

# Nordic Iron Ore resolves on a rights issue of MSEK 20 and moves forward the publication of the Q3 interim report

FRIDAY NOVEMBER 8<sup>TH</sup>, 2019 18:00 CET

*The Board of Directors of Nordic Iron Ore AB ("Nordic Iron Ore " or "the Company") has resolved on a rights issue with preferential right for the Company's existing shareholders of up to 7,991,277 new shares (the "Rights Issue"), which at full subscription will raise approximately MSEK 20,0 before transactions costs. Additionally, the Board of Directors may resolve on an over-allotment issue of up to 5,0 MSEK (the "Over-allotment Issue"). The subscription price in the Rights Issue and Over-allotment Issue is SEK 2.50 per share. The Company has received subscription commitments and underwriting commitments of MSEK 20.0 in total, corresponding to 100 percent of the Rights Issue. The Rights Issue will provide capital for preparations for mining activities and give the Company sufficient time for negotiation of required financing agreements. By reason of the Rights Issue, the Company will also move forward the publication of the interim report for the third quarter to November 15th, 2019.*

## Summary of the Rights Issue

- Rights issue of up to 7,991,277 shares which, at full subscription, will raise approximately MSEK 20.0 before transaction costs.
- The Board of Directors may, if the Rights Issue is over-subscribed, resolve on an issuance of up to 2,000,000 additional shares in the Over-allotment Issue, which would provide the Company with additional proceeds of up to MSEK 5.0.
- Each existing share held on the record date November 15<sup>th</sup> 2019, will entitle to one (1) subscription right. Five (5) subscription rights entitle to subscription of two (2) new shares at a subscription price of SEK 2.50 SEK per share.
- The subscription period in the Rights issue is November 19<sup>th</sup> to December 9<sup>th</sup>, 2019.
- The Company has received subscription commitments from existing shareholders of approximately MSEK 11.2 in total, corresponding to approximately 56 per cent of the Rights Issue, and underwriting commitments of approximately MSEK 8.8 in total, corresponding to 44 per cent of the Rights Issue.

## Background and reasons

Nordic Iron Ore is a mining company with the ambition to revive and develop the iron ore production of the Ludvika mines, consisting of Blötberget and Håksberg, and to expand the the connecting field Väsmanfältet. The Company has all necessary permits in place for the initial project in Blötberget and will, when the mining starts, be able to produce iron ore of high quality.

During 2019, Nordic Iron Ore has alongside Golder Associates worked with the finalization of the definitive feasibility study (the "DFS") regarding Blötberget. The DFS demonstrates good conditions for profitable mining activities, inter alia with an estimated yearly EBITDA of approximately MSEK 600 at full-scale production. Consequently, the Company has now initiated preparations for production. Besides the production preparations, the Company is conducting a study of Väsmanfältet, which is assumed to have a significantly larger iron ore reserve. Since both Väsmanfältet and Håksberg is nearby Blötberget, there is potential for significant economies of scale and synergies in terms of infrastructure.

The reason for the Rights Issue is to provide Nordic Iron Ore with capital for preparations for mining activities and to give the Company sufficient time for negotiation of required strategic financing agreements. In addition, the Rights Issue will enable the set-off of loans from shareholders, as well as set-off or repayment of external bridge loans, which will strengthen the balance sheet and reduce interest costs.

### **The Rights Issue**

The Board of Directors of Nordic Iron Ore has, by exercise of the authorization provided by the annual general meeting held on May 22<sup>nd</sup>, 2019, resolved on a rights issue with preferential right for the Company's current shareholders of up to 7,991,277 new shares. If fully subscribed, the Rights Issue will provide the Company with approximately MSEK 20.0 before transaction costs. If the Rights Issue is fully subscribed, the Company's share capital will increase with approximately SEK 13,858,746, from approximately SEK 34,646,868 to approximately SEK 48,505,614. The dilution for shareholders who will not participate in the Rights Issue will amount to a maximum of approximately 28.6 percent.

### **Overallotment Issue**

Upon full subscription in the Rights Issue, the Board of Directors may also resolve on a overallotment issue of up to 2,000,000 shares. Resolution on the Overallotment Issue will require that the Rights Issue is oversubscribed and allotment in the Overallotment Issue shall primarily be made to those who have subscribed for shares in the Rights Issue by exercise of subscription rights and who have also subscribed for shares without exercise of subscription rights and, if such shareholders cannot not be granted full allotment within the limit of the Rights Issue, allotment shall be made in proportion to the number of shares subscribed by exercise of subscription rights and, to the extent this is not possible, by the drawing lots. At second hand, allotment shall be granted to others who have subscribed for shares in the Rights Issue without exercise of subscription rights and, if full allotment cannot be granted to such subscribers within the limit of the Overallotment Issue, allotment shall be made in proportion to the number of shares each subscriber has subscribed for and, to the extent this cannot be done, by the drawing lots. The subscription price and other terms for the Overallotment Issue will correspond to the terms of the Rights Issue. If the Overallotment Issue is exercised in full, the Company will receive additional proceeds of MSEK 5.0 before transactions costs. The dilution for shareholders who do not participate in the Rights Issue or the Overallotment Issue will, if the Overallotment Issue is fully subscribed, amount to approximately 33.3 per cent.

### **Subscription and underwriting commitments**

The Company has received subscription commitments from existing shareholders of approximately MSEK 11.2 in total, corresponding to approximately 56 per cent of the Rights Issue, and underwriting commitments of MSEK 8.8 in total, corresponding to 44 per cent of the Rights Issue. In total, 100 per cent of the Rights Issue is covered by subscription and underwriting commitments.

The subscription commitments have been provided by the Company's shareholders Bengtssons Tidnings AB ("BTAB"), Ludvika Holding AB ("LHAB"), Skålpussen AB, Kopparinvest AB, Emil Nilsson, Jonas Bengtsson and Anders Bengtsson. BTAB is represented on the Board of Directors by ordinary member Jonas Bengtsson and LHAB is represented by the Chairman of the Board of Directors, Tomas Olofsson. The subscription undertakings from BTAB and LHAB will be partially fulfilled by the set-off of loans of nominally MSEK 7.0. The underwriting commitments have been provided by four professional investors. Two of the underwriters are also lenders in the bridge loan of nominally MSEK 5.0 which was announced in July 2019 (the "Bridge Loan Lenders" and the "Bridge Loan"). In the event that the Bridge Loan Lenders must fulfil their underwriting commitments and subscribe for shares in the Rights Issue in capacity of underwriters, payment for the shares subscribed will at first hand be made through set-off of the Bridge Loan.

No compensation is paid for subscription commitments. For the underwriting commitments, the underwriters will receive a cash commission of 8 percent of the underwritten amount or, if the underwriters choose to receive payment in the form of shares, 10 percent of the underwritten amount. A subsequent directed set-off issue of shares will be resolved in the event the underwriter chooses to receive underwriting compensation in the form

of shares. The subscription price in such directed off-set issue shall correspond to the volume weighted average price for the Company's share during the subscription period in the Rights Issue.

### **Memorandum**

Nordic Iron Ore will, by reason of the Rights Issue, draw up an investment memorandum, which is expected to be published on November 15, 2019.

### **Preliminary timetable for the Rights Issue**

Last day of trading including the right to receive subscription rights	November 13 <sup>th</sup> , 2019
First day of trading excluding the right to receive subscription rights	November 14 <sup>th</sup> , 2019
Record date for the Rights Issue	November 15 <sup>th</sup> , 2019
Publication of investment memorandum	November 15 <sup>th</sup> , 2019
Trading in subscription rights	November 19 <sup>th</sup> – December 5 <sup>th</sup> , 2019
Trading in BTA	From November 19 <sup>th</sup> , 2019
Subscription period	November 19 <sup>th</sup> – December 9 <sup>th</sup> , 2019
Estimated date for publication of outcome	December 12 <sup>th</sup> , 2019
Settlement date	December 17 <sup>th</sup> , 2019

### **Early publication of the Q3 report**

By reason of the Rights Issue, the Company will move the publication of the interim report for the third quarter of the financial year forward, from November 22<sup>nd</sup> to November 15<sup>th</sup>, 2019.

### **Advisers**

Augment Partners AB is financial advisor and Bird & Bird Advokat KB is legal advisor to the Company in connection to the Rights Issue. Aqurat Fondkommission AB acts as issuing agent.

### **For further information please contact:**

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*This information is such that Nordic Iron Ore AB is required to disclose pursuant to the EU Market Abuse Regulation. The information was provided, by the contact person set out above, for publication on November 8<sup>th</sup>, 2019 at 18:00 CET.*

### **Om Nordic Iron Ore**

*Nordic Iron Ore Group is a mining company with the ambition to revive and develop the iron ore production of Ludvika Mines in Blötberget and Håksberg. The company also intends to expand its mineral resources, and upgrade them to ore reserves, primarily through exploration and other studies of the connecting Väsman field. The Company has all the necessary permits in place for the mine in Blötberget and will be able to produce iron ore of extremely high quality. For more information, see [www.nordicironore.se](http://www.nordicironore.se).*

*Nordic Iron Ore's shares are listed at Nasdaq First North Growth Market. Wildecos is the company's Certified Adviser (info@wildecos.se tel: +46-8-545 271 00).*