

# Q2

Nordic  
**Iron Ore**™

## Interim Report January – June 2022

### Significant events during the second quarter 2022

- The company's application for accessing up to 20 MW of power was finally approved by Svenska Kraftnät.
- The move of a 50 kV line for the power was completed.
- The company employed a new CEO, who took up the position on July 25, 2022.
- The company received a short-term loan of SEK 5 million

### Second quarter, 1 April – 30 June 2022

- Income amounted to SEK 0 million (0)
- Earnings after tax amounted to SEK –3.2 million (–2.2)
- Investments in the period April–June totalled SEK 2.0 million (0.6)
- Basic earnings per share were SEK –0.09 (–0.07)

### Interim period, 1 January – 30 June 2022

- Income amounted to SEK 0 million (0)
- Earnings after tax amounted to SEK –4.9 million (–4.9)
- Investments in the period January–June totalled SEK 4.3 million (2.6)
- Basic earnings per share were SEK -0.13 (–0.15)
- Cash and cash equivalents on 30 June 2022 amounted to SEK 4.3 million (5.4)

### Significant events after the end of the period

- Outstanding loans of SEK 15.5 million have been extended to the end of the year.

### Key ratios (Group)

Amount in SEK	2022 April - June	2021 April - June	2022 Jan - June	2021 Jan - June	2021 Jan - Dec
Equity ratio (%)	87.97%	88.82%	87.97%	88.82%	93.83%
Earnings per share	-0.09	-0.07	-0.13	-0.15	-0.26
Equity per share	4.06	4.43	4.06	4.43	4.19
Quick ratio (%)	27.37%	36.23%	27.37%	36.23%	40.60%
No. of shares	37 135 055	33 582 993	37 135 055	33 582 993	37 135 055
Weighted average no. of shares before dilution	37 135 055	33 582 993	33 582 993	33 582 993	34 380 990

Nordic Iron Ore AB is a mining development company that aims to resume and develop iron ore production at Ludvika Mines in Blötberget and Håksberg. The Company has all the essential permits in place, which will enable it to produce iron ore of extremely high quality from significant mineral resources.

# Comments from the Chief Executive Officer

## Getting ready to gear up

Close to a month ago I took over as CEO and I have already gotten to know a company that I see has a very good and interesting journey ahead. For me personally, it feels very good at in this point assume the responsibility and increase the pace of development. My belief is that with my education and experience from the mining and metals industry, combined with previous involvement in start-ups and financing, I am exactly what the company needs for the future.

There is no doubt that Nordic Iron Ore is in a very good position and has great potential. We shall not only increase the domestic supply of iron ore but also produce an iron ore concentrate suitable for direct reduction and for the ongoing green transformation of the iron and steel industry. In addition, the mineralization is of high quality and can be of significant volume, and SGU has also declared the mineral deposit to be of national interest. All in all, this means that I see ahead of me a long-term prosperous mining operation and production of iron ore products that I will build up.

The initial phase is to resume mining in Blötberget and sign an offtake agreement for a significant amount of iron ore concentrate so that the business is secured and can be the foundation for future development phases. This work has been initiated and more recently led by my predecessor, Lennart Eliasson. I would like to give a big thank you to Lennart for his efforts and commitment.

The second quarter was largely characterized by Cargill's technical review (due diligence) regarding the next phase in the development of the collaboration with Nordic Iron Ore. The review that Cargill commissioned was more thorough and extensive than expected, but the final result was positive. I believe that the extended time required for the review should be seen as an investment for the future. The financiers who are to provide the large project financing will want to do a very comprehensive review of the company and it is then good to be prepared.

During the period, we received positive information from Svenska Kraftnät, an information that means we can withdraw up to 20 MW for the upcoming mining operation. Securing electricity is an important milestone and cannot be taken for granted in the current energy market.

Furthermore, a new EU-funded research project has started with seismic measurements around Blötberget and we expect that the results will reinforce and expand the very interesting indications that previous projects have shown.

When the re-establishment of Blötberget is completed, the operation will produce approximately 1,600,000 tonnes of iron ore concentrate per year with an average iron content close to 69%, one of the highest on the market. We are getting strong signals that such a product, characterized by its high quality, magnetite content and low concentration of harmful elements, will be well received by the steel industry. The reason is that this will be very suitable for reducing the CO<sub>2</sub> intensity of steelmaking.

We are now in an intensive period of contract negotiations for supplies, the investment and the wider strategic partnership with Cargill. The goal is to complete the transaction as quickly as possible. The possible investment from Cargill of SEK 50 million, as part of a wider capital raising of at least SEK 100 million, will facilitate the next phase in the development of Blötberget.

Work on our plans has progressed so that we can take the project to the next level. We have intensified our discussions with potential suppliers for engineering and construction services as well as suppliers of electrical, process and mining equipment. I have started the work on building Nordic Iron Ore's new organizational structure and securing a highly competent management team for the continued development. And it is already now clear to me that there are - just like me - many who are interested in being part of the journey that Nordic Iron Ore is about to embark.

**Ronne Hamerslag**  
*Chief Executive Officer*  
*Nordic Iron Ore AB (publ)*

# Operations

## Significant events during the period

### Optimisation study

Svenska Kraftnät gave final approval to the network owner that the power take-off, up to 20 MW, requested by the company can be permitted.

The move of the 50 kV line for the power was completed.

Ronne Hamerslag was employed as new Chief Executive Officer, taking office on July 25, 2022.

A new research project began seismic measurements around Blötberget. The work takes place under the leadership of, among others, Uppsala University. The project is financed with national research support via the ERA-NET Cofund on Raw Materials (ERA-MIN3), a network for organizations that financially support research in Europe.

Cargill completed a technical due diligence of the company and the final contract negotiations for both the offtake, investment and the wider strategic partnership was intensified.

### Financing

During the period, the existing loan facility was extended with a short-term loan of SEK 5m with the same terms as outstanding loans. The facility is fully utilized at the end of the period.

### Annual general meeting

The annual general meeting of shareholders was held in Ludvika on the 30th of June. The meeting decided to authorize the board to make decisions on the issue of shares, warrants and/or convertibles with or without deviation from the shareholders' pre-emptive rights, whereby the share capital and the number of shares in the Company upon issue, exchange and/or conversion must be able to be increased by such amount and number as fits within the limits of the articles of association at the time of the current issue.

Due to the ongoing negotiations with Cargill, especially on the possible investment and strategic partnership, the AGM also decided to postpone the election of board members to a continued AGM.

## Share and ownership structure

At the end of the period the share capital amounted to SEK 64 400 883 divided between 37 135 055 shares with a quota value of SEK 1.734 per share. The number of shareholders totalled 8 065.

## Financial position

On the balance sheet date, the Group had a liquidity of SEK 4.3 million. The equity/assets ratio was 87.97%. The Group's equity amounted to SEK 150.7 million, corresponding to SEK 4.06 per share.

## Investments

During the period January – June investments totalled MSEK 4.3. The entire amount relates to prospecting resources and investigation work for the planned resumption of mining operations in Blötberget.

## Employees

On average, two people were employed by the Company during the period and four were engaged part time on a consultancy basis.

## Financial calendar

Interim report January – September 2022: 18 November 2022  
Year-end report for the 2022 financial year: February 2023  
AGM: May 2023

## Risks and uncertainties

In addition to risks associated with future global market prices for iron ore products that affect the profitability of the project, as well as the technical risks, the possibilities of starting up operations depend on the requisite permits from authorities being obtained and the extensive capital requirements being met. There have been no significant changes to alter this description.

## Significant events after the end of the period

Outstanding loans of SEK 15.5 million have been extended to the end of the year.

## Annual report and financial reports

The Company's press releases and financial reports are distributed via Cisionwire and are available at [www.nordicironore.se](http://www.nordicironore.se).

# Operations

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Stockholm, 18, August 2022

The Board of Nordic Iron Ore AB (publ), corporate identity no. 556756-0940

Jonas Bengtsson

Gösta Bergman

Timo Lindberg

Tomas Olofsson  
Chairman

Ronne Hamerslag  
CEO

This report has not been reviewed by the auditors.

Technical source material has been reviewed by the Company's qualified persons, Hans Thorshag and Paul Marsden. Hans Thorshag is a qualified person under FRB standards and Paul Marsden as defined in the internationally recognized JORC Code, based on his training and experience in exploration, project development, mineral process engineering and membership of the IMMM.

For further information, please contact:

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# Consolidated statement of comprehensive income - summary

Amounts in TSEK	Note	2022	2021	2022	2021	2021
		April - June	April - June	Jan - June	Jan - June	Jan - Dec
Net revenue		0	0	0	0	0
Other operating income		0	121	0	121	120
<b>Total operating income</b>		<b>0</b>	<b>121</b>	<b>0</b>	<b>121</b>	<b>120</b>
Other external costs		-2 243	-1 190	-3 520	-2 830	-4 565
Personnel expenses		-172	-851	-340	-1 672	-3 375
Depreciation/amortization and impairment of property, plant and equipment and intangible assets		-635	-106	-677	-211	-422
<b>Operation profit/loss</b>		<b>-3 050</b>	<b>-2 026</b>	<b>-4 537</b>	<b>-4 592</b>	<b>-8 242</b>
Financial income		0	0	0	2	5
Financial expenses		-198	-145	-316	-313	-601
Net financial income/expense		-198	-145	-316	-311	-596
Profit/loss after financial income and expense		-3 249	-2 170	-4 853	-4 903	-8 838
<b>PROFIT/LOSS FOR THE PERIOD</b>		<b>-3 249</b>	<b>-2 170</b>	<b>-4 853</b>	<b>-4 903</b>	<b>-8 838</b>
OTHER COMPREHENSIVE INCOME		-	-	-	-	-
Total comprehensive income for the period		-3 249	-2 170	-4 853	-4 903	-8 838
Attributable to:						
Parent company shareholders		-3 249	-2 170	-4 853	-4 903	-8 838
<b>TOTAL</b>		<b>-3 249</b>	<b>-2 170</b>	<b>-4 853</b>	<b>-4 903</b>	<b>-8 838</b>
Number of shares						
Number of shares at year-end		37 135 055	33 582 993	37 135 055	33 582 993	37 135 055
Average no. of shares (before dilution)		37 135 055	33 582 993	37 135 055	33 582 993	34 380 990
Average no. of shares (after dilution)		37 135 055	33 582 993	37 135 055	33 582 993	34 380 990
Earnings per share						
Earnings per share, weighted average before dilution, SEK		-0.09	-0.07	-0.13	-0.15	-0.26
Earnings per share, weighted average after dilution, SEK		-0.09	-0.07	-0.13	-0.15	-0.26

# Consolidated statement of financial position - summary

<i>Amounts in TSEK</i>	Note	30/06/2022	30/06/2021	31/12/2021
<b>Assets</b>				
Non-current assets				
Intangible assets		164 291	159 355	160 440
Property, plant and equipment		1 915	2 210	1 999
Financial assets		31	31	31
<b>Current assets</b>				
Other current assets		809	603	489
Cash and cash equivalents		4 260	5 387	2 812
<b>Total assets</b>		<b>171 307</b>	<b>167 585</b>	<b>165 771</b>
<b>Equity and liabilities</b>				
Equity		150 690	148 842	155 543
Non-current liabilities				
		2 097	2 211	2 097
Current liabilities	1	18 520	16 531	8 130
<b>Total Equity and liabilities</b>		<b>171 307</b>	<b>167 585</b>	<b>165 771</b>

## Consolidated statement of change in equity

<i>Amounts in TSEK</i>	Note	Share capital	Other contributed capital	Profit/loss brought forward, incl. profit/loss for the period	Total equity
<b>Opening equity 01/01/2021</b>		<b>58 241</b>	<b>219 819</b>	<b>-124 314</b>	<b>153 745</b>
Comprehensive income for the period				-4 903	-4 903
<b>CLOSING EQUITY 30/6/2021</b>		<b>58 241</b>	<b>219 819</b>	<b>-129 217</b>	<b>148 842</b>
<b>Opening equity 01/01/2021</b>		<b>58 241</b>	<b>219 819</b>	<b>-124 314</b>	<b>153 745</b>
Comprehensive income for the period				-8 838	-8 838
New share issued		6 160	4 496		10 656
Transaction costs			-20		-20
<b>CLOSING EQUITY 31/12/2022</b>		<b>64 401</b>	<b>224 295</b>	<b>-133 153</b>	<b>155 543</b>
<b>Opening equity 01/01/2022</b>		<b>64 401</b>	<b>224 295</b>	<b>-133 153</b>	<b>155 543</b>
Comprehensive income for the period				-4 853	-4 853
<b>CLOSING EQUITY 30/06/2022</b>		<b>64 401</b>	<b>224 295</b>	<b>-138 006</b>	<b>150 690</b>

## Consolidated cash flow statement - summary

<i>Amounts in TSEK</i>	<i>Note</i>	2022	2021	2022	2021	2021
		<i>April - June</i>	<i>April - June</i>	<i>Jan - June</i>	<i>Jan - June</i>	<i>Jan - Dec</i>
<b>Operating activities</b>						
Profit/loss for the period		-3 249	-2 170	-4 853	-4 903	-8 838
Adjustments for items not included in the cash flow		545	-9	506	-2	-26
<b>Cash flow from operating activities before changes in working capital</b>		<b>-2 704</b>	<b>-2 179</b>	<b>-4 347</b>	<b>-4 905</b>	<b>-8 864</b>
<b>Cash flow from changes in working capital</b>						
Cash flow from changes in working capital		695	49	-434	-62	51
Change in operating liabilities		-2 397	33	310	1 165	-292
<b>Cash flow from operating activities</b>		<b>-4 406</b>	<b>-2 098</b>	<b>-4 471</b>	<b>-3 803</b>	<b>-9 105</b>
<b>Cash flow from investment activities</b>		<b>-2 026</b>	<b>-605</b>	<b>-4 331</b>	<b>-1 006</b>	<b>-3 528</b>
<b>Cash flow from financing activities</b>		<b>5 000</b>	<b>0</b>	<b>10 250</b>	<b>5 000</b>	<b>10 250</b>
Cash flow for the year		-1 433	-2 703	1 448	192	-2 383
Opening cash and cash equivalents		5 693	8 090	2 812	5 195	5 195
<b>CLOSING CASH AND CASH EQUIVALENTS</b>		<b>4 260</b>	<b>5 387</b>	<b>4 260</b>	<b>5 387</b>	<b>2 812</b>



## Parent Company Income statement - summary

		2022	2021	2022	2021	2021
<i>Amounts in TSEK</i>	<i>Note</i>	<i>April - June</i>	<i>April - June</i>	<i>Jan - June</i>	<i>Jan - June</i>	<i>Jan - Dec</i>
Net revenue		0	0	0	0	0
Other operating income		0	121	0	121	120
<b>Total operating income</b>		<b>0</b>	<b>121</b>	<b>0</b>	<b>121</b>	<b>120</b>
Other external costs		-2 298	-1 315	-3 632	-3 081	-5 066
Personnel expenses		-172	-851	-340	-1 672	-3 375
Depreciation of property, plant and equipment and intangible fixed assets		-594	0	-594	0	-
<b>Operating profit/loss</b>		<b>-3 064</b>	<b>-2 045</b>	<b>-4 565</b>	<b>-4 632</b>	<b>-8 321</b>
		0	0	0	0	5
Interest expense and similar profit/loss items		-233	-134	-376	-273	-548
<b>PROFIT/LOSS FOR THE PERIOD</b>		<b>-3 297</b>	<b>-2 179</b>	<b>-4 941</b>	<b>-4 905</b>	<b>-8 865</b>
<b>PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME</b>						
Other comprehensive income		-	-	-	-	-
<b>Total comprehensive income for the period</b>		<b>-3 297</b>	<b>-2 179</b>	<b>-4 941</b>	<b>-4 905</b>	<b>-8 865</b>
<b>Attributable to:</b>						
Parent Company shareholders		-3 297	-2 179	-4 941	-4 905	-8 865
<b>Total</b>		<b>-3 297</b>	<b>-2 179</b>	<b>-4 941</b>	<b>-4 905</b>	<b>-8 865</b>

## Parent Company Balance sheet - summary

<i>Amounts in TSEK</i>	<i>Note</i>	<i>30/06/2022</i>	<i>30/06/2021</i>	<i>31/12/2021</i>
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets		163 822	159 044	160 086
Property, plant and equipment		-	-	-
Financial assets		31	31	31
Shares in subsidiaries		50	50	50
<b>Currens assets</b>				
Other current assets		809	603	489
Cash and cash equivalents		4 217	5 344	2 769
<b>Total assets</b>		<b>168 929</b>	<b>165 071</b>	<b>163 425</b>
<b>Equity and liabilities</b>				
Equity		150 468	148 731	155 409
<b>Non-current liabilities</b>				
		-	-	-
Current liabilities		18 462	16 340	8 016
<b>Total Equity and liabilities</b>		<b>168 929</b>	<b>165 071</b>	<b>163 425</b>

# Accounting policies

## The Group

This interim report was prepared in accordance with IAS 34 Interim Financial Statements and in accordance with RFR 1 of the Swedish Financial Reporting Board and, for the Parent Company, RFR 2. The same accounting policies and calculation methods are applied as in the last interim report. For a detailed description of the accounting policies applied for the Group and the Parent Company in this interim, see the annual report of 2021.

# Notes to the Financial Statements

## Note 1 Related parties

The following are considered to be related parties: Subsidiaries included in the Group; members of the Company's board; senior executives in the Group and close family members of such persons. Nordic Iron Ores had no debts to related parties per June 30, 2022.

## Note 2 Key ratios (Group)

<b>Amount in SEK</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
	<b>April - June</b>	<b>April - June</b>	<b>Jan - June</b>	<b>Jan - June</b>	<b>Jan - Dec</b>
Equity ratio (%)	87.97%	88.82%	87.97%	88.82%	93.83%
Earnings per share	-0.09	-0.07	-0.13	-0.15	-0.26
Equity per share	4.06	4.43	4.06	4.43	4.19
Quick ratio (%)	27.37%	36.23%	27.37%	36.23%	40.60%
No. of shares	37 135 055	33 582 993	37 135 055	33 582 993	37 135 055
Weighted average no. of shares before dilution	37 135 055	33 582 993	33 582 993	33 582 993	34 380 990
Weighted average no. of shares after dilution	37 135 055	33 582 993	33 582 993	33 582 993	34 380 990

### Key ratio definitions

*Equity/assets ratio:*

*Equity as a per cent of the balance total.*

*Earnings per share:*

*profit/loss after tax in relation to the weighted average number of shares.*

*Equity per share:*

*Equity in relation to the number of shares on the balance sheet date.*

*Quick ratio:*

*Current assets excluding stock in relation to current liabilities.*

This press release contains information that Nordic Iron Ore AB (publ) is required to disclose under the EU Market Abuse Regulation. The information was publicised by a press release on the 18 August 2022 at 15.00.

Nordic Iron Ore's shares and warrants are listed at Nasdaq First North Stockholm. Wildecos is the company's Certified Adviser at Nasdaq First North.