there is no guarantee that the Group will achieve a successful result in the future.
- **Corruption risk:** Ethiopia experiences high levels of governmental and business corruption. By doing business in Ethiopia the Group could face, directly or indirectly, corrupt demands by officials, militant groups or private entities. Consequently, the Group faces the risk that one or more of its employees, agents, intermediaries or consultants may make or receive unauthorized payments given that such persons may not always be subject to its control. Corrupt action against the Group could have a material adverse effect on the Group's business, operations, financial performance, cash flow and future prospects.
- **Heightened risk for criminal action against the Group:** Ethiopia experiences high levels of criminal activity. The risks for criminal actions will continue to grow correspondingly with the Groups increased presence, expansion of camp, success in gold findings and increased revenue. Criminal action against the Group could have a material adverse effect on the Group's business, operations, financial performance, cash flow and future prospects.

#### RISKS RELATED TO HEALTH, SAFETY AND SECURITY

- **Certain operations are carried out under potentially hazardous conditions:** The Group operates in a remote environment and operates heavy machinery, and weather conditions may be extreme. The Group's operations may cause accidents or other misfortunes which inflict severe injuries or death on the Group's employees, contractors or the general population due to negligence or factors beyond the Group's control.
- **Historical civil unrest:** The Group's exploration activities were suspended from 2016 to 2019 due to general unrest and an unstable security situation in the geographical region where the exploration activities are conducted, including looting and attacks against the Group's personnel and equipment. It cannot be guaranteed that no further unrest or security threats will arise or that the

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security measures implemented by the Group are adequate. Security threats and incidents may have materially adverse effects on the Group's exploration activity or future mining operations, including both delays or expiration of the required exploration permits due to inactivity.

### RISK RELATED TO LAWS AND REGULATIONS

- **Foreign exchange risk and risk related to repatriation of capital:** The Group transfer funds into Ethiopia in USD and has its operating expenses in Ethiopian birr. If foreign currency restriction were to be imposed on and enforced against the Group, this could restrict the Group's ability to repatriate future earnings from its operating subsidiary. The imposition of the foreign currency restrictions may have a material adverse effect on the Group's business, operations, cash flows and financial condition.

### FINANCIAL RISKS

- **Foreign exchange risk and risk related to repatriation of capital:** The Group transfer funds into Ethiopia in USD and has its operating expenses in Ethiopian birr. If foreign currency restriction were to be imposed on and enforced against the Group, this could restrict the Group's ability to repatriate future earnings from its operating subsidiary. The imposition of the foreign currency restrictions may have a material adverse effect on the Group's business, operations, cash flows and financial condition.
- **The Group may require additional financing:** The Group does not currently generate sufficient income to finance its operations and if additional financing is necessary to continue the Group's operations, the Group will have to rely on external financing. Adequate sources of funding may not be available to the Group on favorable terms or at all.
- **Foreign exchange risk related to adverse fluctuations in exchange rates:** The Group is exposed to foreign exchange risk when presenting its financial figures. By way of example, the Group's liquidity budget is monitored and presented in USD while the Group's fundraising activities are presented in NOK or SEK. Generally, currency fluctuations introduce the potential risk of adverse fluctuations and misalignment in financial figures due to fluctuations in underlying exchange rates, which as a result may lead to potential deviations in the presentation of financial figures and/or actually affect the financial results and performance.
- **Risks related to capital- and operating expenditures:** There is an inherent risk related to cost overruns related to the construction and operation related to the Segele Project.
- **The Group is dependent on maintaining sufficient liquidity to manage its business and operations:** The Group is at a development stage and has to date not generated positive cash flow from its operations. The Group expects to continue to have negative operating cash flow until start of commercial production at the Segele Mine in Ethiopia. The Group manage liquidity risk by maintaining reasonable cash reserves and by continuously monitoring actual and forecast cash flows. There is no guarantee that the Group is able to obtain necessary financing, which could have significant consequences for the Issuer, including, but not limited to: (i) limiting the Group's ability to obtain additional financing to fund future working capital, capital expenditures and other corporate requirements, including operations targets; (ii) requiring the dedication of a substantial portion of cash flow from operations to the payment of principal of, and interest on, indebtedness, thereby reducing the availability of cash flow to fund operations, capital expenditures or for other corporate purposes; (iii) limiting flexibility in planning for, or reacting to, changes in the Group's business or competitive environment; and (iv) increasing vulnerability to downturns in business or industry, or economic conditions generally. Any of these, or other, consequences or events could have a material adverse effect on the Group's liquidity and general financial condition.
- **General risks involved related to the Proposed Transaction** (as described herein): The Proposed Transaction involves raising capital in several tranches, and these are not conditional upon each other. There is generally no guarantee that the Group will be able to raise the required capital, and further that the conversion of the existing convertible loans and bridge loan will take place (see slide "Summary of the Proposed Transaction"). Specifically, there is no guarantee that the Subsequent Rights Issue (as defined herein) will be completed even if the Private Placement does complete. In such case, there is a risk that the Group will not have sufficient funds to complete the construction phase of the Segele plant and subsequent production ramp-up phase, to reach steady production and positive cash flow. Consequently, an investor in the Private Placement runs the risk that its investment is lost in its entirety if the Group is not being able to raise a sufficient amount of funds in the Subsequent Rights Issue.
- **No guarantee that the Subsequent Rights Issue will be fully funded** (as described herein): The contemplated transaction involves a Private Placement and a Subsequent Rights Issue. Investors participating in the Private Placement should be aware that there is no guarantee that the Subsequent Rights Issue will be fully funded or completed and that the Group's financial obligations and operational capabilities could be significantly affected if the Subsequent Rights Issue is not fully subscribed. This could make the Group unable to continue its operations as currently planned. In extreme cases, this may pose a threat of insolvency should the Group not be able to be funded to a level satisfactory for the Group.
- **The Group has debt arrangements with security over its key assets:** The Group currently holds a 5000 ounces secured gold loan corresponding to approximately USD 10 million at USD 2000/oz. At maturity, the loan amounts to approximately USD 13 million including accrued interests. The loan has four cash interest payments due in 2024. The loan contains terms and conditions the Group will need to comply with in order to avoid an event of default situation. Given the situation Akobo is in, there is a risk

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that the Group will not be in a position to comply with these terms and that an event of default could be triggered. Unless Akobo is able to secure an agreement with its lenders, there is a risk that such lenders could take enforcement steps against the assets of the Group.

### RISKS RELATED TO THE SHARES

- **Active trading market may not develop:** Although the shares in the Company are being traded on Euronext Growth Oslo, no assurances can be given that an active trading market for the shares will develop on Euronext Growth Oslo, nor sustain if developed.
- **Price fluctuations:** An investment in the Company's shares involves risk of loss of capital, and securities markets in general have been volatile in the past. The price of the shares of the Company may fluctuate based upon factors that have little or nothing to do with the Company, and these fluctuations may materially affect the price of the shares.
- **Restrictions on dividend payments:** The Company has not paid any dividends and are unlikely to pay dividends in the immediate or foreseeable future.
- **Risk of dilution:** The Company may in the future decide to offer additional shares or other securities which may lead to dilution of existing shareholders.
- **Securities laws of the United States and other jurisdictions:** The shares of the Company have not been registered under the US Securities Act of 1933 (as amended) (the "US Securities Act") or any other jurisdiction outside of Norway and are not expected to be registered in the future. As such, the shares may not be offered or sold except pursuant to an exemption from, or in transactions not subject to, the requirements of the US Securities Act and other applicable securities laws. There are no assurances that shareholders residing or domiciled in the USA will be able to participate in future capital increases or rights offerings.
- **Norwegian depository receipts:** The Company has entered into a registrar agreement with DNB Bank ASA to facilitate registration of the shares in the VPS (in practice: "Euronext VPS"). In accordance with the registrar agreement, the VPS registrar is registered as the legal owner of the Company Shares for which depository receipts are issued ("VPS Shares"). Accordingly, it is the VPS Shares that will be traded on Euronext Growth Oslo. Although each "share" registered with the VPS will represent evidence of beneficial ownership of the Company shares, such beneficial ownership will not necessarily be recognized by a Swedish court. As such, investors may have no direct rights against the Company and may be required to obtain the cooperation of the VPS registrar in order to assert claims against the Company.

### Changes in equity, group

	Share capital	Other restricted equity	Other non-restricted equity	Non-controlling interests	Total non-restricted equity
Opening amount	1 579 765	100 403 584	-77 227 461	0	24 755 888
New issue	395 293	54 014 037	0	0	54 409 330
Exchange rate difference	0	4 280 826	13 784 446	0	18 065 272
Loss for the year			-169 053 409	0	-169 053 409
Closing amount	1 975 058	158 698 447	-232 496 424	0	-71 822 919

### Changes in equity, parent company

	Share capital		Profit/loss brought forward	Profit/loss for the year	
Opening amount	1 579 765	100 403 584	-5 066 116	-415 655	96 501 577
New issue	395 293	54 014 037			54 409 330
Result distribution according to decision of AGM			-415 655	415 655	0
Result for the year			-6 900 950	-6 900 950	-6 900 950
Closing amount	1 975 058	154 417 621	-5 481 771	-6 900 950	144 009 957

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### Appropriation of profit/loss

Proposed treatment of the company's profit

At the disposal of the general meeting:

loss brought forward	-5 481 771
share premium reserve	154 417 620
loss for the year	<u>-6 900 950</u>
	142 034 899

The board of directors proposes the following

to be carried forward	<u>142 034 899</u>
	142 034 899

For information about the company's earnings and financial position in other respects, please refer to the income statements, balance sheets and accompanying notes set out below.

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## INCOME STATEMENT

	Note	Group		Parent company	
		2023-01-01	2022-01-01	2023-01-01	2022-01-01
		2023-12-31	2022-12-31	2023-12-31	2022-12-31
<b>Operating income</b>					
Net turnover		0	0	0	0
<b>Operating expenses</b>					
Raw materials and consumables		-1 152 484	-3 326	0	0
Other external expenses	3, 7	-64 991 079	-35 888 221	-5 195 270	-5 712 595
Personnel costs	5, 4	-22 931 106	-11 167 875	0	0
Depreciation and write-down of tangible and intangible assets		-311 432	0	0	0
		<u>-89 386 101</u>	<u>-47 059 422</u>	<u>-5 195 270</u>	<u>-5 712 595</u>
<b>Operating profit/loss</b>		-89 386 101	-47 059 422	-5 195 270	-5 712 595
<b>Profit/loss from financial items</b>					
Profit/loss from participations in group companies	8	0	0	0	-471 042
Other interest income and similar profit/loss items	9	16 879 948	13 560 850	20 314 658	10 203 695
Interest expense and similar profit/loss items	10	-96 547 256	-20 765 338	-22 020 338	-4 435 713
		<u>-79 667 308</u>	<u>-7 204 488</u>	<u>-1 705 680</u>	<u>5 296 940</u>
<b>Profit/loss after financial items</b>		-169 053 409	-54 263 910	-6 900 950	-415 655
<b>Profit/loss before tax</b>		-169 053 409	-54 263 910	-6 900 950	-415 655
<b>Profit/loss for the year</b>		<u>-169 053 409</u>	<u>-54 263 910</u>	<u>-6 900 950</u>	<u>-415 655</u>



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## BALANCE SHEET

		Group		Parent company	
		2023-12-31	2022-12-31	2023-12-31	2022-12-31
<b>ASSETS</b>					
<b>Fixed assets</b>					
<b>Intangible assets</b>					
Capitalized expenditure for development and similar work	11	59 798 033	62 499 003	0	0
<b>Total intangible assets</b>		59 798 033	62 499 003	0	0
<b>Tangible assets</b>					
Plant and machinery	13	13 451 495	0	0	0
Equipment, tools, fixtures and fittings	14	719 873	0	0	0
Construction in progress and advance payments for tangible assets	12	50 787 292	57 159 581	0	0
<b>Total tangible assets</b>		64 958 660	57 159 581	0	0
<b>Financial assets</b>					
Participations in group companies	15	0	0	22 073 570	22 073 570
Receivables from group companies	16	0	0	186 406 350	129 827 158
Other long-term receivables		103 650	0	0	0
<b>Total financial assets</b>		103 650	0	208 479 920	151 900 728
<b>Total fixed assets</b>		124 860 343	119 658 584	208 479 920	151 900 728
<b>Current assets</b>					
<b>Inventories etc.</b>					
Raw materials and consumables		223 853	0	0	0
<b>Total inventories etc.</b>		223 853	0	0	0
<b>Current receivables</b>					
Trade receivables		27 430	469 032	0	0
Current tax asset		2 109	0	0	0
Other receivables		9 287 819	5 402 754	30 756	38 147
Prepaid expenses and accrued income		2 310 723	636 998	3 824	135 123
		11 628 081	6 508 784	34 580	173 270
<b>Cash and bank</b>					
Cash and bank		6 340 369	56 304 870	0	0
<b>Total cash and bank</b>		6 340 369	56 304 870	0	0
<b>Total current assets</b>		18 192 303	62 813 654	34 580	173 270
<b>TOTAL ASSETS</b>		<b>143 052 646</b>	<b>182 472 238</b>	<b>208 514 500</b>	<b>152 073 998</b>

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## EQUITY AND LIABILITIES

### Equity, group

Share capital	1 975 058	1 579 765		
Other contributed capital	158 698 447	100 403 584		
Other capital incl profit/loss for the year	-232 496 424	-77 227 461		
<b>Total equity, Group</b>	<b>-71 822 919</b>	<b>24 755 888</b>		

### Equity, parent company

#### Restricted equity

Share capital	17		1 975 059	1 579 765
			<u>1 975 059</u>	<u>1 579 765</u>

#### Non-restricted equity

Share premium reserve			154 417 620	100 403 584
Profit or loss carried forward			-5 481 771	-5 066 116
Profit/loss for the year			-6 900 950	-415 655
			<u>142 034 899</u>	<u>94 921 813</u>

#### Total equity, parent company

144 009 958 96 501 578

### Provisions

Other provisions		11 619 228	0	0	0
<b>Total provisions</b>		<u>11 619 228</u>	<u>0</u>	<u>0</u>	<u>0</u>

### Long-term liabilities

18

Other liabilities		133 215 446	98 115 988	0	0
<b>Total long-term liabilities</b>		<u>133 215 446</u>	<u>98 115 988</u>	<u>0</u>	<u>0</u>

### Current liabilities

Trade payables		942 071	2 301 365	0	0
Liabilities to group companies		0	0	2 280 367	1 577 415
Current tax liability		0	311 650	0	0
Other liabilities		5 154 137	2 271 014	945 951	594 223
Accrued expenses and deferred income		2 766 459	1 415 551	100 000	100 000
Convertible loan		61 178 224	53 300 782	61 178 224	53 300 782
<b>Total current liabilities</b>		<u>70 040 891</u>	<u>59 600 362</u>	<u>64 504 542</u>	<u>55 572 420</u>

### TOTAL EQUITY AND LIABILITIES

143 052 646 182 472 238 208 514 500 152 073 998

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## CASH FLOW ANALYSIS

Note	Group		Parent company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
<b>Operating activities</b>				
Operating profit/loss	-89 386 101	-47 059 423	-5 195 270	-5 712 595
Adjustments for non-cash items	20 30 495 416	0	0	0
Interest received	16 879 948	0	20 314 658	0
Interest paid	-96 547 257	0	-22 020 338	0
Income tax paid	-313 759	0	0	0
<b>Cash flow from operating activities before changes in working capital</b>	<b>-138 871 753</b>	<b>-47 059 423</b>	<b>-6 900 950</b>	<b>-5 712 595</b>
<b>Cash flow from changes in working capital</b>				
Decrease(+)/increase(-) in inventories/work in progress	-223 853	0	0	0
Decrease(+)/increase(-) in accounts receivable	441 602	0	0	0
Decrease(+)/increase(-) in receivables	-5 558 790	-1 038 718	138 690	-49 232 294
Decrease(-)/increase(+) in accounts payable	-1 359 294	0	0	-0
Decrease(-)/increase(+) in current liabilities	4 234 031	-2 997 862	4 102 692	5 053 302
<b>Cash flow from operating activities</b>	<b>-141 338 057</b>	<b>-51 096 003</b>	<b>-2 659 568</b>	<b>-49 891 587</b>
<b>Investing activities</b>				
Sale of renting and similar rights	-1 259 571	0	0	0
Sale of goodwill	3 960 541	-55 415 732	0	0
Acquisition of other intangible assets			0	0
Acquisition of plant and machinery	-22 784 330	-13 524 792	0	0
Sale of plant and machinery	14 673 818	0	0	0
Loans to group companies during the year	0	0	-55 876 240	0
Acquisition of long-terms securities	-103 650	0	0	0
<b>Cash flow from investing activities</b>	<b>-5 513 192</b>	<b>-68 940 524</b>	<b>-55 876 240</b>	<b>0</b>
<b>Financing activities</b>				
New issue for the year	54 409 330	0	54 409 331	-1 303 823
Shareholders' contributions received	194 393 670	95 078 680	0	0
Group contributions	0	52 020 523	0	0
Long-term loans raised	-151 416 770	0	0	0
Change in current financial liabilities	0	0	4 126 477	52 020 523
Repaid shareholder's contribution	0	-825 113	0	-825 113
<b>Cash flow from financing activities</b>	<b>97 386 230</b>	<b>146 274 090</b>	<b>58 535 808</b>	<b>49 891 587</b>
<b>Change in cash and cash equivalents</b>				
Cash and cash equivalents at beginning of year	-49 465 019	26 237 563	0	0
Exchange rate differences in cash and cash equivalents	56 304 870	33 367 571	0	0
<b>Cash and cash equivalents at year-end</b>	<b>-499 482</b>	<b>-3 300 264</b>	<b>0</b>	<b>0</b>
	<b>6 340 369</b>	<b>56 304 870</b>	<b>0</b>	<b>0</b>

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### NOTES

#### Note 1 Accounting and valuation policies

The annual report has been prepared in accordance with the Annual Accounts Act and general advice from the Swedish Accounting Standards Board BFNAR 2012:1 Annual accounts and consolidated accounts.

The policies are unchanged compared with the previous year.

##### *Receivables*

Receivables are recorded in the amounts at which they are expected to be received.

##### *Other assets, provisions and liabilities*

Other assets, provisions and liabilities are recorded at cost of acquisition unless otherwise stated below.

##### *Receivables and liabilities in foreign currency*

Monetary receivables and liabilities in foreign currencies have been restated at the closing rate.

Exchange differences arising on settlement or restatement of monetary items are recognised in the income statement in the financial year in which they occur, either as an operating item or a financial item, on the basis of the underlying business transaction.

##### *Tangible fixed assets*

Tangible fixed assets are recorded at cost of acquisition less accumulated depreciation and any write-downs. The assets are depreciated on a straight-line basis over the estimated useful life, apart from land, which is not depreciated. The useful life is reviewed as at every balance sheet date.

##### *Intangible assets*

###### *Cost recognition model*

The company has internally generated intangible fixed assets. These are reported according to the activation model. All costs related to the development of internally generated intangible fixed assets are capitalized and amortized on a straight-line basis over the assets' estimated useful life. The period of use is reviewed on each balance sheet date. Current projects are not written off without impairment is tested annually.

As the company's intangible assets have not been put into use, the depreciation period has not yet begun.

##### *Financial instruments*

Financial instruments are measured on the basis of cost of acquisition.

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument. Financial assets are removed from the balance sheet when the contractual right to receive the cash flow from the asset ceases or is settled, or when the risks and rewards associated with the asset are transferred to another party. Financial liabilities are removed from the balance sheet when the contractual obligation is discharged or expires.

Trade receivables are measured at cost of acquisition less anticipated bad debt losses. Trade payables and other non-interest bearing liabilities are measured at nominal amounts.

Financial fixed assets and financial long-term liabilities as well as interest-bearing current financial receivables and

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liabilities are measured both on initial recognition and subsequent measurement at amortised cost, which is normally the same as fair value (transaction value) at the time of acquisition, with the addition of directly attributable transaction costs such as brokerage.

### *Leasing*

All leases are recognised as an expense on a straight-line basis over the lease term.

### *Consolidated accounts*

The consolidated financial statements are prepared using the acquisition method. The consolidated financial statements include the parent company and its subsidiaries. Subsidiaries are defined as companies in which the parent company directly or indirectly holds more than 50% of the voting rights or otherwise has a controlling influence.

Foreign subsidiaries are translated at the balance sheet date exchange rate, and exchange rate differences are recorded directly against equity. The income statement is translated at the average exchange rate for the year, and the effect is reported in equity.

### *Elimination of transactions between group companies*

All intercompany receivables and payables, revenues and expenses, and unrealized gains or losses arising from transactions between group companies are fully eliminated.

## **Note 2 Accounting estimates**

The group has, through the subsidiary Etno Mining PLC, the possibility of reimbursement of VAT expenses from the Ethiopian state if the business in the future will generate income. The Ethiopian state also guarantees that expenses incurred before the business became profit-generating in the Ethiopian company can be used to offset future profits in the business for tax purposes ("loss carry forward"). This applies 10 years from the year the expense was incurred. The value of VAT expenses per balance sheet date is approximately MSEK 6.7, which is included in the group's balance sheet as a receivable.

Financial effects in general are difficult to estimate.

## **NOTES TO FINANCIAL STATEMENTS**

### **Note 3 Leases - operating lease lessee**

	<b>Group</b>		<b>Parent company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
During the year the company's lease payments amounted to	585 516	212 811	0	0
Future minimum lease payments for non-cancellable leases, falling due for payment as follows:				
Within 1 year	604 830	363 283	0	0
Between 2 and 5 years	725 592	0	0	0
Later than 5 years	0	0	0	0
	<u>1 330 422</u>	<u>363 283</u>	<u>0</u>	<u>0</u>

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## Note 4 Average number of employees per country

Group		Parent company	
2023	2022	2023	2022

### *Breakdown of average number of employees by country*

The average number of employees is based on hours worked related to normal working hours paid for by the company.

Sweden:

Women	0	0	0	0
Men	0	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
	0	0	0	0

Ethiopia:

Women	37	14	0	0
Men	147	37	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
	184	51	0	0

Norway:

Women	0	1	0	0
Men	4	2	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
	4	3	0	0

Total women

	37	15	0	0
Total men	151	39	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
	188	54	0	0

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### Note 5 Personnel

	Group 2023	2022	Parent company 2023	2022
<i>Wages/salaries, remuneration etc.</i>				
Wages/salaries, remuneration, social security costs and pension costs have been paid as follows:				
The board of directors:				
Wages/salaries and remuneration	3 154 476	661 580	0	0
Bonuses	168 825	321 751	0	0
Pensions	199 235	199 495	0	0
	3 522 536	1 182 826	0	0
Other employees				
Wages/salaries and remuneration	16 986 818	7 641 152	0	0
Pensions	969 325	513 408	0	0
	17 956 143	8 154 560	0	0
Social security costs	1 452 563	844 942	0	0
Total board of directors and others	22 931 242	10 182 328	0	0

#### *Gender distribution in the board and company management*

Number of board members	4	4	3	3
of whom women	0	0	0	0
of whom men	4	4	3	3
Number of other executives	5	5	1	1
of whom women	1	1	0	0
of whom men	4	4	1	1
The company's pension obligations to the board members	0	0	0	0

The number of board members in the group is the board members of all group companies

### Note 6 Share-related compensation

#### Group

Akobo Minerals has issued from 2018 until 2022-12-31, four different warrant programs to the board and senior executives, of which one program expired in 2021. In 2020, it was decided to merge the company's shares 1:10, whereby the number of shares that each warrant entitled to subscription of was changed accordingly, i.e. 10 warrants entitle the subscription of 1 new share, and the redemption price for the previously issued warrants changed by a multiple of 10. The number of warrants issued is, however, unchanged. In addition, the company has issued 1,080,328 warrants with a conversion rate of SEK 6.9 to Monetary Metals in connection with taking out a loan in 2022. In 2023, 800,000 warrants with a conversion rate of SEK 8.5. Total number of warrants issued and allocated during 2018-2023 amounts to 34,280,328 which, considering the consolidation of the company's shares in 2020, entitles to subscription of 8,280,328 shares.

Conditions and changes in the option programs appear below.

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	2023			2022		
	Average redemption price, kr	Entitles to subscribe for shares*	Options	Average redemption price, kr	Entitles to subscribe for shares*	Options
Outstanding as of January 1	4.76	5,357,328	13,250,328	2.65	2,677,000	10,570,000
Newly issued and assigned	8.50	800,000	800,000	6.86	2,780,328	2,780,328
Forfeited	-	-	-	6.84	100,000	100,000
Converted to shares	2.50	877,000	8,770,000	-	-	-
Due that are not converted into share	-	-	-	-	-	-
Outstanding as of December 31	5.70	5,280,328	5,280,328	4.76	5,357,328	13,250,328

\*taking into account the consolidation of shares 1:10 in 2020

## Note 7 Remuneration of auditors

	Group		Parent company	
	2023	2022	2023	2022
Audit engagement	304 036	238 662	179 206	123 295
Other services	138 263	41 490	0	0
	442 299	280 152	179 206	123 295

Audit assignment refers to the auditor's work for the statutory audit and audit activities of various types quality assurance services. Other services are items that are not included in audit assignments, audit activities or tax advice.

## Note 8 Results from participations in group companies

	Group		Parent company	
	2023	2022	2023	2022
Impairment of group company receivables - Etno	0	0	0	-471 042
	0	0	0	-471 042

## Note 9 Other interest income and similar profit/loss items

	Group		Parent company	
	2023	2022	2023	2022
Interest income group companies	0	0	10 694 908	4 703 601
Other interest income	295 711	209 479	86	29 109
Exchange rate difference	16 584 237	13 351 371	9 619 664	5 470 985
	16 879 948	13 560 850	20 314 658	10 203 695

## Note 10 Interest expense and similar profit/loss items

	Group		Parent company	
	2023	2022	2023	2022
Interest expenses group companies	0	0	0	1 280 259
Other interest costs	32 870 854	3 011 030	6 359 039	2 820
Exchange rate difference	63 676 402	17 754 308	15 661 298	3 152 634
	96 547 256	20 765 338	22 020 337	4 435 713



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## Note 11 Capitalised expenditure for development and similar work

	Group		Parent company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Opening cost of acquisition	62 499 003	48 992 177	0	0
Purchases	1 259 571	13 506 826	0	0
Translation difference	-3 960 541	0	-	-
Closing accumulated cost of acquisition	59 798 033	62 499 003	0	0
Closing carrying amount	59 798 033	62 499 003	0	0

## Note 12 Construction in progress and advance payments for tangible assets

	Group		Parent company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Opening cost of acquisition	57 159 581	0	0	0
Purchases	-2 467 495	1 707 142	0	0
Sales/retirements	9 940 198	55 452 439	0	0
Translation difference	-13 844 992	0	-	-
Closing accumulated cost of acquisition	50 787 292	57 159 581	0	0
Closing carrying amount	50 787 292	57 159 581	0	0

## Note 13 Plant and machinery

	Group		Parent company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Opening cost of acquisition	0	1 105 506	0	0
Purchases	1 065 508	-1 105 506	0	0
Sales/retirements	12 844 134	0	0	0
Translation difference	-254 795	0	-	-
Closing accumulated cost of acquisition	13 654 847	0	0	0
Depreciation for the year	-203 351	0	0	0
Closing accumulated depreciation	-203 351	0	0	0
Closing carrying amount	13 451 496	0	0	0

## Note 14 Equipment, tools, fixtures and fittings

	Group		Parent company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Opening cost of acquisition	0	601 636	0	0
Purchases	1 401 987	-601 636	0	0
Sales/retirements	-227 062	0	0	0
Translation difference	-346 969	0	-	-
Closing accumulated cost of acquisition	827 956	0	0	0
Depreciation for the year	-108 083	0	0	0
Closing carrying amount	719 873	0	0	0

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### Note 15 Participations in group companies

Parent company			2023-12-31	2022-12-31
<b>Company</b>	<b>Registered</b>	<b>Number/Share</b>		
<b>Corporate identity number</b>	<b>Office</b>	<b>of equity, %</b>	<b>Book value</b>	<b>Book value</b>
Abyssinia Resources Development AS	Oslo	100	22 073 570	22 073 570
995 011 050		100,00%	22 073 570	22 073 570
Opening cost of acquisition			22 073 570	22 073 570
Closing accumulated cost of acquisition			22 073 570	22 073 570
Closing carrying amount			22 073 570	22 073 570

The parent company's and the group's holdings of shares in group companies

Akobo Minerals AB owns 100% of Abyssinia Resources Development AS which in turn owns 99.97% of Etno Mining PLC in Ethiopia as well as 100% of Akobo Development International AS.

### Note 16 Receivables from group companies

	Group		Parent company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Opening cost of acquisition	0	0	129 827 158	74 547 140
Additional	0	0	56 579 192	55 751 060
Write-downs for the year	0	0	0	-471 042
Closing carrying amount	0	0	186 406 350	129 827 158

### Note 17 Disclosures on share capital

	Number of shares	Quota value per share
Number/value at opening of year	42 512 606	0,037159931
Number/value at closing of year	53 150 223	0,037159931

### Note 18 Long-term liabilities

	Group		Parent company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Other long-term liabilities	133 215 446	98 115 988	0	0
Amortization within 1 year	0	0	0	0
Amortization within 2 to 5 years	133 215 446	98 115 988	0	0
Amortization after 5 years	0	0	0	0

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### Note 19 Convertible loan

On March 16, 2023, Akobo Minerals AB issued a convertible loan with a nominal value of NOK 22,475,000. The loan was paid in two parts, in March 2023 (tranche 1) and in April 2023 (tranche 2). The loan matures two years after payment of the respective tranche if it has not previously been converted into shares at the holder's request. The loan (including accrued interest) can be converted into shares either quarterly or on the maturity date. The loan runs at an interest rate of 15%.

On August 29, 2023, Akobo Minerals AB issued a convertible loan with a nominal value of NOK 34,400,000. The loan was paid in two parts, in August 2023 (tranche 1) and in September 2023 (tranche 2). The loan matures two years after payment respective tranche if it has not previously been converted into shares at the holder's request. The loan (including accrued interest) can be converted into shares either quarterly or on the maturity date. The loan runs at an interest rate of 20%.

### Note 20 Adjustment for non-cash items

	Group		Parent company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Depreciation	18 564 756	0	0	0
Provisions	311 435	0	0	0
Other items	11 619 225	0	0	0
	<u>30 495 416</u>	<u>0</u>	<u>0</u>	<u>0</u>

Other items refer to provisions for mine closure reservation.

### Note 21 Pledged assets

For the loan of SEK 133 million, the group has placed all assets in Abyssinia Resource Development AS and its subsidiaries ETNO Mining Plc as collateral. As of the balance sheet date 231231, the total book value of the assets in these two companies amounts to SEK 143 million after group eliminations.

### Note 22 Contingent liabilities

Etno Mining PLC has entered into a concession agreement with the Ethiopian government giving the right to prospect for minerals in Gambela the region. The agreement includes that Etno Mining must restore land and natural areas in accordance with the Ethiopian state recovery plan.

The financial effects of these commitments are difficult to estimate.

GOTHENBURG

Hans Torsen



Carl Eide



Helge Rushfeldt



Jørgen Evjen



Our audit report was submitted on June 17, 2024.

Frejs Revisorer AB

Sébastien Argillet