
Q4 REPORT

2022

UNAUDITED

ending 31 December

AKOBO MINERALS AB (publ)



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ABOUT AKOBO MINERALS

Akobo Minerals is a Scandinavian-based gold exploration and boutique mining company, currently holding an exploration license covering 182 km² and a mining license covering 16 km² in the Gambela region and Dima Woreda, Ethiopia. The company has established itself as the leading gold exploration company in Ethiopia through more than 12 years of on-the-ground activity.

Akobo Minerals' Segele mine has an Inferred and Indicated Mineral Resource of 68,000 ounces, yielding a world-class gold grade of 22.7 g/ton, combined with an estimated all-in sustaining cost (AISC) of USD 243 per ounce. Still open to depth, the gold mineralised zone continues to expand and will have a positive impact on future resource estimates and the life expectancy of the mine. The exploration license holds numerous promising exploration resource-building prospects in both the vicinity of Segele and in the wider license area.

Akobo Minerals has an excellent relationship with local communities all the way up to national authorities and the company places environment and social governance (ESG) at the heart of its activities – as demonstrated by a planned, industry-leading, extended shared value program.

Akobo Minerals has built a strong local foothold based upon 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 a major player in the future development of the very promising Ethiopian mining industry.

Akobo Minerals has a clear strategy aimed at building a portfolio of gold resources through high-impact exploration and mining, whilst adhering to a lean business operation. The company is headquartered in Oslo and is listed on the Euronext Growth Oslo Exchange and the Frankfurt Stock Exchange – both under the ticker symbol, AKOBO.



IMPORTANT EVENTS IN THE FOURTH QUARTER 2022

- A peace agreement was signed between the Ethiopian government and the Tigray People's Liberation Front
- The first parts of the processing plant arrived at the site
- The contract miner, IW Mining, deployed to the site and broke ground at the Segele mine
- The company secured a 5,000-ounce gold loan, equal to USD 8.5 million
- Agreement was reached to cease all artisanal activity in the mining concession
- A memorandum of understanding (MOU) was agreed with Dima Polytechnic to improve local access to technical and vocational training
- Indigenous tree seeds have been collected and a community tree nursery began
- The company was shortlisted for a Mines and Money ESG Award

EVENTS AFTER THE PERIOD

- Some delay expected in startup of processing plant, which also impacts liquidity
- Positive dialogue with main shareholders to address potential liquidity constraints through issuance of additional loan
- New exploration target discovered at Gindaba - perhaps the most significant finding up to date
- A two tons/hour ultra-small plant is packed and ready to be sent to Ethiopia by air freight for early gold production
- Fabrication and shipping of the main processing plant was completed
- The foundation design for the mine was signed-off and building work started
- The underground mine boxcut was completed
- Two smaller entries into the upper part of the ore body were commenced
- Engagement with gold refineries began in order to establish offtake agreements
- Gold was confirmed in the first drill hole at the third mineralised zone, about 130 metres west of the main Segele mineralisation
- Both the Governor of the National Bank of Ethiopia and the Ethiopian Minister of Mines were replaced – though the program of continuous improvements in the regulatory framework are expected to continue
- Key ESG community-facing initiatives began:
 - A Women and Youth Association was registered
 - Artisanal and small-scale mining and solar technology teaching materials were prepared
 - Community Ecobrick production started
 - A MOU was signed with Jimma University for ecological monitoring in Akobo Minerals' project area
 - An education programme was approved by the Gambella Regional Government
- The company was nominated for and awarded the Mining Indaba ESG Nature Award

FINANCIAL PERFORMANCE OVERVIEW

- The result for the period: SEK -34.2 million
- The result for the year-to-date: SEK -53.8 million
- Cash flow for the period: SEK 45.9 million
- Cash at the end of the period: SEK 56.3 million
- Total equity at the end of the period: SEK 25.2 million
- Total external debt at the end of the period: SEK 95.1 million (by way of a gold loan of 5,000 ounces of gold)

COMMENTS FROM THE CEO

We are pleased to be moving forward, slowly but surely – and working through the challenges of operating in a developing country. Cement, spare parts, access to good heavy machinery, for example... and also difficulties with access to containers for shipping and dealing with the impact of the rolling blackouts in South Africa.



We are resolving each of the issues, one at a time. However, it has meant that we do expect there to be some delay with the main plant. To mitigate some of the delay, we will receive an ultra-small processing plant from our partner Solo, in order to get started as planned. It will be able to perform processing at 2 tons/hour, adding 20 percent of the capacity of the main plant, but without carbon in leach (CIL). We are aiming for an expected recovery of around 40percent – with the waste going into main plant later.

We now have the control in our own hands of all the aspects relating to when production will commence – the processing plant is complete, we have no issues with import or customs, no outstanding licences are needed, and ongoing mining work is up and running at the site. It is just a matter of the time it takes to put it all together. We have good cost control against our budgets, so now it is purely about managing the timing for our start-up.

Underground mining is underway – with our partner, IW mining, blasting and preparing on-site. Working has commenced on the two smaller entries to the gold ore and main incline shaft.

We have begun a dialogue with various refineries that we are talking to about buying our gold – which is a good indicator that we are getting really close to first pouring from our mine.

The last quarter saw good indicators on more exploration targets around Segele, which translates into new tonnage volumes to feed the plant in the years to come. We are also receiving highly encouraging findings from our regional exploration activities, which is part of our long-term plan to build out our operations from Segele and be recognised as a significant player in the Ethiopian mining sector.

We have always spoken of our desire to have ESG as an integral part of our operational excellence – and our efforts have been recognised once again. In December, we were commended by Mines & Money London at its ESG awards ceremony – and last month we picked up an ESG award at the prestigious Mining Indaba exhibition and conference in Cape Town. This is a great achievement and a positive endorsement of the efforts of all our staff.

Sticking with the ESG theme, we endeavour to recruit in the local community. We are finding good local people to join us, and IW Mining has also recruited its first local employees and started them on a training programme.

In November we successfully closed a 5,000-ounce gold loan, equal to USD 8.5 million, with US-based investor, Monetary Metals. This funding will give us the financial strength to progress the final phase of our mine development at Segele as we move towards completion of the processing plant and commence mine operations. We are looking forward to building a good working relationship with both the new Minister of Mines and the new Governor of the National Bank of Ethiopia. With their support, we are confident of a continuing positive development of the mining sector, one of three central pillars in Ethiopia's 10-year plan.

Thanks to team and everyone working with us. Your huge work efforts to take us to the brink of production are recognised and appreciated.

Yours sincerely,

A handwritten signature in blue ink, which appears to read 'Jørgen Evjen'. The signature is fluid and cursive.

Jørgen Evjen
CEO, Akobo Minerals

KEY METRICS

SEGELE	2020				2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Meters drilled (RC+DDH)	906	69	1,244	1,577	670	-	1,292	5,420	4,410	1,662	768	941
Accumulated	1,501	1,570	2,814	4,391	5,061	5,061	6,353	11,773	16,183	17,844	18,612	19,553
Assays samples generated (incl QAQC)	497	29	439	476	132	-	283	2,051	2,274	1,016	631	824
Accumulated	1,092	1,121	1,560	2,036	2,168	2,168	2,451	4,502	6,776	7,792	8,423	9,247
Indicated Resources ounces	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	41,000	41,000	41,000
Avg grams per ton Indicated	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	40.6	40.6	40.6
Inferred Resources ounces	n.a	n.a	n.a	n.a	52,410	52,410	52,410	52,410	52,410	27,000	27,000	27,000
Total Resources ounces					52,410	52,410	52,410	52,410	52,410	68,000	68,000	68,000
Avg grams per ton total	n.a	n.a	n.a	n.a	20.9	20.9	20.9	20.9	20.9	22.7	22.7	22.7
JORU	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Meters drilled (RC+DDH)	-	-	-	-	260	597	856	545	-	-	-	-
Accumulated	1,327	1,327	1,327	1,327	1,587	2,184	3,041	3,586	3,586	3,586	3,586	3,586
Assays samples generated (incl QAQC)	-	-	-	-	559	452	805	765	-	-	-	-
Accumulated	1,327	1,327	1,327	1,327	1,886	2,338	3,143	3,908	3,908	3,908	3,908	3,908
Inferred Resources ounces	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Avg grams per ton	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
TRENCHING	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Meters trenched							876	126	-	-	-	100
Accumulated	7,500	7,500	7,500	7,500	7,500	7,500	8,376	8,502	8,502	8,502	8,502	8,602
CORPORATE	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Cash balance SEK	7,320,440	6,801,543	5,782,420	19,302,549	11,779,672	6,160,930	47,027,416	33,367,571	19,968,338	5,819,157	15,642,398	56,304,870
Share issue SEK	8,331,517	1,869,233		20,000,000			48,945,840					
Convertible loan SEK											52,588,514	
Long term loan SEK												84,154,886
Change cash SEK	-2,572,208	-2,388,130	-1,019,123	-6,479,871	-7,522,877	-5,618,742	-8,079,354	-13,659,845	-13,399,233	-14,149,181	-42,765,273	-43,492,414
Employees in total end quarter	17	23	23	32	33	39	41	38	69	87	85	84
Ethiopian fixed	16	22	22	30	31	36	38	34	41	46	55	51
Ethiopian temporary and consultants	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	23	36	25	28
Scandinavian and other	1	1	1	2	2	3	3	4	5	5	5	5
Gold price end quarter	1,578	1,780	1,885	1,897	1,707	1,770	1,728	1,829	1,932	1,817	1,661	1,824

SEGELE MINE

The fourth quarter kicked-off with the necessary major contracts in place for the Segele Mine, which placed the project in a good position for acceleration. Solo Resources had already completed a great deal of the process plant design and fabrication work and IW Mining was preparing to arrive at site.

As many shareholders will be aware, IW Mining has successfully delivered a wide range of services, such as conveyor belt installations, drop raise training, face advance improvements, equipment reclamation and underground mining stoping and development to a number of major mining houses in South Africa over the past seven years. During October, the first team from IW Mining was on-site and, with their boots on the ground, the company broke ground for the first time. While being overseen by company engineers, the IW team began excavation of the incline shaft excavation (“boxcut”) from which ore will eventually be extracted from the deeper parts of the ore body. Towards the end of the quarter, the mining team took delivery of the first set of underground mining equipment, with the rest scheduled to arrive at the start of 2023.

With respect to the process plant, by the end of the fourth quarter Solo Resources had completed all but the last details of the design. Fabrication was very close to completion before the Christmas break. Sadly, South Africa experienced an increase in the frequency and severity of the power outages which hampered the completion of the final parts, but the fabrication was completed by the time of writing. The team at Solo placed over 50 orders with suppliers in China, Australia and Canada, along with many in South Africa – and the progress, in general, was good during the quarter. The first parts of the processing plant were received at site during December and many more were received after the quarter closed. By the publication of this report all parts of the processing plant have been shipped.

An important development for the company was the hiring of an expatriate processing plant specialist, Manie Nianaber, from South Africa. He has experience of all the major equipment and systems used in the Segele process plant. Manie will train and lead a team of Ethiopian employees to first production in the near future. Manie will recruit and train a team to run the process plant with the support of our partner companies, consultants and contractors.



With Solo’s record of successfully developing 31 plants previously, the company is well placed to supervise the installation and commissioning of Akobo’s plant.

Other important activities helped support safe mining and correct handling of the mine waste. This included the completion of the geotechnical study for the incline shaft boxcut, while rock strength tests were completed to support a high rate of production activities which will begin in the middle of 2023. This geotechnical work was undertaken by company geologists and Middindi Consulting to ensure the safety of the underground work and optimise production. Much of the design work for the tailings storage facility was completed and a contractor was sourced to perform the geotechnical testing.

EXPLORATION ACTIVITIES

Drilling continued to be focused on the Segele mining license area. Geotechnical drilling in the plant area has been completed, along with all the sterilisation drilling in the area where the tailings storage facility is being constructed. The drill production rate improved during the quarter and the total drilling in Segele now stands at 19,000 metres.

In Segele, a new gold discovery was made – a high grade gold mineralisation with coarse visible gold hosted by an ultramafic chlorite schist. The mineralisation is located about 130 metres west of the main Segele mineralisation and, although the style of mineralisation has been known for several years from hand samples, the discovery of the source is a significant step forward. Trenching in the area has started, and drilling will begin at the end of January 2023.

The next six months will continue to see a diversification of the company's exploration efforts and with field programs at Joru, Gindibab and Wolleta – though we will maintain a continued focus on Segele. At Segele, drilling will be focused on the newly discovered mineralisation. The soil sampling program in Gindibab commenced in mid-January and at the time of writing over 300 samples have been collected for further analysis.

The goal of our near-mine exploration in the shorter-term is to investigate both extent and viability of the newly identified mineralisation to the west of the Segele main deposit. If possible, the exploration will provide us with enough data to perform 3D modelling of the mineralised envelope.

During the first quarter of 2023 Akobo Minerals also anticipates the start-up of a second drill rig to double our exploration drilling capacity. This will greatly improve the pace of discovery in the Akobo area.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Each quarter our ESG efforts build on the achievements of the previous one and seek to address challenges faced. The fourth quarter has been no exception – as Europe was in the midst of preparing for Christmas and New Year celebrations, our work in Ethiopia was in full swing.



With MOUs in place with training and academic institutions at Dima Polytechnic, Jimma, Addis Abeba and Oslo Universities, we are excited to be contributing to the skills and academic development of Ethiopia's next generation, as well as benefitting from institutional support for our ESG programs and environmental monitoring. We see these collaborations as an important example of our extending shared value.

Through our relationship with Dima polytechnic, in addition to the planned technical and vocational training, it has inspired a pilot project for community management of plastic waste through the use of ecobricks. Working with the community, we are producing ecobricks to construct a community training space, initially with plans to reuse plastic water bottles to improve the construction of our local school, currently constructed entirely from corrugated roof sheeting.

Sazani Associates' international award-winning education programme, adapted for a Gambella context, has been approved by the regional government for roll-out in the project area. This will see local schools benefitting from our Healthy and Sustainable Schools Programme.

Our 'Green Gold' payment for our ecosystem services and carbon credit scheme, is progressing, with the establishment of the Akobo Foundation being the last remaining hurdle to the scheme's Gold Standard registration.

Discussions with unlicensed kofari miners present at the Segele site, the Gambella Government and Dima Woreda resulted in us depositing agreed compensation into a designated account to support the artisanal miners vacating the area.

Liaison with the Kebele administration and Dima Polytechnic is enabling us to provide employment and skills development opportunities for local youths, many of whom were previously engaged in unlicensed activity.

Akobo was shortlisted once again for the Mines and Money London 2022 ESG award and successfully nominated for a Mining Indaba ESG Nature Award, which will be received at its conference in February.

SUMMARY AND OUTLOOK

Events and activities in the final quarter of 2022 have given Akobo Minerals a solid foundation on which to take the business forward.

At an administrative and government level, the fourth quarter saw initiatives that will take the country forward. The peace treaty signed between the Ethiopian government and the Tigray People's Liberation Front will be a positive development for the people of Ethiopia, as well as the country's economy. New heads at both the National Bank of Ethiopia and the Ethiopian Minister of Mines will provide further impetus for an improved regulatory framework for both finance and mining in the country.

Though there have been delays to delivery of plant equipment from South Africa, the company's securing of an ultra-small plant as a stop-gap measure to bring immediate gold production demonstrates how it is able to meet any challenges in its quest to deliver first gold.

Alongside all the operational elements coming together for the mine and processing plant, news of a new discovery at a third site, west of the main Segele mineralization, is generating great optimism for further huge potential for the company.

2022 ended on a high and success was seen in all major areas – finance, operations, exploration, community and government. Akobo Minerals knows has it in its own hands to deliver a successful 2023 for all its stakeholders.





CORPORATE STRUCTURE AND RISK FACTORS

Akobo Minerals (org.no 559148-1253) is headquartered in the municipality of Gothenburg in Västra Götaland County. The company has a wholly owned Norwegian subsidiary, Abyssinia Resources Development AS (“ARD”). ARD, in turn, owns 99.94 percent of the Ethiopian subsidiary, Etno Mining Plc. Etno Mining Plc is the sole holder of a gold exploration permit in the Gambella region of Ethiopia covering a 182 km² area, as well as a large-scale gold and associated minerals mining license covering 16 km² within the exploration license area.

SHARES AND SHAREHOLDERS

As of December 31, 2022, there were 42,512,606 issued Akobo Minerals shares. The shares are registered in a central securities depository register in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479). The register is managed by Euroclear Sweden AB, Box 191, SE-101 23 Stockholm. The company has also registered its share in the Norwegian VPS system. The company’s register of shareholders in VPS is administrated by the VPS Registrar, DNB Bank ASA, Registrars Department, Norway.

All shares, including the VPS shares, are freely transferable, meaning that a transfer of shares is not subject to the consent of the board of directors or any other corporate consents or rights of first refusal. There are warrants outstanding in the company, entitling the holders thereof to acquire 5,357,328 new shares. The strike price for the warrants is in the range SEK 2.5 to SEK 8.0, reflecting the current market price of the shares at the time of issuance.

There were no changes in the ownership structure in the third quarter of 2022. Pir Invest Holding AS, a company controlled by the chairman, is the only entity owning more than 10 percent of Akobo Minerals. Its ownership as of 31.12 was 12.8 percent.

EMPLOYEES

Akobo Minerals had a total 56 full-time, 22 temporary and six contract employees as of December 31, 2022. 51 of the full-time employees are based in our exploration activity in Ethiopia, four in Scandinavia and one in the UK.

RISKS RELATED TO THE BUSINESS AND INDUSTRY

Akobo Minerals operates in Ethiopia. This exposes Akobo Minerals to various political and economic risks and uncertainties. Such risks and uncertainties include government policies and legislation, governmental interventions, potential inflation and deflation, potential political, social, religious and economic instability.

Ethiopia is an emerging market and its economy differs in many respects from economies in more developed countries, including economic structure, government, level of development, growth rates and foreign exchange controls. These factors may limit Akobo Minerals’ ability to conduct its operations and obtain necessary financing, and therefore have a material negative impact on the company’s financial position, results and prospects.

RISKS RELATED TO HEALTH, SAFETY AND SECURITY

Certain of Akobo Minerals' operations are carried out under potentially hazardous conditions, which may cause the company to be responsible for severe injuries or death by employees, contractors and the general population.

The company operates in a remote environment and operates heavy machinery, and weather conditions may be extreme. Akobo Minerals is subject to and intends to operate in accordance with applicable health and safety regulations.

However, Akobo Minerals' operations may cause accidents or other misfortunes which inflict severe injuries or death on the Akobo Minerals' employees, contractors or the general population due to negligence or factors beyond Akobo Minerals' control. Such situations may lead to prosecution and loss of social acceptance. This may, in turn, lead to a reduction in exploration activity or mine production.

CURRENCY EXPOSURE

The company is exposed to risk associated with foreign exchange risk and risk related to repatriation of capital.

The company's accounts are held in SEK, the company raises capital in NOK, transfers funds into Ethiopia in USD and has its operating expenses in Ethiopian birr (ETB). In addition, there might not be US dollars available in Ethiopia for the exchange of ETB to USD for transferring funds out of Ethiopia. This foreign exchange exposure may have an adverse effect on the company's results, liquidity and financial position.

Akobo Minerals conducts its operation through its subsidiary in Ethiopia and is subject to exchange controls on injections and withdrawal of capital to and from Ethiopia. If foreign currency restriction were to be imposed on and enforced against Akobo Minerals, this could restrict Akobo Minerals' ability to repatriate future earnings from its operating subsidiary, payment on dividends and repayment on any future loan facilities. The imposition of foreign currency restrictions or restrictions related to repatriation of capital may have a materially adverse effect on Akobo Minerals' business, operations, cash flows and financial condition.

There is also a potential risk of devaluation of local currency (ETB).

LIQUIDITY AND FINANCIAL RISK

Akobo Minerals may require additional financing to achieve its goals, and a failure to obtain necessary capital when needed could force Akobo Minerals to delay, limit, reduce or terminate its current projects. Akobo Minerals does not presently generate income to finance its operations and if additional financing is necessary to continue its operations the company will have to rely on external financing, such as bank loans, bonds or the issuance of shares.

Adequate sources of funding may not be available to Akobo Minerals on favourable terms or at all. The company's ability to obtain funding will in part depend on the general market conditions, as well as the market perception of Akobo Minerals and its business.

If Akobo Minerals is unable to obtain adequate financing when needed, it may have to delay, limit or abandon one or more of its projects, which may have an adverse effect of its business and operation and prospects.

ACCOUNTING POLICIES

The company's accounts are 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 to the previous year.

CLASSIFICATION

Fixed assets and long-term liabilities essentially consist only of amounts that are expected to be recovered or paid after more than twelve months from the balance sheet date. Current assets and current liabilities essentially consist only of amounts that are expected to be recovered or paid within twelve months from the balance sheet date.

VALUATION PRINCIPLES

Assets, provisions and liabilities have been valued at acquisition value unless otherwise stated below.

INTANGIBLE ASSETS

OTHER INTANGIBLE ASSETS

Other intangible assets acquired by the company are reported at acquisition value less accumulated depreciation and write-downs. Expenses for internally generated goodwill and brands are reported in the income statement as an expense when they arise.

The company reports internally generated intangible fixed assets according to the capitalization model. All expenses relating to the development of an internally generated intangible fixed asset are capitalized and amortized during the asset's estimated useful life.

DEPRECIATION

Depreciation takes place on a straight-line basis over the asset's estimated useful life. Depreciation is reported as an expense in the income statement.

The following depreciation periods are applied:

	Group of companies
Capitalized expenses for development and similar work	Five years

TANGIBLE FIXED ASSETS

Tangible fixed assets are reported at acquisition value less accumulated depreciation and write-downs.

DEPRECIATION

Depreciation takes place on a straight-line basis over the asset's estimated useful life, as it reflects the expected consumption of the asset's future economic benefits. Depreciation is reported as an expense in the income statement.

The following depreciation periods are applied:

	Group of companies	Parent company
Tangible fixed assets:		
Tools and installations	Five years	Five years

The difference between the above-mentioned depreciation and depreciation made for tax purposes is reported in the individual companies as accumulated over depreciation, which is included in untaxed reserves.

IMPAIRMENT – TANGIBLE AND INTANGIBLE FIXED ASSETS AND PARTICIPATIONS IN GROUP COMPANIES

At each balance sheet date, it is assessed whether there is any indication that an asset's value is lower than its carrying amount. If such an indication exists, the asset's recoverable amount is calculated.

FOREIGN CURRENCY

ITEMS IN FOREIGN CURRENCY

Monetary items in foreign currency are translated at the exchange rate on the balance sheet date. Non-monetary items are not recalculated but are reported at the exchange rate at the time of acquisition.

NET INVESTMENTS IN FOREIGN OPERATIONS

An exchange rate difference that refers to a monetary item that forms part of a net investment in a foreign operation and that is valued on the basis of acquisition value is reported in the consolidated accounts as a separate component directly in equity.

TRANSLATION OF FOREIGN OPERATIONS

Monetary assets and liabilities are translated into the reporting currency at the closing day rate. Non-monetary assets & liabilities are translated at historical rate. Income and expenses are translated at the transaction rate (historical rate) per day for the business events unless a rate that is an approximation of the actual rate is used. Exchange rate differences that arise on translation are reported directly against equity.

FINANCIAL ASSETS AND LIABILITIES

FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are reported in accordance with Chapter 12 (Financial instruments valued in accordance with Chapter 4, Sections 14 a14 e of the Annual Accounts Act) in BFNAR 2012: 1.

ACCOUNTING IN AND REMOVAL FROM THE BALANCE SHEET

A financial asset or financial liability is recognized in the balance sheet when the company becomes a party to the instrument's contractual terms.

A financial asset is removed from the balance sheet when the contractual right to cash flow from the asset has ceased or been settled. The same applies when the risks and rewards associated with the holding are essentially transferred to another party and the company no longer has control over the financial asset. A financial liability is removed from the balance sheet when the agreed obligation has been fulfilled or terminated. Spot purchases and spot sales of financial assets are reported on the business day.

CLASSIFICATION AND VALUATION

Financial assets and liabilities have been classified into different valuation categories in accordance with Chapter 12 of BFNAR 2012: 1. The classification into different valuation categories is the basis for how the financial instruments are to be valued and how changes in value are to be reported.

LOAN RECEIVABLES AND ACCOUNTS RECEIVABLE

Loan receivables and accounts receivable are financial assets that have fixed or determinable payments, but which are not derivatives. These assets are valued at amortized cost. Accrued acquisition value is determined on the basis of the effective interest rate calculated at the time of acquisition. Accounts receivable are reported at the amount that is expected to be received, i.e. after deductions for doubtful receivables.

OTHER FINANCIAL LIABILITIES

Loans and other financial liabilities, such as accounts payable, are included in this category. Liabilities are valued at accrued acquisition value.

RECEIVABLES AND LIABILITIES IN FOREIGN CURRENCY

Currency futures are used to hedge receivables or liabilities against exchange rate risk. For hedging against currency risk, hedge accounting is not applied because a financial hedge is reflected in the accounts in that both the underlying receivable or the liability and the hedging instrument are reported at the balance sheet date's exchange rate and the exchange rate changes are reported in profit for the year. Exchange rate changes regarding operating receivables and liabilities are reported in operating profit, while exchange rate changes regarding financial receivables and liabilities are reported in net financial items.

INCOME STATEMENT – group of companies

<i>Figures in SEK</i>	2022-10-01 - 2022-12-31	2022-01-01 - 2022-12-31	2021-10-01 - 2021-12-31	2021-01-01 - 2021-12-31
Other Operating income				
Cost of goods		-3,327		
Operating Income		-3,327		
Other external expenses	-17,980,126	-35,484,274	-1,923,243	-5,547,038
Personnel costs	-4,826,291	-11,167,875	-1,872,301	-5,021,913
Total operating expenses	-22,806,417	-46,652,149	-3,795,544	-10,568,951
Other interest income and similar profit/loss items	4,120,305	13,560,850	5,706,095	6,340,481
Interest expense and similar profit/loss items	-15,546,525	-20,744,910	-1,683,335	-5,632,027
Result after financial items	-34,232,636	-53,839,535	227,216	-9,860,497
Result for the year before tax	-34,232,636	-53,839,535	227,216	-9,860,497
Result for the year	-34,232,636	-53,839,535	227,216	-9,860,497
Attributable to the parent company's shareholders	-34,232,636	-53,839,535	227,216	-9,860,497

UNAUDITED FIGURES

BALANCE SHEET – group of companies

<i>Figures in SEK</i>	31/12/2022	31/12/2021
Capitalised expenditure for development and similar work	62,499,003	48,992,177
Plant and machinery	54,962,325	1,105,506
Equipment, tools, fixtures and fittings	2,197,256	601,636
Total Fixed Assets	119,658,584	50,699,319
Trade receivables	469,032	0
Other Receivables	2,226,187	1,876,580
Prepaid expenses and accrued income	636,998	410,156
Cash and Bank	56,304,870	33,367,571
Total Current Assets	59,637,087	35,654,308
Total Assets	179,295,671	86,353,627
Share capital	1,579,765	1,579,765
Share premium reserve	100,403,584	122,243,897
Balanced result	-22,961,872	0
Result of the year	-53,839,535	-44,009,568
Total Equity	25,181,942	79,814,094
Long term debt	98,115,988	0
Total Long Term Debt	98,115,988	0
Trade payables	2,280,937	1,539,012
Current tax liability	311,650	0
Other liabilities	-931,052	2,815,555
Convertible loans	53,300,782	0
Accrued expenses and deferred income	1,035,424	1,359,853
Provisions		825,113
Current liabilities	55,997,741	6,539,533
Total Debt	154,113,728	6,539,533
Total Equity and Debt	179,295,671	86,353,627

UNAUDITED FIGURES

CHANGES IN EQUITY – group of companies

<i>Figures in SEK</i>	Share capital	Share premium reserve	Translation Difference	Balanced result	Result of the year	Total
IB/2022	1,579,765	101,707,407	-0	-23,618,230		79,668,942
Q1-2022		1,847,615	-905,748	-5,033,275	-372,799	-4,464,207
Q2-2022		-3,151,438	-2,762,097	3,122,292	-2,038,512	-4,829,754
Q3-2022			992,146	2,756,789	-17,195,588	-13,446,653
Q4-2022			-624,565	3,110,816	-34,232,636	-31,746,386
Total	1,579,765	100,403,584	-3,300,264	-19,661,608	-53,839,535	25,181,942

UNAUDITED FIGURES

CASH FLOW – group of companies

<i>Figures in SEK</i>	2022-01-01 - 2022-12-31	2021-01-01 - 2021-12-31
Before changes in working capital	-46,655,476	-10,568,951
Changes in accounts receivables and other receivables	-1,064,217	62,255
Changes in accounts payable and other liabilities	-2,072,486	3,243,765
Cashflow from operating activities	-49,792,179	-7,262,931
Investment in intangible non-current assets	-13,524,792	-22,453,059
Investment in tangible non-current assets	-55,415,732	-1,381,423
Cashflow from investing activities	-68,940,524	-23,834,482
Proceeds from short-term debt	52,020,523	
Proceeds from long-term debt	95,078,680	
Expenses related to share issue	-1,303,823	43,445,864
Change in provisions	-825,113	825,113
Cashflow from financing activities	144,970,267	44,270,977
Cashflow net	26,237,564	13,173,564
Cash and cash equivalents at the beginning of year	33,367,571	19,302,549
Translation difference in cash and cash equivalents	-3,300,264	891,458
Cash and cash equivalents at the end of year	56,304,870	33,367,571

UNAUDITED FIGURES

INCOME STATEMENT – parent company

<i>Figures in SEK</i>	2022-01-01 - 2022-12-31	2022-10-01 - 2022-12-31	2021-01-01 - 2021-12-31	2021-10-01 - 2021-12-31
Other external expenses	-5,712,595	-1,167,120	-795,451	-3,092,206
Total operating expenses	-5,712,595	-1,167,120	-795,451	-3,092,206
Other interest income and similar profit/loss items	11,454,856	6,657,475	29,109,121	30,356,604
Interest expense and similar profit/loss items	-4,877,657	-652,359	-8,844	-1,893,709
Result after financial items	864,604	4,837,996	28,304,827	25,370,690
Result for the year before tax	864,604	4,837,996	28,304,827	25,370,690
Result for the year	864,604	4,837,996	28,304,827	25,370,690
Attributable to the parent company's shareholders	864,604	4,837,996	28,304,827	25,370,690

UNAUDITED FIGURES

BALANCE SHEET – parent company

<i>Figures in SEK</i>	31/12/2022	31/12/2021
Participation in group companies	22,073,570	22,073,570
Receivables from group companies	131,107,417	74,547,140
Total Fixed Assets	153,180,987	96,620,710
Other Receivables	26,240	34,646
Prepaid expenses and accrued income	135,123	107,405
Total Current Assets	161,363	142,051
Total Assets	153,342,350	96,762,761
Share capital	1,579,765	1,579,765
Share premium reserve	100,403,584	98,555,968
Balanced result	-5,066,116	-5,066,116
Result of the year	864,604	0
Total Equity	97,781,836	95,069,618
Trade payables	1,565,508	0
Other liabilities	694,224	868,030
Convertible loans	53,300,782	0
Provisions		825,113
Current liabilities	55,560,514	1,693,143
Total Debt	55,560,514	1,693,143
Total Equity and Debt	153,342,350	96,762,761

UNAUDITED FIGURES

CHANGES IN EQUITY – parent company

<i>Figures in SEK</i>	Share capital	Share premium reserve	Balanced result	Result of the year	Total
IB/2022	1,579,765	98,555,969	-5,066,116		95,069,618
Q1-2022		1,847,615		1,961,709	3,809,324
Q2-2022				-2,843,894	-2,843,894
Q3-2022			0	-3,091,207	-3,091,207
Q4-2022				4,837,996	4,837,996
Total	1,579,765	100,403,584	-5,066,116	864,604	97,781,836

UNAUDITED FIGURES



AKOBOMINERALS

Q4 REPORT 2022

FOURTH QUARTER RESULTS

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