GRANGEX announces proposed financial restructuring with Orion and Anglo American

GRANGEX AB (publ) ("Grangex" or "the Company") is pleased to announce that it has entered into a non-binding term sheet with OMF Fund II H Ltd ("Orion") for a comprehensive restructuring of Orion's existing financial claims relating to the Sydvaranger mine in Kirkenes, Northern Norway (the "Sydvaranger Mine"), subject to satisfaction of certain conditions.

The Company is also pleased to announce that it has entered into a non-binding term sheet with Anglo American Marketing Limited ("Anglo American") under which, subject to completion of the proposed restructuring and the satisfaction of the applicable conditions, Anglo American has agreed to suspend the accrual of further interest under its existing financial obligations through to 31 December 2027, or completion of the financing required to fund the Sydvaranger Mine to project completion, whichever occurs first.

In addition, Anglo American has agreed that, at a Final Investment Decision ("FID") for Sydvaranger, it will waive any accrued interest on the US$37 million of royalty financing provided to Sydvaranger. As previously announced, the US$37 million principal amount will convert into an exclusive 100% life-of-mine offtake agreement.

Together, these arrangements represent a significant step towards strengthening Grangex's financial position, materially reducing the funding required to reach FID and providing greater flexibility to complete the financing required for the restart of operations.

Highlights include:

- Proposed restructuring of approximately US$56 million of existing Orion financial obligations through the conversion of the Orion loan into a gross revenue royalty arrangement, eliminating the requirement to repay the existing Orion loan in cash at FID, subject to completion of the restructuring, and other customary conditions.
- If converted, the proposed Orion royalty will comprise 2.0% of gross revenues from the Sydvaranger Mine during its remaining defined life of mine, replacing the existing loan repayment structure with a revenue-linked obligation.
- Anglo American has offered, subject to completion of the proposed restructuring and the satisfaction of the applicable conditions, to suspend the accrual of further interest on existing financial obligations until 31 December 2027, or completion of the financing required to fund the Sydvaranger Mine to project completion, whichever occurs first, providing additional financial flexibility.
- At FID, Anglo American will also waive any accrued interest on the US$37 million of royalty financing provided to Sydvaranger. As previously announced, the US$37 million will convert into an exclusive 100% life-of-mine offtake agreement, without any principal repayment, removing this financing from the funding required at FID.

- The proposed restructuring is conditional upon Grangex securing additional funding for working capital purposes until end of 2027, together with other customary conditions precedent, including an agreement with Exelity regarding an extension of its existing financing, intercreditor revisions with Anglo American, the Anglo American standstill and the execution of definitive documentation.
- Grangex has already retained financial advisers to evaluate and pursue the required additional funding, which may comprise debt financing, equity financing, a rights issue or a combination of these alternatives. No decision has yet been made regarding the structure or terms of such financing.
- Orion has agreed to extend the maturity date of the existing Orion loan from 30 November 2026 to (i) December 16, 2026 (conditioned to Anglo American's waiver of existing intercreditor standstill periods) and (ii) further to 31 January 2027 (conditioned to the final documentation of the restructuring closing on or prior to December 16, 2026), to enable completion of the restructuring and the associated fundraising.
- The combined arrangements are expected to materially reduce the overall financing requirement associated with restarting Sydvaranger, by removing substantial existing financial repayment obligations from the funding required at FID.

Proposed restructuring of Orion's financial obligations

As previously announced, Grangex assumed an existing US$22.5 million loan from Orion and a deferred consideration of US$13.0 million to be paid at FID in connection with its acquisition of Sydvaranger Mining AS in May 2024.

Under the terms of the non-binding restructuring term sheet dated 18 November 2026, Orion has agreed in principle to convert its existing loan exposure into a life-of-mine gross revenue royalty arrangement.

As at 17 November 2026, the obligations covered by the proposed restructuring comprised approximately US$38.8 million under the existing Orion loan, including accrued interest, together with approximately US$17.1 million of deferred consideration and accrued interest, representing an aggregate amount of approximately US$55.9 million.

The proposed restructuring will convert the Orion loan, the deferred consideration and accrued interest into a royalty, comprising 2.0% of gross revenues from the Sydvaranger Mine during its remaining defined life of mine. Following expiry of the defined life of mine, the royalty will continue at a reduced rate of 0.25% of applicable gross revenues for the remaining operating life of the project.

The royalty will be secured, with its security subordinated to qualifying third-party first-lien project financing, subject to agreed intercreditor arrangements. The proposed arrangements also include limited guarantees and customary protections for Orion.

Upon completion of the restructuring, the existing Orion loan agreement and related guarantee arrangements will be terminated, eliminating the requirement to repay the existing Orion loan in cash as part of the financing required to reach FID.

The proposed restructuring will also provide for the cessation of further interest accrual on amounts owed to Orion, with effect from execution of the term sheet, conditional upon completion of the restructuring.

Material reduction in the funding required for Sydvaranger

The Company considers the proposed restructuring to represent a major improvement to the financing structure of Sydvaranger.

Under the previous arrangements, repayment of the existing Orion loan, including accrued interest, represented a substantial additional funding requirement in connection with FID and the restart of operations.

The proposed conversion of these obligations into a revenue-based royalty will remove this upfront cash repayment requirement, allowing a greater proportion of financing raised to be directed towards development and restart of the Sydvaranger Mine.

This is further supported by Anglo American's agreement to waive, at FID, any accrued interest on its US$37 million royalty financing. As previously announced, the US$37 million principal amount will convert into a life-of-mine offtake agreement rather than being repaid in cash.

While the underlying capital expenditure required to restart mining operations remains unchanged, the restructuring is expected to materially reduce the total funding requirement at FID and improve the project's attractiveness to prospective debt and equity investors.

Anglo American agrees to extend the financial standstill and waive accrued interest

In parallel with the proposed Orion restructuring, Grangex has entered into a non-binding term sheet with its long-term strategic commercial partner, Anglo American, regarding the Company's existing financial obligations.

Under the non-binding term sheet, Anglo American has agreed, subject to completion of the proposed restructuring and the satisfaction of the applicable conditions, to suspend the accrual of further interest under certain existing financial arrangements until 31 December 2027, or completion of the financing required to fund the Sydvaranger Mine to project completion, whichever occurs first.

The standstill provides Grangex with additional financial flexibility and reduces the accumulation of financial liabilities while the Company advances its financing strategy.

Under the final restructuring terms, Anglo American has further agreed that, at FID, it will waive any accrued interest on the US$37 million of royalty financing provided to Sydvaranger. As previously announced in December 2025, at FID and closing of the project financing, the existing US$37 million royalty will be terminated in its entirety, without any principal repayment or future royalty payments, and will convert into an exclusive 100% life-of-mine offtake agreement under which Anglo American will purchase all direct reduction, ultra-high-grade magnetite concentrate produced at the Sydvaranger Mine based on a market price-related formula.

As a result, neither the principal nor the accrued interest on the US$37 million royalty financing will need to be funded at FID, further strengthening Grangex's financial position.

Anglo American has already provided substantial financial support to Grangex and Sydvaranger and remains the Company's strategic offtake partner for the planned production of ultra-high-grade direct reduction magnetite concentrate from the Sydvaranger Mine.

Additional financing and next steps

The proposed restructuring is subject to a number of conditions precedent, including Grangex securing additional funding on terms satisfactory to Orion and Anglo American, such satisfaction not to be unreasonably withheld.

In preparation for this process, Grangex has retained financial advisers to evaluate the most appropriate financing structure for the Company.

The alternatives under consideration include additional debt financing, equity financing, a rights issue or a combination of financing instruments. No final decision has been made regarding the structure, size or terms of any potential financing transaction.

The objective is to secure the capital required to support the Company's ongoing operations, preserve the Sydvaranger assets and provide the financial flexibility necessary to continue advancing the project towards FID.

Completion of the proposed restructuring is also subject to an agreement with Exelity AB (publ) regarding a 12-month extension of its existing loan, the receipt of necessary corporate and other approvals, internal investment committee approvals, and the execution of definitive documentation.

The term sheets are non-binding, except for certain customary provisions, and there can be no assurance that the proposed restructuring or any additional financing will be completed. The Company will provide further updates as the financing and restructuring processes progress.

Comment from the CEO

Christer Lindqvist, Chief Executive Officer of Grangex, comments:

"This is a very important step forward for Grangex and the Sydvaranger project.

Over the past two years, we have worked closely with Orion and Anglo American to establish the commercial and financial foundations necessary to restart Sydvaranger. Both parties have demonstrated considerable support for the project, and I am very pleased that we have now been able to agree a framework for a fundamental improvement to our financial structure.

The proposed conversion of the existing Orion loan into a royalty arrangement is particularly significant. Rather than having to raise additional capital to repay the Orion loan at FID, we will be able to direct that funding towards the actual development of the mine. This materially improves the financing proposition for Sydvaranger.

At the same time, Anglo American's offer to suspend the accrual of further interest until the earlier of completion of the project financing and the end of 2027 provides additional flexibility as we progress the project. Anglo American's agreement to waive accrued interest on the US$37 million royalty financing at FID, with that financing converting into our 100% life-of-mine offtake agreement, is a further material benefit, ensuring that none of it will need to be repaid from the funds we raise.

I would like to thank both Orion and Anglo American for their continued constructive engagement and support. Their willingness to work with us on these arrangements reflects the strong relationships we have established and our shared belief in the long-term potential of Sydvaranger.

We recognise that there is still important work ahead of us. The restructuring remains subject to definitive agreements and a number of conditions, including securing additional funding for Grangex. We have already engaged financial advisers to evaluate the most appropriate financing alternatives and will continue to pursue this process with urgency.

Sydvaranger remains a strategically important project with the potential to become a major supplier of ultra-high-grade iron ore concentrate to the global steel industry. We believe that the proposed arrangements announced today represent a significant step towards establishing the financial structure required to realise that potential."

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About Us

GRANGEX is a Swedish mineral development company focused on responsible mineral extraction and the supply of raw materials for the green transition. The Company's share (short name GRANGX) is traded on Nasdaq First North Premier Growth Market Stockholm, with G&W Fondkommission as Certified Adviser.
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www.grangex.se

Regulatory disclosure

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About Us
GRANGEX is a Swedish mineral development company with the vision to actively contribute to a sustainable society within Europe. The company strives to become the foremost mineral development group in Europe, developing and conducting responsible extraction and recycling of minerals, primarily iron ore products and other critical minerals for the green transition. Through its products, GRANGEX will contribute to a reduced climate impact while minimising its own environmental and climate impact.
The company's share (short name GRANGX) is traded on Nasdaq First North Premier Growth Market Stockholm, with G&W Fondkommission as Certified Adviser.
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For more information www.grangex.se/

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