Betolar Plc
Half-Year Financial Report

1 January–30 June 2026

Betolar Plc Half-Year Financial Report, 1 January–30 June 2026 (unaudited)

Betolar Plc Half-Year Financial Report 1–6/2026: Revenue growth continued and financing strengthened with sharpened strategic focus

April–June 2026 in brief

- Revenue amounted to EUR 461 thousand (253 thousand)
- Other operating income amounted to EUR 148 thousand (213 thousand)
- EBITDA amounted to EUR -1,120 thousand (-1,116 thousand)
- Cash and cash equivalents and short-term fund investments at the end of the period amounted to EUR 5,919 thousand (8,724 thousand)
- Liquidity and undrawn grants at the end of the period amounted to EUR 12,658 thousand (10,878 thousand)
- Order intake amounted to EUR 75 thousand (430 thousand)
- The number of new NRE projects was 2 (4)
- The average number of personnel during the period was 27 (34)

January–June 2026 in brief

- Revenue amounted to EUR 902 thousand (417 thousand)
- Gross margin amounted to EUR 447 thousand (307 thousand)
- Other operating income amounted to EUR 348 thousand (640 thousand)
- EBITDA amounted to EUR -2,092 thousand (-2,123 thousand)
- Operating profit (loss) was EUR -3,001 thousand (-3,123 thousand)
- Profit for the period amounted to EUR -3,136 thousand (-3,039 thousand)
- Earnings per share were EUR -0.15 (-0.14)
- Cash and cash equivalents and short-term fund investments at the end of the period amounted to EUR 5,919 thousand (8,724 thousand)
- Liquidity and undrawn grants at the end of the period amounted to EUR 12,658 thousand (10,878 thousand)
- Order intake amounted to EUR 296 thousand (520 thousand)
- The number of new NRE projects was 5 (5)
- The average number of personnel during the period was 28 (35)

Main events during April – June 2026

- Betolar introduced a solution for protecting critical infrastructure against drones and other threats (04/2026)
- Betolar and Enersense initiated commercial cooperation to protect electrical substations (05/2026)
- Betolar launched a new drone protection solution for large-scale critical infrastructure facilities (05/2026)
- Betolar focused its operations on growing businesses – with a strategic emphasis on Critical Infrastructure Protection (CIP) and Metal Extraction Technology (MET) (06/2026)
- Inside information: Betolar was granted EUR 2.1 million in funding under the MINERVA project funded by the EU LIFE Programme (06/2026)
- Inside information: The Board of Directors of Betolar Plc appointed Vibeke Krohn as Chief Executive Officer of Betolar Plc effective from 1 August 2026 (06/2026)
- Inside information: Betolar secured exclusive rights to utilise titanium-bearing tailings from the Otanmäki Mine Oy mining area and signed a letter of intent with Scalewolf regarding follow-on financing for the project (06/2026)

- Inside information: Betolar Plc issued a EUR 3 million convertible hybrid bond, negotiated a EUR 3 million term loan agreement, and intends to issue an additional EUR 3 million tranche of notes (06/2026)
- Betolar Plc and Scalewolf entered into a strategic partnership to scale Betolar's metal extraction technology (06/2026)
- Change in Betolar Plc's Management Team: Soila Söderström left her position (06/2026)
- Betolar's critical infrastructure protection solutions expanded – a fourth patent application strengthens the company's comprehensive protection offering (06/2026)
- Betolar Plc signed EUR 3 million term loan agreement announced on 23 June 2026 (06/2026)

Events After the Reporting Period

- Notice of an Extraordinary General Meeting of Betolar Plc (07/2026)
- Betolar's blast furnace slag approved for low-carbon concrete emissions calculations, enabling the material's immediate use in concrete mix designs (07/2026)
- Resolutions of the Extraordinary General Meeting: The Extraordinary General Meeting elected Rainer Peltoniemi as a new member of the Board of Directors and authorised the Board to resolve on a share issue and the issuance of special rights entitling to shares (8/2026)

Guidance for 2026 (unchanged)

- Revenue for 2026 is expected to increase significantly compared to the previous year.

Accounting principles

Betolar's consolidated financial statements for the period that ended 30 June 2026 have been prepared in accordance with the International Financial Reporting Standards (IFRS) and International Committee (IFRIC) in force on 30 June 2026.

The figures in parenthesis in this report refer to the comparison period, i.e. the same period in 2025, 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

1 August 2026 I assumed my role as President and CEO, and during my first weeks with the company, I have had the opportunity to review the progress made during the first half of the year and to commence discussions with our employees, customers, partners and shareholders.

The first half of 2026 was a vital period for Betolar. The company sharpened its strategic focus around three business areas: Metal Extraction Technology (MET), Critical Infrastructure Protection (CIP) and Circular Materials (CM). Progress was achieved across all three business areas, supported by important commercial, technological and financing milestones.

The strategic partnership with Scalewolf, and the exclusive rights secured for the Otanmäki tailings area, represent important steps toward scaling and industrial deployment of our metal extraction technology. In addition, the cooperation with Anglo American progressed, new customer development projects were launched, and the company was awarded EUR 2.1 million of EU LIFE funding through the MINERVA project.

Challenging geopolitics continues to highlight the importance of resilience, creating new opportunities and customer demand for critical infrastructure protection solutions. Building on our strong materials expertise, Betolar is well placed to meet this demand and Critial Infrastructure Protection has emerged as a new strategic focus area. Over the first half of the year, Betolar has introduced new solutions, strengthened its intellectual property position through additional patent applications and expanded commercial discussions and partnerships with critical infrastructure protection.

In Circular Materials, Betolar continued supplying blast furnace slag and developing new material streams for customers in both India and Finland. The business continued to support customers' need for lower-carbon construction and infrastructure solutions while strengthening the company's position within circular materials.

The company also strengthened its financial position during the period through a EUR 3 million convertible hybrid bond, a EUR 3 million term loan arrangement and additional public funding. These measures provide increased flexibility and support the continued development and commercialization of the company's strategic growth areas.

As I commence my tenure as CEO, my initial impression is that Betolar has developed a strong foundation of technology, expertise and intellectual property. And we are ready to shift 'gear' from technology development to commercialization and execution!

Within metal extraction, we set off on a scaling journey. And with our partner Scalewolf, we can scale with lower capital intensity. Moreover, within critical infrastructure protection, we experience strong customer demand across customer segments such as subsea, power grid, data centers and defense. Going into the second half of year, we deepen our focus on commercialization of solutions and customer adoption.

In conclusion, I look forward to working together with the team, our customers, partners and shareholders as we continue building the next phase of Betolar's development. We also look forward to sharing additional perspectives on our strategic priorities and future direction on our planned Capital Markets Day later this autumn.

Vibeke Krohn
President and CEO

Key Figures

Key figures for the Group

(EUR thousand, unless otherwise specified)	4–6 2026	4–6 2025	1–6 2026	1–6 2025	1–12 2025
Financial indicators					
Revenue	461	253	902	417	946
Gross margin[1]			447	307	724
Other operating income	148	213	348	640	1,414
EBITDA[1,2]	-1,120	-1,116	-2,092	-2,123	-3,709
Operating profit (loss)			-3,001	-3,123	-5,840
Earnings before interest and taxes			-3,110	-3,072	-5,932
Profit (loss) for the financial period			-3,136	-3,039	-6,085
Earnings per share, basic and diluted, EUR[1,3]			-0,15	-0,14	-0,28
Cash and cash equivalents and short-term fund investments (at the end of the period)[1,2]	5,919	8,724	5,919	8,724	6,715
Liquidity and undrawn grants (at the end of the period)[1,2]	12,658	10,878	12,658	10,878	7,681
Operational indicators					
Order intake (EUR thousand)[1,2]	75	430	296	520	2,327
Number of new NRE projects [1,2]	2	4	5	5	9
Personnel (average number during the financial period)	27	34	28	35	32

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 is 21,567,570 shares for all time periods. As the Group reported loss for the period, the options and convertible hybrid bond would not have had dilutive effect. Thus options and convertible hybrid bond were excluded from the calculation of diluted earnings per share.

Business Review

Mining & Metals (MET)

Betolar's mining and metals industry business progressed during the reporting period through follow-on projects with existing customers and new customer relationships.

The collaboration launched with Anglo American in summer 2025 progressed as planned during the reporting period, resulting in a follow-on order deepening the commercial cooperation. In the next phase, the industrial-scale potential of the metal extraction technology will be assessed, preliminary technical design will be carried out, and the utilization of a newly identified sidestream in metal recovery and the production of low-carbon supplementary cementitious materials (SCM) will be studied. The project is related to Anglo American's planned Sakatti copper-nickel multi-metallic deposit in Sodankylä and is a continuation of the collaboration announced in July 2025.

During the reporting period, Betolar continued developing circular economy solutions based on metal recovery and tailings utilization as part of the Sakatti project. Laboratory and pilot results have demonstrated a high metal recovery rate and the possibility of producing a high-quality, metal-free SCM binder from sidestreams to replace cement. At the same time, the thermodynamic modelling developed by the company has established its position as an essential part of metal extraction technology, enabling more efficient process optimization and assessment of the utilization potential of different material streams.

Cooperation with customers continued to assess the utilization potential of mining waste and to apply metal extraction technology, particularly in the Finnish and African markets. As part of this work, cooperation was launched with EcoGraf and GTK to map the utilization possibilities of tailings from the Epanko graphite mine in Tanzania using metal extraction technology.

To support the development of metal extraction technology, Betolar was granted EUR 2.1 million in funding under the European Union's LIFE programme in the MINERVA project. The project is a joint project with FMG's Sokli Oy, Sofi-Filtration Oy and Rina Consulting S.p.A.

The development of metal extraction technology was advanced by preparing Betolar's own proof-of-concept testing environment. This strengthens the technology development, testing and piloting capabilities and supports commercialization.

In June, the company announced a significant tailings procurement from Otanmäki Mine Oy by securing exclusive rights to utilize the area's titanium-bearing tailings and by agreeing with Scalewolf on preparations for further financing. The companies also entered into a strategic partnership to scale and commercialize the metal extraction technology.

Betolar entered into a long-term supply agreement with Otanmäki Mine Oy, granting the company exclusive rights to utilize approximately 10 million tonnes of titanium-bearing tailings at the Otanmäki mining area for 20 years. The agreement is a significant step in the commercialization and industrial deployment of Betolar's metal extraction technology. In addition to titanium, the tailings contain, among other things, vanadium and iron, and Betolar's technology enables efficient recovery of these valuable metals and the utilization of sidestreams as circular materials. The company will continue process and plant engineering for the project with the aim of starting operations after obtaining the necessary regulatory permits. Compared to traditional mining, the advantage of the project is that the material is already on the surface and pre-ground, reducing technical and financial risks and enabling a faster production ramp-up.

Betolar signed a letter of intent with Scalewolf concerning a long-term strategic partnership to accelerate the commercial scaling of the company's Metal Extraction Technology (MET). The aim is to build an operating model supporting commercialization and project development in Finland and internationally. The first planned project relates to the Otanmäki tailings project. The parties are also advancing a second project company in the United States focused on titanium and rare earth element recovery and projects serving defence industry supply chains. The parties have also started discussions on applying a similar co-development model to Betolar's Critical Infrastructure Protection solutions (CIP) business. The company aims to sign binding agreements on the above-mentioned arrangements by the end of 2026.

Scalewolf is an investment and industrial development firm focused on scaling technologies and infrastructure that strengthen energy security, critical supply chains, defense capabilities, and data resilience, which Betolar considers to be a great partner to support its strategic objectives. The firm partners with innovators, industry leaders, governments, and investors to accelerate deployment of commercially viable solutions across the Nordics, Baltics, and Europe.

Mining solutions progressed through new customers in several markets. An order received from Spain for the development of a cement-free rockfill solution expanded operations into a new market area and continued development work previously started in Finland, Canada and Australia.

The development of a cement-free shotcrete solution progressed through successful pilot and proof-of-concept phases in cooperation with Outokumpu. Development work on stabilized dry stacking solutions also continued as planned with partners.

Circular materials

Sales of ground granulated blast furnace slag (GGBFS) in the Indian market continued supported by a strong customer base and partner network. In Q2/2026, fuel shortages caused by the Strait of Hormuz crisis led to temporary delivery disruptions and price pressure, resulting in sales volumes slightly below Q2/2025.

Betolar's Indian subsidiary continued developing its sourcing and logistics capabilities and opened a new fly ash sourcing channel. The new sourcing channel expands the offering for existing customers, and the first trial deliveries of fly ash were dispatched. Demand for cement-replacing binders (SCM) in India is expected to grow significantly as urbanization and infrastructure investments increase.

In Finland, Betolar continued building its circular materials business. Through the Port of Hamina, Betolar continued GGBFS sales to customers in the concrete industry, promoting immediately deployable, low-carbon material solutions for the Finnish construction market. During the reporting period, Betolar obtained an Environmental Product Declaration (EPD) for its product. The EPD provides verified CO_2 data in a standardized format, supporting customers in carbon reporting and low-carbon procurement decisions.

During the reporting period, Betolar launched a development project to supply low-carbon and cement-free concrete products for substations. The project reflects Betolar's ambition to deliver low-carbon concrete solutions to the infrastructure sector through a partner network of concrete manufacturers. Infrastructure construction is a growing opportunity for Betolar, driven by increasing investments and demand for sustainable solutions.

Critical Infrastructure Protection

Betolar has developed several solutions for the physical protection of critical infrastructure, aimed at improving the security and operational reliability of sites essential to society in a changed security environment. The solutions are designed particularly for substations and main transformers, but are also suitable for water supply facilities, data centers, energy storage facilities, ports, logistics centers and other sites critical to security of supply. A key principle of the solutions is preventive protection, which can reduce risks arising from drone threats, vandalism, sabotage and other physical threats.

Betolar's solutions are based on modular and site-specific structures that can be implemented quickly and cost-effectively, also utilizing local materials. The solutions protect critical components from external impacts, prevent intrusion and provide visual shielding for protected sites. The offering also includes complementary protection solutions such as drone nets, protective structures, sensor-based monitoring and other solutions adapted to the site's threat profile.

The importance of Critical Infrastructure Protection solutions has increased due to changes in the security environment and preparedness requirements related to critical infrastructure. This creates new business opportunities for Betolar's technologies, which support customers' security, security-of-supply and operational reliability objectives. Betolar has filed four patent applications related to innovations in physical protection of critical infrastructure.

During the reporting period, the business focus was on solution sales to critical infrastructure owners in Finland and building a partner network. The solutions progressed to the commercialization phase, and discussions with customers and partners continued actively.

In May, Betolar and Enersense Plc announced commercial cooperation to protect substations. The aim is to bring to market solutions for the protection of substations and particularly main transformers, utilizing Enersense's strong expertise in design, construction and maintenance of substations.

Business environment and market review

Interest in solutions supporting the green transition remained stable during the reporting period, although the general economic environment remained uncertain in many markets. Industrial customers are actively seeking cost-effective solutions that reduce carbon dioxide emissions, utilize sidestreams more efficiently and reduce the environmental impact of production amid tightening regulation and increasing sustainability requirements.

In Europe, regulation promoting the circular economy and low-carbon materials, as well as public investment programmes, support long-term market development. At the same time, customers' investment decisions continued to be slowed by economic uncertainty, availability of financing and weak demand in certain raw material and end markets. In the mining industry, interest in increasing the production of critical minerals and utilizing sidestreams remained strong.

Interest in critical and strategic minerals in Europe and North America continued strong. Factors related to security of supply and growing demand from the defence and technology sectors support investments particularly in titanium, rare earth elements and other critical materials. At the same time, the mining and metals industry is seeking solutions to utilize existing sidestreams and tailings profitably while reducing environmental impacts.

The market for Critical Infrastructure Protection solutions continued to develop favourably as geopolitical uncertainty, increasing security threats and resilience requirements for society's critical functions grew. Interest among defence, energy and public authority actors in rapidly deployable, modular and high-security solutions remained strong. The market is also supported by regulation and increasing investments in security of supply, critical infrastructure and strengthening defence capabilities in Europe and North America.

In construction, the use of low-carbon binders replacing cement is gradually increasing as low-carbon requirements tighten. However, the availability of established low-carbon binders, such as blast furnace slag, is limited in many markets. Competition increasingly focuses on material availability, consistent quality and efficient, reliable supply chains. The demand potential for new low-carbon materials is significant, but broader commercial adoption requires demonstration of technical performance, industrial-scale production and customer approvals. In developing markets, particularly in Asia, growth in construction and infrastructure investments is expected to support long-term demand for low-carbon binder solutions.

The competitive environment

Betolar operates in three different but mutually reinforcing markets: Metal Extraction Technology (MET), Circular Materials (CM) and Critical Infrastructure Protection solutions (CIP). The competitive environment developed rapidly during the reporting period in all business areas as markets grew and customer requirements tightened. Competition is increasingly based on technology performance, commercial scalability, cost-effectiveness, delivery capability and the ability to generate measurable financial and environmental benefits for customers.

In the MET business, competition mainly consists of traditional metallurgical process solutions, technology suppliers and mining and process industry service companies. Betolar's competitive advantage is based on its ability to combine metal recovery and sidestream utilization in the same process, so that in addition to valuable metals, low-carbon cement-replacing binders can be produced. The company's metal extraction technology and related thermodynamic modelling form a distinctive solution in the market, aiming to maximize total material value and minimize waste.

In the CM business, competitors include traditional cement, mineral and building materials suppliers, as well as a growing number of circular economy companies focused on low-carbon materials. The carbon dioxide emission reduction targets for the construction and infrastructure sector support the growth in demand for alternative binder solutions. Betolar stands out through its flexible business model, enabling use of locally available industrial sidestreams and customer needs-based sourcing and supply chains. The company is growing its low-carbon binder solutions business with customers, currently focusing particularly on commercial use of blast furnace slag in Finland and India.

In the CIP business, the competitive landscape is still developing and consists of several operator groups. Competitors include traditional security and defence industry companies, construction and infrastructure companies supplying physical protection structures, and technology and surveillance system suppliers. The market is increasingly emphasizing the needs of critical infrastructure owners to protect themselves from hybrid threats, drones, sabotage and other physical threats. Betolar's approach differs by offering modular, rapidly deployable and site-specific solutions combining materials technology, structural protection and the possibility to integrate monitoring and countermeasure solutions into the overall solution. The solutions have been designed with an emphasis on cost-effectiveness, rapid deployment and the possibility of utilising local materials, which can form a significant competitive advantage, especially in the protection of substations, water supply, data centres and other sites critical to the security of supply. The company has filed four patent applications related to physical protection of critical infrastructure, and the solutions have progressed to the commercialization phase.

Betolar's competitive advantage in all business areas is based on strong materials technology expertise, utilization of industrial sidestreams, continuous expansion of the patent portfolio and the ability to create solutions that combine sustainability objectives and business value. The company estimates that long-term market outlooks will remain positive, as the availability of critical raw materials, infrastructure security, low-carbon construction and resource efficiency are global megatrends whose importance continues to strengthen. In addition, the shared technology base of the MET, CM and CIP businesses enables the utilisation of expertise and innovations across business sector boundaries, which supports the company's competitive position in the long term.

Financial Review

Revenue and result

April – June 2026

The Group's revenue in April–June 2026 increased 82% from the comparison period and amounted to EUR 461 thousand (4-6/2025: 253 thousand).

During the period, 86% of revenue came from service sales and 14% from material sales.

Other operating income decreased from the comparison period and amounted to EUR 148 thousand (213 thousand). Other operating income consists mainly of public grants.

EBITDA totaled EUR -1,120 thousand (-1,116 thousand). Cash and cash equivalents and short-term fund investments were EUR 5,919 thousand on 30 June 2026 (30 June 2025: EUR 8,724 thousand).

January – June 2026

The Group's revenue for January-June 2026 increased from the comparison period and amounted to EUR 902 thousand (1-6/2025: 417 thousand).

During the period, 84% of revenue came from service sales, 15% from material sales, and 1% from license income. Geographically, revenue were distributed as follows: EMEA (Europe, Middle East and Africa) 83% (64%), APAC (Asia Pacific) 16% (31%), and AMER (North and South America) 1% (5%).

Gross margin in January-June 2026 amounted to EUR 447 thousand (307 thousand), and EBITDA was EUR -2,092 thousand (-2,123 thousand).

Other operating income amounted to EUR 348 thousand (640 thousand) and consisted mainly of grants received.

Personnel expenses decreased from the comparison period and amounted to EUR 1,480 thousand (1,947 thousand), and other operating expenses amounted to EUR 1,407 thousand (1,123 thousand).

Depreciation, amortization, and impairments amounted to EUR 909 thousand (1,001 thousand). No impairments were recognized during the reporting period.

The Group's operating profit for January–June 2026 amounted to EUR -3,001 thousand (-3,123 thousand).

Net financial income and expenses totaled EUR -110 thousand (51 thousand). Earnings before taxes and interest were EUR -3,110 thousand (3,072 thousand). The result for the financial period was EUR -3,136 thousand (-3,039 thousand).

Financial position and cash flows

Betolar's balance sheet total at the end of the reporting period was EUR 12,304 thousand (30 June 2025: 14,616 thousand). Equity amounted to EUR 2,068 thousand (5,164 thousand). The equity ratio at the end of the reporting period was 17 (35) per cent.

At the end of the reporting period, the Group's net debt was EUR 2,554 thousand (-597 thousand) and the net gearing ratio was 124 (-12) per cent.

Cash flow from operating activities in January-June 2026 was EUR -2,300 thousand (1-6/2025: EUR -2,202 thousand).

Cash flow from investing activities amounted to EUR 1,684 thousand (-1,502 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 was EUR 1,771 thousand (2,293 thousand). Cash flow from financing activities includes EUR 2,000 thousand in long-term loan drawdowns, EUR -114 thousand in repayments of long-term loans, and EUR -115 thousand in lease liability repayments.

Betolar's short-term fund investments at the end of the period totaled EUR 3,561 thousand (30 June 2025: EUR 8,047 thousand). Cash and cash equivalents at the end of the period were EUR 2,358 thousand (677 thousand), and total cash and cash equivalents and short-term fund investments were EUR 5,919 thousand (8,724 thousand).

In June 2026, Betolar issued a EUR 3.0 million unsecured and perpetual convertible hybrid bond that is convertible into the company's shares. Each bondholder will have the right, but not the obligation, to convert the original nominal amount of each outstanding Bond into new shares in the Company. The initial conversion price has been set at EUR 2.10 per share of the company. In accordance with IFRS, the bond is classified as equity, which strengthened the Group's equity at the end of the reporting period. Arrangement and advisory fees related to the bond issue have been deducted from the amount recognized in equity. Of the EUR 3 million, the company received EUR 2 million during June and EUR 1 million at the beginning of July.

In addition, Betolar signed a EUR 3.0 million term loan agreement maturing in November 2028. The term loan is secured by EUR 1.2 million in business mortgages, and its accrued interest is linked to the 6-month Euribor rate. The European Investment Fund (EIF) and Virala Oy Ab have provided market-based guarantees related to the term loan. The term loan is intended to be drawn down during the third quarter.

The purpose of the financing arrangements is to strengthen the company's balance sheet, secure working capital, and enable the development of the metal extraction business related to the supply agreement signed with Otanmäki Mine Oy.

After the reporting period, the Extraordinary General Meeting granted the company additional authorizations for raising financing, securing the company's ability to arrange additional financing to support future growth projects and business development. Under the authorizations received, Betolar intends to issue new Bonds related to the convertible hybrid bond with an aggregate nominal amount of EUR 3,000,000 to Scalewolf Management, UAB, which has undertaken to subscribe for Subsequent Bonds in the Additional Tranche Issue for an aggregate nominal amount of EUR 3 million.

Betolar has received public financing for research and development. In June, Betolar was granted EUR 2.1 million in funding under the EU LIFE-funded MINERVA project. The funding relates to the MINERVA project (MINeral Efficiency, Recovery and Valorisation in the Arctic), funded by the European Union's LIFE programme. The project develops and pilots new solutions to improve the recovery of critical raw materials and reduce extractive waste in Arctic conditions. The MINERVA project is implemented at the Sokli mining area in Eastern Lapland. The project focuses on circular economy-based mining and mineral processing solutions, the development of water use and water management, and the reduction of extractive waste and environmental risks. The total estimated cost of the MINERVA project is approximately EUR 8.8 million, of which the European Union's LIFE programme funding share is approximately EUR 5.3 million. Betolar's share of the total costs is EUR 3.4 million, of which the funding accounts for EUR 2.1 million. The estimated duration of the project is approximately three and a half years. The funding will be drawn down during the project.

Business Finland granted Betolar a total of EUR 2,700 thousand in funding during financial year 2023 for a research and development project concerning alternative sidestreams. The project was completed in April 2026. The final instalment of the grant, estimated at EUR 548 thousand, will be drawn down during the third quarter.

In 2024, Finnpartnership granted the company EUR 370 thousand in funding for the development of low-carbon precast hollow-core slab production. The project was completed in early 2026, and a grant of EUR 122 thousand corresponding to actual costs incurred was paid during the quarter.

Investments

Investments in tangible and intangible assets totaled EUR 547 thousand in January-June (1-6/2025: EUR 615 thousand). Investments consisted almost exclusively of the capitalization of development expenditure.

Research and Development 1–6/2026

Metal extraction and circular economy cement

Betolar was granted EUR 2.1 million in funding under the EU LIFE-funded MINERVA project. Betolar's role focuses on piloting and producing circular economy cement from tailings and utilizing it to reduce the amount of extractive waste and environmental risks, for example through stabilized dry stacking. Partners include FMG Sokli Oy, Sofi-Filtration Oy and Rina Consulting S.p.A.

In 2025, Betolar received an order from AA Sakatti Oy for the development of metal extraction technology for two tailings from the planned mine. A significant part of the development work took place during 1-6/2026. Process development has utilized thermodynamic modelling and smelting tests at laboratory and pilot scale. The physical and chemical properties of the tailings and materials obtained from smelting tests have been comprehensively mapped.

On 10 February 2026, Betolar signed a letter of intent with the Geological Survey of Finland (GTK) and Australian company EcoGraf Limited regarding the Epanko graphite mine project in Tanzania. Under the letter of intent, the parties have assessed the commercial and technical potential of tailings as part of circular economy-based material solutions.

During the period, Betolar piloted both ferrochrome slag and chromium-bearing tailings metal extraction at a partner's premises. In connection with the technology, a pre-treatment phase has been studied to increase the chromium-to-iron ratio.

Metal extraction product development can be accelerated through thermodynamic modelling, which enables simulation of the metal extraction process before physical laboratory tests are carried out.

Industrial sidestreams and mining industry product applications

During 1-6/2026, Betolar completed customer projects related to rockfill in Australia and Canada, including Mandalay Resources and Canadian Royalties Inc. The projects developed cost-effective low-carbon solutions for mine rockfill.

At the beginning of the period, Betolar also completed a pre-commercial research project with Nordkalk Oy Ab. In the project, Betolar directly supported Nordkalk's 100% material efficiency target by identifying and validating potential commercialization paths for circular calcite.

In 2024, Betolar developed a CEM III-based shotcrete solution. Betolar continued development work focusing on cement-free shotcrete. During the period, Betolar successfully and repeatedly piloted completely cement-free shotcrete in mining conditions.

Betolar developed paste backfill and dry stacking solutions for AA Sakatti Oy at laboratory scale using circular economy cement produced as a by-product of the above-mentioned metal extraction process. The solutions reduce waste generated by the mine and support carbon neutrality targets.

Betolar has studied several industrial sidestreams in Europe, Southeast Asia, Australia and North America. The sidestreams studied have been selected to support ongoing mining and construction industry product application development.

Data platform and ecosystem

Betolar systematically collects data from materials research and laboratory tests, enabling the development of AI tools that streamline research work. AI tools can be used, among other things, to predict the behavior of raw materials and recipes, and an optimization model has been developed for concrete recipe development. During the period, the optimization model was also extended to metal extraction. The evaluations of the optimization algorithm are linked to thermodynamic modelling, accelerating product development compared to laboratory evaluations.

Patent portfolio

Betolar filed four patent applications related to critical infrastructure protection. In addition, Betolar filed three new patent applications related to metal extraction technology, one of which relates to the further processing of titanium-bearing materials using metal extraction technology.

Betolar holds total of 52 patents and in 27 patent families.

Personnel and management

In January-June 2026, Betolar's average number of personnel was 28, compared to 35 in the corresponding period of the previous year.

During the period, Betolar's Management Team consisted of President and CEO Tuija Kalpala, Chief Financial Officer Mikko Wirkkala, General Counsel Soila Söderström, Executive Vice President, Mining and Metals Jyri Talja, and Executive Vice President, Circular Materials Amir Wafin.

After the reporting period, Betolar announced a change in President and CEO. Vibeke Krohn was appointed as the company's new President and CEO and started in the position on 1 August 2026. Tuija Kalpala served as President and CEO until 31 July 2026 and will continue thereafter until the end of 2026 as an advisor to the company's management, focusing particularly on Critical Infrastructure Protection solutions. Soila Söderström also left her position as General Counsel, and her employment ended on 15 July 2026.

In June 2026, the company announced temporary furloughs for part of its personnel on production-related and financial grounds. The temporary furloughs concern an estimated 5-10 employees and are targeted at functions where work has decreased substantially and permanently. The measures have been implemented as part of Betolar's focus on selected strategic growth areas and the simultaneous weakening of demand for low-carbon products.

Governance

The Annual General Meeting of Betolar Plc was held on 18 March 2026. 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.

Betolar Oyj's Extraordinary General Meeting, held on 7 August 2026, resolved to increase the Board from six to seven members and elected Rainer Peltoniemi as a new Board member, with the rest of the Board unchanged and the term running until the 2027 AGM. The meeting authorized the Board to issue up to 6,470,271 new shares (about 30% of shares outstanding), split evenly between a tranche for a further tranche of subordinated convertible notes to Scalewolf Management, UAB (including PIK interest conversion) and a tranche for general corporate purposes such as acquisitions, solvency, and broadening the ownership base. The authorization runs until the 2027 AGM but no later than 30 June 2027, and does not revoke the authorizations granted by the March 2026 AGM. Following the meeting, the Board reorganized itself. Anders Dahlblom continues as a Chair of the Board and committee compositions remained unchanged. The decisions of the Extraordinary General Meeting 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 Nasdaq Helsinki Ltd's First North Growth Market Finland marketplace (ticker: BETOLAR), and the company's share is also traded in the United States on the OTCQX International marketplace (ticker: BTLRF).

At the end of June 2026, Betolar's share capital was EUR 80,000 (80,000). The number of outstanding shares on 30 June 2026 was 21,567,570 (30 June 2025: 21,567,570). The average number of shares during the first half of 2026 was 21,567,570 (1-6/2025: 21,567,570). At the end of the reporting period, the company and its subsidiaries held no treasury shares.

Under the terms of the EUR 3.0 million convertible hybrid bond issued in June 2026, bondholders have the right, but not the obligation, to convert the bonds into new shares of the Company at an original conversion price of EUR 2.10 per share. If all bonds were converted into shares, up to 1,428,571 new shares would be issued, representing approximately 6.2 percent of all the Company's shares immediately following such conversion

Option schemes

No new options were granted during the first half of 2026. Betolar's share-based incentive and retention schemes are described in more detail in the company's annual financial statements.

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.

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. Further processing may require environmental permits, the processing times of which are often lengthy.

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 2026 on Wednesday 28 October 2026.

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

Betolar Plc Financial Statements 1–6/2026

CONSOLIDATED INCOME STATEMENT
EUR thousand

EUR	1–6/2026	1–6/2025	1–12/2025
REVENUE	902	417	946
Other operating income	348	640	1,414
Materials and services	-455	-109	-222
Personnel expenses	-1,480	-1,947	-3,522
Depreciation, amortization, and impairment	-909	-1,001	-2,130
Other operating expenses	-1,407	-1,123	-2,325
Operating profit (loss)	**-3,001**	**-3,123**	**-5,840**
Financial income and expenses	-110	51	-93
EARNINGS BEFORE INTEREST AND TAXES	**-3,110**	**-3,072**	**-5,932**
PROFIT FOR THE FINANCIAL PERIOD	**-3,136**	**-3,039**	**-6,085**
Earnings per share, basic			
EUR	**-0.15**	**-0.14**	**-0.28**

CONSOLIDATED BALANCE SHEET

EUR thousand	30 June 2026	30 June 2025	31 December 2025
ASSETS			
Non-current assets			
Development expenses	2,874	3,542	3,072
Property, plant and equipment	892	999	938
Right-of-use assets	295	127	240
Other non-current receivables	56	192	87
Deferred tax assets	2	164	1
Non-current assets, total	**4,119**	**5,024**	**4,339**
Current assets			
Inventories	320	0	335
Trade receivables	270	225	241
Other receivables	113	54	103
Accrued income and prepaid expenses	1,563	589	431
Investments	3,561	8,047	5,513
Cash and cash equivalents	2,358	677	1,202
Current assets, total	**8,185**	**9,592**	**7,824**
Total assets	**12,304**	**14,616**	**12,164**

SHAREHOLDERS' EQUITY AND LIABILITIES

EUR thousand	30 June 2026	30 June 2025	31 December 2025
Equity			
Share capital	80	80	80
Invested unrestricted equity reserve	47,359	47,359	47,359
Translation differences	-2	0	-3
Retained earnings	-45,085	-39,236	-39,138
Profit for the financial period	-3,136	-3,039	-6,085
Equity attributable to owners of the parent	**-784**	**5,164**	**2,214**
Convertible Hybrid Bond	2,852		
Total equity	**2,068**	**5,164**	**2,214**
Non-current liabilities			
Capital loans	8,265	7,822	8,247
Loans from financial institutions	1	2	1
Government loans	94	187	198
Lease liabilities	105	39	124
Deferred tax liabilities	49	0	23
Non-current liabilities, total	**8,514**	**8,050**	**8,593**
Current liabilities			
Loans from financial institutions	1	4	3
Government loans	112	112	112
Lease liabilities	199	100	121
Accounts payable	406	137	183
Other payable	92	123	83
Accruals and deferred income	912	927	854
Current liabilities, total	**1,722**	**1,402**	**1,357**
Total liabilities	**10,236**	**9,453**	**9,950**
Shareholders' equity and liabilities, total	**12,304**	**14,616**	**12,164**

CONSOLIDATED CASH FLOW STATEMENT

EUR thousand	1–6/2026	1–6/2025	1–12/2025
Cash flow from operating activities			
Profit for the financial period	-3,136	-3,039	-6,085
Adjustments:			
Depreciation, amortization and impairment	909	1,001	2,130
Net financial income and expenses	-110	-51	93
Share-based payments	137	61	209
Other adjustments	297	-49	19
Income taxes	26	-33	152
Cash flow before change in working capital	**-1,877**	**-2,111**	**-3,482**
Working capital change:			
Change in account payable and other payables	-293	32	-34
Change in Inventories	15	0	-335
Change in trade receivables and other receivables	-157	-129	-2
Cash flow from operating activities before financing items and taxes	**-2,313**	**-2,209**	**-3,854**
Interest paid and payments from other financial expenses	14	7	10
Net cash flow from operating activities (A)	**-2,300**	**-2,202**	**-3,844**
Cash flow from investing activities			
Investing in tangible and intangible assets	-547	-602	-1,130
Investing in other investments	0	0	-3,500
Proceeds from disposal of other investments	2,200	-900	5,367
Return of lease deposit	31	0	0
Net cash flow from investing activities (B)	**1,684**	**-1,502**	**737**
Cash flow from financing activities			
Long-term loan disbursements	2,000	2,500	2,500
Repayment of short-term loans	-114	-114	-116
Repayment of lease liabilities	-115	-93	-163
Net cash flow from financing activities (C)	**1,771**	**2,293**	**2,221**
Change in cash and cash equivalents (A + B + C) increase (+) / decrease (–)	**1 155**	**-1 411**	**-886**
Cash and cash equivalents at the beginning of the period	1,202	2,088	2,088
Cash and cash equivalents at the end of the period	2,358	677	1,202
Change	**1,155**	**-1,411**	**-886**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to owners of the parent							
1–6/2025 EUR thousand	**Share-capital**	**Invested unrestricted equity reserve**	**Share issues**	**Treasury shares**	**Translation differences**	**Retained earnings**	**Hybrid Bond**	**Total equity**
Shareholders' equity 1 Jan 2025	**80**	**47,359**	**0**	**0**	**-3**	**-45,222**	**0**	**2,214**
Comprehensive income								
Profit (loss) for the financial period	0	0	0	0	0	-3,136	0	-3,136
Other comprehensive income differences							0	
Translation differences	0	0	0	0	1	0	0	1
Comprehensive income (loss) for the period, total	**0**	**0**	**0**	**0**	**1**	**-3,136**	**0**	**-3,135**
Transaction with owners								
Issues less transaction costs	0	0	0	0	0	0	0	0
Registration of shares	0	0	0	0	0	0	0	0
Cancellation of treasury shares	0	0	0	0	0	0	0	0
Share-based payments	0	0	0	0	0	137	0	137
Other adjustments	0	0	0	0	0	0	2,852	2,852
Total transaction with owners	**0**	**0**	**0**	**0**	**0**	**137**	**2,852**	**2,989**
Shareholders' equity 30 June 2025	**80**	**47,359**	**0**	**0**	**-2**	**-48,221**	**2,852**	**2,068**

1–6/2025 EUR thousand	Equity attributable to owners of the parent Share-capital	Invested unrestricted equity reserve	Share issues	Treasury shares	Translation differences	Retained earnings	Total equity
Shareholders' equity 1 Jan 2024	**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 2024	**80**	**47,359**	**0**	**0**	**0**	**-42,275**	**5,164**

1–12/2025 EUR thousand	Equity attributable to owners of the parent Share-capital	Invested unrestricted equity reserve	Share issues	Treasury shares	Translation differences	Retained earnings	Total equity
Shareholders' equity 1 Jan 2024	80	47,359	0	0	7	-39,297	8,149
Comprehensive income							
Profit (loss) for the financial period	0	0	0	0	0	-6,085	-6,085
Other comprehensive income differences							
Translation differences	0	0	0	0	-10	0	-10
Comprehensive income (loss) for the period, total	0	0	0	0	-10	-6,085	-6,095
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	209	209
Other adjustments	0	0	0	0	0	-49	-49
Total transaction with owners	0	0	0	0	0	160	160
Shareholders' equity 31 December 2024	80	47,359	0	0	-3	-45,222	2,214

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 2026 have been prepared in accordance with the International Financial Reporting Standards (IFRS) and International Committee (IFRIC) in force on 30 June 2026.

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 2026**	**30 June 2025**	**31 December 2025**
Income statement	**Group**	**Group**	**Group**
Purchased services	79	76	158

EUR thousand	**30 June 2026**	**30 June 2025**	**31 December 2025**
Balance sheet	**Group**	**Group**	**Group**
Accounts payable	11	11	14

Management salaries and remunerations:

EUR thousand	**30 June 2026**	**30 June 2025**	**31 December 2025**
	Group	**Group**	**Group**
Remuneration to the members of the Board of Directors			
Chair	23	32	41
Other members of the Board	51	50	111
Board of Directors' fees, total	**74**	**81**	**152**

EUR thousand	**30 June 2026**	**30 June 2025**	**31 December 2025**
	Group	**Group**	**Group**
CEO			
Salaries and remuneration	125	135	254
Pension expenses	21	24	44
Indirect employee costs	4	4	8
Total	**150**	**162**	**306**

Other Management team			
Salaries and remuneration	325	263	517
Pension expenses	56	46	90
Indirect employee costs	9	7	17
Total	**390**	**315**	**624**

During the financial periods 2026 and 2025, management has been granted options (pcs) as follows:

	1-6/2026	1-6/2025	1-12/2025
	Group	Group	Group
Members of the Board of Directors	0	0	0
CEO	0	200,000	200,000
Other members of the Management Team	0	270,000	320,000
Total	**0**	**470,000**	**520,000**

APPENDIX

Calculation formulas for certain financial indicators and operative indicators.

Measure	Definition	Purpose of use
Gross margin	Revenue – 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.