

Betolar Plc

Half-Year Financial Report

1 January–30 June 2025



Betolar Plc Half-Year Financial Report, 1 January–30 June 2025 (unaudited)

Betolar Plc Half-Year Financial Report 1–6/2025: Active start to the year – Net sales increased +51% and commercialization of metal extraction started

April–June 2025 in brief

- Net sales amounted to EUR 253 thousand (208 thousand)
- EBITDA amounted to EUR -1,116 thousand (-1,691 thousand)
- Cash and cash equivalents and short-term fund investments at the end of the period amounted to EUR 8,724 thousand (9,982 thousand)
- Liquidity and undrawn grants at the end of the period amounted to EUR 10,878 thousand (16,006 thousand)
- Order intake amounted to EUR 430 thousand (120 thousand)
- The number of new NRE projects was 4 (3)
- The average number of employees was 34 (51)

January–June 2025 in brief

- Net sales amounted to EUR 417 thousand (276 thousand)
- Gross margin amounted to EUR 307 thousand (217 thousand)
- EBITDA amounted to EUR -2,123 thousand (-3,649 thousand)
- Operating profit (loss) was EUR -3,123 thousand (-4,664 thousand)
- Profit for the financial period amounted to EUR -3,039 thousand (-4,534 thousand)
- Earnings per share were EUR -0.14 (-0.23)
- Cash and cash equivalents and short-term fund investments at the end of the period amounted to EUR 8,724 thousand (9,982 thousand)
- Liquidity and undrawn grants at the end of the period amounted to EUR 10,878 thousand (16,006 thousand)
- Order intake amounted to EUR 520 thousand (495 thousand)
- The number of new NRE projects was 5 (5)
- The average number of employees was 35 (51)

Main events during April – June 2025

- Betolar's new metal extraction technology to support Anglo American's drive towards circularity (6/25).
- Betolar to develop cementless rockfill solution for Canadian Royalties Inc. (4/25).
- Betolar strengthens Finland's and EU's self-sufficiency in critical and strategic raw materials: Betolar's newly developed innovative method combines the separation of metals from waste material with the production of green cement (4/25).
- 99 % yield confirmed in metal extraction (4/25).
- Building the Future from Waste – high-performing green cement revolutionizes the industry (6/25).
- Betolar Capital Markets Day 2025: Significant Value from unutilized Industrial Sidestreams (5/25).
- Jyri Talja has been appointed as the new Chief Growth Officer and invited to join the Management Team as of 23 April 2025 (4/25).
- The Board of Directors of Betolar Plc resolved incentive plans for key employees of the Group (6/25).

Guidance for 2025 (unchanged)

- Net sales for 2025 is expected to increase compared to the previous year.

Financial targets

Betolar's Board of Directors has, on 5 February 2025, approved the company's financial targets, which are as follows:

- Achieving positive cash flow from operating activities by the end of 2026.
- The long-term financial target to achieve one billion euros in revenue and a 30 percent EBITDA margin by the end of 2033 remains unchanged.

Betolar does not consider the financial targets as guidance for any specific year. In the long term, low-carbon solutions that replace cement are expected to grow, especially in the mining and metal industries as well as in construction, and Betolar aims to capture a significant market share.

Betolar's consolidated financial statements for the period that ended 30 June 2025 have been prepared in accordance with the International Financial Reporting Standards (IFRS) and International Committee (IFRIC) in force on 30 June 2025.

The figures in parenthesis in this report refer to the comparison period, i.e. the same period in 2024, unless stated otherwise. The figures for the comparison period are based on the audited annual financial statements, and all figures are in accordance with IFRS.

President and CEO's review

Betolar achieved significant progress in circular economy solutions during the period. In April, we published a new innovative method that combines metal recovery from waste materials and green cement production in a unique way. The method was tested at external research institutes, and a 99 % metal recovery rate was verified in pilot-scale tests. Our method not only enables the efficient separation of valuable metals but also produces high-performance and low-emission green cement as a sidestream.

The commercialization of the metal extraction method started successfully. We received the first order from Anglo American, one of the world's leading mining companies. The collaboration utilizes Betolar's method for recovering metals from tailings – a material that would otherwise remain unutilized. Tailings end up as waste in the mining industry, and therefore our method creates new, sustainable value through circular economy practices. The primary goal of the collaboration is to enable the use of green cement in paste backfilling in the planned mine. The partnership supports Anglo American's commitment to the circular economy and responsible use of raw materials, while it is an important step forward in the commercialization of our innovation.

Systematic work with mining customers paid off. We continued the development of cement-free shotcrete and cementless rock fill solutions for our mining customers, and we carried out a pilot project for completely cementless shotcrete and rockfill. In addition, we focused on opening the Canadian and Australian markets, where we received our first orders for mining solutions. Sales of ground granulated blast furnace slag in the Indian market grew during the period thanks to an established customer base.

I warmly thank our customers for their trust, our stakeholders for their continued support, and all Betolar employees for their commitment and uncompromising work towards our shared vision. Together, we are building a sustainable future – from the industry's untapped sidestreams.

Key Figures

Key figures for the Group

(EUR thousand, unless otherwise specified)	4–6 2025	4–6 2024	1–6 2025	1–6 2024	1–12 2024
Financial indicators					
Net sales	253	208	417	276	762
Gross margin ¹			307	217	564
EBITDA ^{1,2}	-1,116	-1,691	-2,123	-3,649	-5,816
Operating profit (loss)			-3,123	-4,664	-7,964
Earnings before interest and taxes			-3,072	-4,569	-7,798
Profit (loss) for the financial period			-3,039	-4,534	-7,732
Earnings per share, basic and diluted, EUR ^{1,3}			-0.14	-0.23	-0.36
Cash and cash equivalents and short- term fund investments (at the end of the period) ^{1,2}	8,724	9,982	8,724	9,982	8,987
Liquidity and undrawn grants (at the end of the period) ^{1,2}	10,878	16,006	10,878	16,006	14,159
Operational indicators					
Order intake (EUR thousand) ^{1,2}	430	120	520	495	1,003
Number of new NRE projects ^{1,2}	4	3	5	5	11
Personnel (average number during the financial period)	34	51	35	51	46

- 1) Betolar uses certain indicators (gross margin, EBITDA, earnings per share, cash and cash equivalents and short-term fund investments, liquidity and undrawn grants, order intake and number of new NRE projects) as half-yearly indicators of operational profitability and business performance. The definitions and calculation formulas of these indicators can be found in the appendix to the report.
- 2) Betolar uses certain indicators (EBITDA, cash and cash equivalents and short-term fund investments, liquidity and undrawn grants, order intake and number of new NRE projects) as quarterly indicators of operational profitability and business performance. The definitions and calculation formulas of these indicators can be found in the appendix to the report.
- 3) The number of shares used in the calculation of earnings per share is all follows 30 June 2025: 21,567,570 shares, 30 June 2024: 19,606,882 shares, 1–6/2025: 21,567,570 shares, 1–6/2024: 19,606,882 shares, and 31 December 2024: 21,567,570 shares.

Business Review

Industrial sidestreams

Sales of blast furnace slag in the Indian market grew thanks to an established customer base and partners. In addition, Betolar promoted its sidestreams business and continued to strengthen its international procurement and logistics capabilities, focusing on customer projects.

Betolar continued to develop its AI-based data platform, focusing on helping customers identify value creation opportunities in sidestreams, such as applications in the mining and metals industries and in the use of raw materials in concrete. We continued to provide Sideprime analysis service to customers and AI models for modelling material properties were further developed.

Mining and metal industry

Betolar received its first order related to the new metal extraction method from Anglo American, which aims to utilize Betolar's method in metal extraction and green cement production in the Sakatti copper-nickel-multimetallic project located in Sodankylä, Finland. The primary goal of the collaboration is to utilize green cement produced from sidestreams in the paste backfill of the Sakatti mine.

Betolar carried out customer pilots for low-carbon (CEM III) and completely cement-free shotcrete and cementless rockfill. The sales focus areas were Canada and Australia. Betolar received an order from Canadian Royalties Inc. related to the development of a completely cement-free rockfill solution for Canadian Royalties' Nunavik Nickel project. The companies aim to commercialize the solution in early 2026 based on the results of technical and commercial research and piloting.

Concrete solutions for construction

Betolar launched a new Optimize service alongside Sideprime analysis service and received its first order for concrete mix optimization from a Nordic company. The optimization service focuses on developing cost-effective concrete recipes with the aim of minimizing cement requirements and generating cost savings for the customer. In addition, Betolar received a project order from Canada for the manufacture of Geoprime paving stones.

Business environment and market review

There is sustained strong market interest in low-carbon and waste-free solutions within the mining sector, with particularly high demand for tailings management solutions. However, the construction market continues to show limited momentum.

Betolar's target market consists of three areas:

1. Turning industrial sidestreams into valuable materials
2. Recovery of metals and the green cement
3. Cement-replacing solutions

In the first target market, Betolar focuses on the utilization and commercialization of industrial sidestreams. The company identifies, develops, and commercializes sidestreams generated in industrial production, such as blast furnace slag and fly ash. Betolar's goal is to reduce carbon dioxide emissions and the use of virgin natural resources, particularly in the mining and construction industries. Betolar's SidePrime analysis service uses artificial intelligence to analyze industrial sidestreams and map their potential. This service enables faster, and more comprehensive analysis compared to traditional methods and allows for effective comparison of the properties and utilization possibilities of materials generated from different processes. Betolar's continuously evolving material technology and extensive database support this process and enable the utilization of sidestreams, for example, as a substitute for cement as a binder.

The second target market consists of the commercialization of metal recovery and green cement solutions for the mining and metal industries. The new method enables separating metals from previously unutilized industrial sidestreams, such as mine tailings or metal-rich slag from steel industry, while also producing green cement. The amount of unutilized tailings and sidestreams globally is extremely large, and there is a growing interest in the recovery of strategic and critical metals and the utilization of mine tailings.

The third target market consists of low-carbon and cement-replacing solutions in the mining industry and construction. The traditional concrete construction market is dominated by Portland cement-based concrete applications. Portland cement is widely preferred because it is readily available and meets local and international cement standards. Betolar's solution is based on geopolymers and other alternative binders that replace Portland cement and are taking market share away from cement. The progress of the green transition and the demand for low-carbon solutions are affecting the target market, as are developments in regulation, such as construction standards and waste legislation. Existing and new mining projects need more environmentally friendly solutions for extraction, especially to avoid the development of sidestreams. Betolar estimates that the market for green cement is expected to multiply in the long term in terms of blended cement, geopolymers, and alternative binders. This will increase the size of Betolar's target market. Betolar's target market is also influenced by the increased efficiency of industrial and strategic metal recovery and demand from the construction industry.

The competitive environment

The competitive environment for concrete cement replacement material technologies and productized low-carbon applications consists of three main categories and the related players: traditional Portland cement and technologies to reduce emissions from its production, lower-carbon blended cements, and alternative binders such as alkali-activated geopolymers.

Portland cement production is highly energy- and emission-intensive and consumes a large amount of virgin raw materials, particularly limestone. Traditional cement producers are also exploring carbon capture in the cement production process to reduce CO₂ emissions, but solutions are still expensive. One existing and alternative way to reduce emissions is to permanently sequester carbon dioxide captured from industrial emissions in concrete, which is a technological direction that Betolar is also exploring in its applications.

The second category consists of producers of low-carbon cement mixtures, in which part of the cement is replaced mainly by either ground granulated blast furnace slag or fly ash as a sidestream of the steel industry. However, the challenge for cement mixtures is that cement can only be replaced by blast furnace slag up to a certain point, which also limits the emission reduction.

The third category is alternative binders, which can significantly reduce CO₂ emissions by up to 80% or more and reduce the use of virgin resources by replacing cement entirely with industrial sidestreams.

Betolar differentiates itself from its competitors with its business model and its flexible technology, which allows different industrial sidestreams to be used locally. The new method for extracting metal and producing green cement is unique in the market. In addition, low-carbon shotcrete and concrete paste filling products developed for the mining industry are leading the market. Betolar also has a strong IPR strategy and continues to develop its AI platform to advance as a pioneer in sustainable materials.

Financial Review

Net sales and result

April – June 2025

The Group's net sales in April–June 2025 increased from the comparison period and amounted to EUR 253 thousand (4-6/2024: 208 thousand).

During the period, 45 % of revenue came from license and materials sales and 55 % of revenue came from sales related to customer pilots and research service projects.

EBITDA totaled EUR -1,116 thousand (-1,691 thousand). Cash and cash equivalents and short-term fund investments amounted on 30 June 2025 to EUR 8,724 thousand (30 June 2024: 9,982 thousand).

January – June 2025

The Group's net sales in January–June 2025 increased from the comparison period and amounted to EUR 417 thousand (1-6/2024: 276 thousand). During the period, 33 % of revenue came from license and materials sales and 67 % of revenue came from sales related to customer pilots and research service projects. Other operating income for the period was EUR 640 thousand (507 thousand), consisting mostly of business grants.

Geographically, net sales were distributed as follows: EMEA (Europe, Middle East, Africa) 64 % (79 %), APAC (Asia and the Pacific) 31 % (21 %) and AMER (Americas) 5 % (0%).

Gross margin for January–June 2025 was 307 thousand (217 thousand) and EBITDA improved by 1,526 thousand and amounted to EUR -2,123 thousand (-3,649 thousand).

Personnel expenses decreased from the comparison period and were EUR 1,947 thousand (2,909 thousand) and other operating expenses were EUR 1,123 thousand (1,464 thousand). The cost level decreased from the comparison period due to adjustments made to the cost structure.

Depreciation, amortization and impairments amounted to EUR 1,001 thousand (1,015 thousand). No impairment losses were recognized during the reporting period.

The Group's operating profit for January–June 2025 amounted to EUR -3,123 thousand (-4,664 thousand).

Net financial income and expenses totaled EUR 51 thousand (95 thousand). Earnings before taxes and interest were EUR -3,072 thousand (-4,569 thousand). The result for the financial period was EUR -3,039 thousand (-4,534 thousand).

Financial position and cash flows

Betolar's balance sheet total at the end of the reporting period was EUR 14,616 thousand (30 June 2024: 16,928 thousand). Equity amounted to EUR 5,164 thousand (9,227 thousand). The equity ratio at the end of the reporting period was 35 (55) per cent.

At the end of the reporting period, the Group's net debt was EUR -597 thousand (-4,726 thousand) and the gearing ratio was -12 (-51) per cent.

Cash flow from operating activities in January–June 2025 was EUR -2,202 thousand (1-6/2024: -3,679 thousand). Net cash flow from operating activities was affected by a decrease in personnel costs and other operating expenses.

Cash flow from investing activities amounted to EUR -1,502 thousand (4,625 thousand). Cash from investing activities includes withdrawals from short-term fund investments and investments in the company's tangible and intangible assets.

Cash flow from financing activities amounted to EUR 2,293 thousand (-148 thousand). Cash flow from financing activities includes long-term loan drawdown of EUR 2,500 thousand, long-term loan repayments of EUR -112 thousand, short-term loan repayments of EUR -2 thousand and repayments of lease liabilities in the amount of EUR -93 thousand.

Betolar's short-term fund investments at the end of the period totaled EUR 8,047 thousand (30 June 2024: 8,240 thousand). Cash and cash equivalents at the end of the period were EUR 677 thousand (1,742 thousand) and the change in cash and cash equivalents was EUR 1,411 thousand (184 thousand). Total cash and cash equivalents and short-term fund investments were EUR 8,724 thousand (9,982 thousand).

Betolar withdrew the last instalment of EUR 2,500 thousand of the EUR 7,000 thousand loan from the Climate Fund in January. Betolar has received public financing for research and development. In 2023, Business Finland granted Betolar EUR 2,700 thousand for a research and development project on alternative sidestreams. This grant will be used as the research project progresses during 2025 and 2026 with EUR 1,600 thousand remaining undrawn. In addition, Finnpartnership awarded the company a grant of EUR 370 thousand to pilot the prefabrication of hollow-core slabs in Malaysia. This grant is yet to be drawn down.

Investments

Investments in tangible and intangible assets during January–June 2025 totaled EUR 615 thousand (1-6/2024: 720 thousand). Investments consisted almost exclusively of capitalization of development expenditure. Investments accounted for 18 (16) per cent of total operating expenses.

Research and Development 1–6/2025

Betolar focused its research and product development activities on developing new technologies for customers in the sidestream, mining, and metal industries. In addition, Betolar's data platform and ecosystem was developed with a shift in focus toward helping customers identify value creation opportunities for sidestreams, including their suitability as raw materials for various mining and metals industry applications and concrete solutions in construction. Betolar's own laboratory activities provide the necessary analyses for research and product development.

Metal extraction and green cement

Betolar's goal is also to produce completely new solutions with long-term business potential. Betolar has strengthened its technology portfolio in the sidestream, mining, and metal industries by, among other things, developing new technology for value recovery processes from the unutilized slags of the metal industry and the tailings of the mining industry. Betolar performed thermodynamic modeling for several slags and continued laboratory-scale testing with ferrochrome and AOD slags. Pilot-scale tests confirmed the effectiveness of the method with ferrochrome and stainless-steel slags, achieving 99 % metal recovery and very high-quality green cement.

The technological readiness of the method is based on a combination of several factors: thermodynamic modeling of slags, in-house and external melting / reduction experiments, microstructure analysis, proprietary AI-assisted slag composition modeling, and the company's experts' strong expertise in geopolymer binders.

All the above experimental results are consistent with the modeling results. In the experiments, the metal yields and reduction rate have been systematically exceptionally high, up to 99 %. The method utilizes slag chemistry and thermodynamics in a way that enables energy-efficient processing at lower temperatures. In addition, the method allows for viscosity control, which enables high metal yields and optimization of the composition of green cement.

The technology also enables the purification of residual slag from harmful substances, allowing it to be used, for example, as high-quality cement or a binder equivalent to blast furnace slag. According to test data collected in the spring, the 28-day compressive strength of this green cement fully matches the performance of traditional Portland cement and clearly exceeds the strength of the binder made from blast furnace slag. Its high reactivity and excellent activity index make it a competitive alternative for a wide range of construction and mining applications.

The developed technology does not require significant additional energy, making the solution cost-effective and low emission. In the process, molten slag is supplemented with suitable industrial sidestreams, allowing metals to be separated, and the correct binder composition to be achieved. In the same process, oxide metals are also reduced using specific methods. Betolar has on a laboratory scale succeeded in separating the following valuable fractions from sidestreams with high yield: chromium, iron, nickel, vanadium, and manganese, some of which are critical and/or strategic elements, as well as to produce the binders described above while reducing the amount of slag that ends up as waste.

Mining industry solutions

Betolar developed a low-carbon and completely cement-free shotcrete solution, and paste backfill solutions. The development of the low-carbon paste backfilling solution achieved the required strength and long-term durability properties.

The development of cementless rockfill binders continued in customer projects. The solution has successfully met the strength and solubility requirements on a laboratory scale. Binders suitable for cementless rockfill can also be used in stabilized dry stacking. The identification of various cost-effective and high-volume sidestreams enables the long-term utilization of solutions developed by Betolar in new applications in the mining and metal industries.

Data platform and sidestream analysis

Development work on the AI-based data platform continued. Betolar focused on identifying the suitability of customers' sidestreams as raw materials for the mining and metal industries or for concrete solutions in construction. By continuously collecting data from material research work and laboratory tests and experiments, Betolar can automate work stages and develop artificial intelligence solutions to streamline research work. As data accumulates, the ability to create better understanding and products continues to grow. Artificial intelligence tools can be used, among other things, to simulate various tests, predict the behavior of materials, and optimize developed chemical recipes. In addition, development work of metal extraction and green cement optimization started.

Patent portfolio

Betolar's patent portfolio grew during the first half of the year with three new patents granted. Betolar was granted a patent for an acoustic dewatering method that can be used, for example, to dewater tailings in the mining industry. In addition, Betolar was granted a patent for a climate cabinet that standardizes the storage conditions of test samples, and its patent family for ash processing was extended to the United States. During the period, Betolar filed eight new patent applications relating to metal extraction and green cement. Betolar has also filed a patent application for a solution in the defense sector.

Betolar has 24 active patent families consisting of 48 granted patents, and the company has 65 inventions in the process of being approved for patents.

Personnel and management

In January-June 2025, Betolar had an average of 35 employees, compared to 51 in the comparison period. Betolar's management team consists of President and CEO Tuija Kalpala, CFO Mikko Wirkkala, Chief Growth Officer Jyri Talja and SVP & General Counsel Soila Söderström. Jyri Talja,

Licentiate of Science (Technology), was appointed as Betolar's Chief Growth Officer and invited to join the Management Team as of 23 April 2025.

Governance

The Annual General Meeting of Betolar Plc was held on 27 March 2025. The resolutions of the Annual General Meeting and the resolutions of the organizational meeting of the Board of Directors were announced in a company release on the same day.

The general corporate governance model and institutions are described on the company's website at <https://www.betolar.com/governance>

Shares

Betolar Plc's shares are listed on First North Growth Market Finland maintained by Nasdaq Helsinki Ltd. At the end of June 2025, Betolar's share capital was EUR 80,000 (80,000). The number of outstanding shares on 30 June 2025 was 21,567,570 (30 June 2024: 19,606,882).

The average number of shares at the first half of 2025 was 21,567,570 (1-6/2024: 19,606,882). At the end of the reporting period, the company and its subsidiaries did not hold any treasury shares.

Option schemes

During the period, Betolar's Board of Directors decided to introduce a new option programme for key personnel. Based on the 2025 option program, a total of 745,000 option rights were granted to key personnel named by the Board who are employed by Betolar. The option program includes 15 key personnel of the company, including the CEO. The Board also decided that 50% of these options will be exercisable within the aforementioned subscription period, and the remaining 50% will be subject to revenue and sales margin targets set by the Board, which must be achieved before the subscription period begins.

Betolar's other share-based incentive and commitment programs are described in the report of the Board of Directors.

Significant near-term risks and uncertainties

Economic cycles, and uncertainty, affect the demand for Betolar's products and services, posing a risk to the implementation of Betolar's growth strategy. Geopolitical risks and the unstable global situation may affect Betolar's markets and expose the company to business risks.

Commercial, financial and technical success of projects will be required to ensure the uptake and viability of concrete solutions. Clear phasing of deployment and continuous customer support will substantially reduce the risk of failure in deployment projects.

Betolar also aims to offer alternative, non-commercialized industrial side streams and their recovery technologies for use alongside or instead of blast furnace slag. The main risk associated with industrial side streams and other alternative materials is that they are not defined in existing construction standards and therefore need to be further processed or find a non-construction use.

Regarding liquidity risk, the objective is to secure sufficient liquid assets to finance operations and repay maturing loans. The company will continuously assess and monitor the level of funding required for its operations to achieve the above objective.

Betolar's most significant risks and business uncertainties are described in more detail in the Report of the Board of Directors in the annual financial statements.

Financial reporting

Betolar will publish the Business Review for January – September 2025 on Tuesday 28 October 2025.

Betolar's financial reports are available on the company's website at www.betolar.com/investors.

Betolar Plc Financial Statements 1–6/2025

CONSOLIDATED INCOME STATEMENT

EUR thousand

EUR	1–6/2025	1–6/2024	1–12/2024
NET SALES	417	276	762
Other operating income	640	507	947
Materials and services	-109	-59	-198
Personnel expenses	-1,947	-2,909	-4,717
Depreciation, amortization, and impairment	-1,001	-1,015	-2,148
Other operating expenses	-1,123	-1,464	-2,610
Operating profit (loss)	-3,123	-4,664	-7,964
Financial income and expenses	51	95	166
EARNINGS BEFORE INTEREST AND TAXES	-3,072	-4,569	-7,798
PROFIT FOR THE FINANCIAL PERIOD	-3,039	-4,534	-7,732
Earnings per share, basic			
EUR	-0.14	-0.23	-0.36

CONSOLIDATED BALANCE SHEET

EUR thousand

30 June 2025
30 June 2024
31 December 2024
ASSETS
Non-current assets

Development expenses	3,542	4,215	3,836
Property, plant and equipment	999	1,074	1,010
Right-of-use assets	127	301	189
Other non-current receivables	192	199	194
Deferred tax assets	164	95	131

Non-current assets, total	5,024	5,884	5,360
----------------------------------	--------------	--------------	--------------

Current assets

Trade receivables	225	125	134
Other receivables	54	81	106
Accrued income and prepaid expenses	589	856	480
Investments	8,047	8,240	6,899
Cash and cash equivalents	677	1,742	2,088

Current assets, total	9,592	11,044	9,707
------------------------------	--------------	---------------	--------------

Total assets	14,616	16,928	15,067
---------------------	---------------	---------------	---------------

**SHAREHOLDERS' EQUITY AND
LIABILITIES**

EUR thousand

	30 June 2025	30 June 2024	31 December 2024
Equity			
Share capital	80	80	80
Invested unrestricted equity reserve	47,359	45,172	45,359
Translation differences	0	7	7
Retained earnings	-39,236	-31,499	-31,565
Profit for the financial period	-3,039	-4,534	-7,732
Total equity	5,164	9,227	8,149
Non-current liabilities			
Capital loans	7,822	4,974	5,150
Loans from financial institutions	2	5	4
Government loans	187	274	288
Lease liabilities	39	118	71
Deferred tax liabilities	0	0	0
Non-current liabilities, total	8,050	5,370	5,512
Current liabilities			
Loans from financial institutions	4	4	4
Government loans	112	112	112
Lease liabilities	100	195	136
Accounts payable	137	371	174
Other payable	123	160	83
Accruals and deferred income	927	1,489	898
Current liabilities, total	1,402	2,331	1,406
Total liabilities	9,453	7,701	6,918
Shareholders' equity and liabilities, total	14,616	16,928	15,067

CONSOLIDATED CASH FLOW STATEMENT

EUR thousand

1–6/2025
1–6/2024
1–12/2024
Cash flow from operating activities

Profit for the financial period -3,039 -4,534 -7,732

Adjustments:

Depreciation, amortization and impairment 1,001 1,015 2,148

Net financial income and expenses -51 -102 -166

Share-based payments 61 -26 -93

Other adjustments -49 37 40

Income taxes -33 -35 -71

Cash flow before change in working capital -2,111 -3,645 -5,874

Working capital change:

Change in account payable and other payables 32 177 -689

Change in trade receivables and other receivables -129 -226 101

Cash flow from operating activities before financing items and taxes -2,209 -3,695 -6,461

Interest paid and payments from other financial expenses 7 16 19

Net cash flow from operating activities (A) -2,202 -3,679 -6,442
Cash flow from investing activities

Investing in tangible and intangible assets -602 -795 -1,366

Repayment of credit claims 0 7 8

Investments in other investments 0 5,414 7,014

Proceeds from disposal of other investments -900 0 0

Net cash flow from investing activities (B) -1,502 4,625 5,656
Cash flow from financing activities

Share issues 0 0 2,353

Transaction cost of share issue 0 0 -166

Long-term loan disbursements 2,500 0 0

Short-term loan disbursements -112 0 0

Repayment of short-term loans -2 -2 -3

Repayment of lease liabilities -93 -146 -252

Net cash flow from financing activities (C) 2,293 -148 1,931
Change in cash and cash equivalents (A + B + C) increase (+) / decrease (–) -1,411 799 1,145

Cash and cash equivalents at the beginning of the period 2,088 943 943

Cash and cash equivalents at the end of the period 677 1,742 2,088

Change -1,411 799 1,145

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1–6/2025 EUR thousand	Equity attributable to owners of the parent						Total equity
	Share- capital	Invested unrestricted equity reserve	Share issues	Treasury shares	Translation differences	Retained earnings	
Shareholders' equity 1 Jan 2025	80	47,359	0	0	7	-39,297	8,149
Comprehensive income							
Profit (loss) for the financial period	0	0	0	0	0	-3,039	-3,039
Other comprehensive income differences							
Translation differences	0	0	0	0	-7	0	-7
Comprehensive income (loss) for the period, total	0	0	0	0	0	-3,039	-3,046
Transaction with owners							
Issues less transaction costs	0	0	0	0	0	0	0
Registration of shares	0	0	0	0	0	0	0
Cancellation of treasury shares	0	0	0	0	0	0	0
Share-based payments	0	0	0	0	0	61	61
Other adjustments	0	0	0	0	0	0	0
Total transaction with owners	0	0	0	0	0	61	61
Shareholders' equity 30 June 2025	80	47,359	0	0	0	-42,275	5,164

1–6/2024 EUR thousand	Equity attributable to owners of the parent						Total equity
	Share- capital	Invested unrestricted equity reserve	Share issues	Treasury shares	Translation differences	Retained earnings	
Shareholders' equity 1 Jan 2024	80	45,172	0	0	6	-31,473	13,786
Comprehensive income							
Profit (loss) for the financial period	0	0	0	0	0	-4,534	-4,534
Other comprehensive income differences							
Translation differences	0	0	0	0	1	0	1
Comprehensive income (loss) for the period, total	0	0	0	0	1	-4,534	-4,533
Transaction with owners							
Issues less transaction costs	0	0	0	0	0	0	0
Registration of shares	0	0	0	0	0	0	0
Cancellation of treasury shares	0	0	0	0	0	0	0
Share-based payments	0	0	0	0	0	-26	-26
Other adjustments	0	0	0	0	0	0	0
Total transaction with owners	0	0	0	0	0	-26	-26
Shareholders' equity 30 June 2024	80	45,172	0	0	7	-36,033	9,227

1–12/2024 EUR thousand	Equity attributable to owners of the parent						Total equity
	Share-capital	Invested unrestricted equity reserve	Share issues	Treasury shares	Translation differences	Retained earnings	
Shareholders' equity 1 Jan 2024	80	45,172	0	0	6	-31,473	13,786
Comprehensive income							
Profit (loss) for the financial period	0	0	0	0	0	-7,732	-7,732
Other comprehensive income differences							
Translation differences	0	0	0	0	1	0	1
Comprehensive income (loss) for the period, total	0	0	0	0	1	-7,732	-7,731
Transaction with owners							
Issues less transaction costs	0	0	0	0	0	0	0
Registration of shares	0	2,187	0	0	0	0	2,187
Cancellation of treasury shares	0	0	0	0	0	0	0
Share-based payments	0	0	0	0	0	-93	-93
Other adjustments	0	0	0	0	0	0	0
Total transaction with owners	0	2,187	0	0	0	-93	-93
Shareholders' equity 31 December 2024	80	47,359	0	0	7	-39,297	8,149

Accounting principles applied to the consolidated financial statements

Betolar Plc's consolidated financial statements include the parent company Betolar Plc and its subsidiaries Betolar Chemicals Ltd (as of 1 November 2019) and Betolar India Private Ltd (as of 1 September 2021).

The half-year consolidated financial statements have been prepared in accordance with the International Accounting Standards (IFRS, IAS) and Interpretations Committee (IFRIC) issues by the International Accounting Board (IASB), which are accepted for application in the European Union. The consolidated financial statements for the period that ended 30 June 2025 have been prepared in accordance with the International Financial Reporting Standards (IFRS) and International Committee (IFRIC) in force on 30 June 2025.

Business continuity

Betolar's financial position enables it to continue operating over the next 12 months.

Related party transactions

Betolar's related parties include the subsidiaries of the parent company Betolar Plc. Related parties also include the key employees of Betolar's management as well as their close family members and the entities under their control. The key management personnel are the members of Betolar's Board of Directors, the CEO, and other members of the management team. Transactions with related parties are made on normal commercial terms. The transactions include consultancy services related to business development purchases from a member of the Board of Directors. In

addition, share subscriptions made by related parties have been identified as related party transactions during the financial period.

No loans or any other guarantees or securities were issued to any related parties.

The following transactions were carried out with related parties:

EUR thousand	30 June 2025	30 June 2024	31 December 2024
	Group	Group	Group
Income statement			
Purchased services	76	72	128

EUR thousand	30 June 2025	30 June 2024	31 December 2024
	Group	Group	Group
Balance sheet			
Accounts payable	11	13	11

Management salaries and remunerations:

EUR thousand	30 June 2025	30 June 2024	31 December 2024
	Group	Group	Group
<u>Remuneration to the members of the Board of Directors</u>			
Chair	32	22	44
Other members of the Board	50	53	119
Board of Directors' fees, total	81	76	164

EUR thousand	30 June 2025	30 June 2024	31 December 2024
	Group	Group	Group
<u>CEO</u>			
Salaries and remuneration	135	188	289
Pension expenses	24	34	52
Indirect employee costs	4	6	8
Total	162	227	349

Other Management team

Salaries and remuneration	263	221	529
Pension expenses	46	40	95
Indirect employee costs	7	7	15
Total	315	268	640

During the financial periods 2025 and 2024, management has been granted options (pcs) as follows:

	2025	2024
	Group	Group
Members of the Board of Directors	0	0
CEO	200,000	120,000
Other members of the Management Team	270,000	110,000
Total	470,000	230,000

APPENDIX

Calculation formulas for certain financial indicators and operative indicators.

Measure	Definition	Purpose of use
Gross margin	Net sales – materials and services	Gross margin is a measure of the Group's profitability. Gross margin measures profitability after reducing the costs of materials and services.
EBITDA	Operating profit (loss) before depreciation, amortization and impairment	EBITDA is a measure of the Group's performance.
Earnings per share, basic, EUR	Profit for the financial period / weighted average number of outstanding shares during the financial period	The measure reflects the distribution of the Company's earnings for each individual share.
Earnings per share, adjusted for dilution, EUR	Profit for the financial period / weighted average number of outstanding shares during the financial period + diluting potential shares	The measure reflects the distribution of the Company's earnings for each individual share, taking dilution into consideration.
Cash, cash equivalents and short-term fund investments	Cash and cash equivalents + current investments	Cash and short-term fund investments describe the company's liquid assets.
Liquidity and undrawn grants	Cash and cash equivalents, current investments, undrawn loans and grants granted but not drawn	Liquidity describes the company's liquid assets over the long term.
Order intake	The value of orders for materials and services received during the reporting period	The indicator describes the expected future development of the company's sales.
New Non-Recurring Engineering (NRE) projects	The number of new NRE order intakes received in the reporting period	The indicator describes the development of the contract of the company's research service business.