



**Annual Report 2023**

Nordic  
**Iron Ore**™



**We are  
using modern  
technology to  
restart an  
existing mine  
in a sustainable  
manner.**

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# Nordic Iron Ore



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**N**ordic Iron Ore is a mining company with the ambition to resume mining operations in the Ludvika area in Sweden. The company has all the necessary permits for its initial project in Blötberget and will be able to produce an ultra high-grade iron ore concentrate that is suitable for fossil-free steel production. The company

is also evaluating the possibility of extracting a bi-product concentrate with high levels of phosphorus and rare earth elements. In addition to Blötberget, the company has mining concessions for the Väsman field and Håksberg, which are intended to be put into operation after Blötberget is in production.



The map shows the company's exploration permits and mining concessions in Blötberget, Väsman field and Håksberg.

# Year in brief

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## Q1

Jan-Mar

- Nordic Iron Ore entered an engineering agreement with VB Elnät to determine required measures in order to enable connection to the electric grid.
- During the quarter, the short term credit facility was extended by SEK 3 million to a total of SEK 21.5 million and prolonged until September 30, 2023. The credit facility has been entered with the company's major owners Bengtssons Tidnings AB, Ludvika Holding AB and Kopparinvest AB as well as a previous Board member.

## Q2

Apr-Jun

- Exploration activities showed promising results with high grades of rare earth elements within and in close proximity of the iron ore at the Blötberget mine. The total rare earth elements grade amounts to a maximum of 6,574 ppm (0.66 percent).
- During the quarter, the short term credit facility was extended by SEK 3 million to a total of SEK 24.5 million and prolonged until November 15, 2023. The credit facility has been entered with the company's major owners Bengtssons Tidnings AB, Ludvika Holding AB and Kopparinvest AB as well as a previous Board member.

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# History

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## 2008 2011 2014 2016 2017 2018

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Nordic Iron Ore is founded and gains 12 exploration permits in the area around Ludvika, Dalarna.

The company's applications for mining concessions at Blötberget and Håksberg are approved.

The company's application for an environmental permit is approved.

Pilot study with enrichment samples show positive results.

The company's application for mining concessions at Väsman field is approved.

Nordic Iron Ore is listed on Nasdaq First North Growth Market.

# Q3

## Jul-Sep

- Nordic Iron Ore and Cargill Metals entered into an agreement whereby Cargill undertakes to buy 25 million tons of ultra high-grade iron ore concentrate from the Blötberget mine in Dalarna, Sweden. In addition to the offtake agreement, the collaboration includes conditional funding commitments from Cargill Metals of SEK 307 million. The offtake agreement is estimated to generate SEK 35 billion in total revenues during an estimated production period of at least 15 years.
- During the quarter, the short term credit facility was extended by SEK 1.5 million to a total of SEK 26.0 million and prolonged until December 31, 2023. The credit facility has been entered with the company's major owners Bengtssons Tidnings AB, Ludvika Holding AB and Kopparinvest AB, as well as Nordic Iron Ores CEO Ronne Hamerslag and a previous Board member.

# Q4

## Oct-Dec

- Nordic Iron Ore is a partner to the research center "Smart Exploration Research". The research center has been granted SEK 60 million by the Swedish Foundation for Strategic Research and is a multidisciplinary center that will do research on exploration and refinement of metals and minerals. The research is led by Uppsala University and is important for the ongoing energy transition and society's adjustment to the climate.
- Nordic Iron Ore followed up on the earlier exploration of rare earth elements (REE) with additional testing at Blötberget. This testing shows even more promising results and the total share of REE amounts to 15,285 ppm (1.53 percent) at the most.
- Nordic Iron Ore AB made an application to Bergsstaten for an additional exploration permit in the proximity of Blötberget. The reason for the application is that initial exploration has given signals that the area is very interesting for expanded exploration.
- During the quarter, the short term credit facility was extended by SEK 6 million to a total of SEK 32.0 million and prolonged until February 28, 2024. The credit facility has been entered with the company's major owners Bengtssons Tidnings AB, Ludvika Holding AB and Kopparinvest AB, Ronne Hamerslag, CEO of Nordic Iron Ore, a previous Board member as well as a group of investors.

## 2019

Golder Associates reported its feasibility study for Blötberget.

## 2020

Optimization study shows that Blötberget has strong commercial potential.

## 2021

Collaboration agreements are entered with Epiroc and ABB. Veidekke Sweden is engaged to develop the ramp between the mine and the enrichment plant.

## 2021

Ronne Hamerslag is appointed as the company's new CEO and the company secures necessary power supply to the area.

## 2023

After lengthy negotiations, Nordic Iron Ore enters a collaboration and financing agreement with Cargill Metals. The agreement means that Cargill Metals acquires 25 million tons of the company's future production of ultra high-grade iron ore concentrate, valued at SEK 35 billion at the time of the agreement. Exploration showed high grades of rare earth elements close to the iron ore in the Blötberget mine.

# CEO letter

Dear shareholder,

**During the year we took decisive steps to develop Blötberget into a modern, electrified and sustainable mine. Nordic Iron Ore has worked intensively to secure a long-term purchase contract for the company's future production and during the year we were able to secure an agreement with Cargill Metals. The agreement means that Cargill Metals agree to purchase 25 million tons of ultra high-degree iron ore concentrate which corresponds to approximately SEK 35 billion in total sales during the 15 years which is the expected time it takes to produce the agreed amount. In addition to the purchase contract, Cargill Metals has agreed to a conditional investment of a total of approximately SEK 307 million during the construction process of the Blötberget mine, with an initial investment of SEK 60 million. The company is now working intensively to secure a more complete financing of the zoning plan, construction work and potentially initial location work. During the year we have also presented exciting exploration results regarding rare earth elements (REE) and we are hopeful that these important metals can become a future complement to the company's iron ore products.**

**D**ue to the investment climate being negatively impacted by high interest rates and a general concern regarding the overall economy, we have chosen to delay our capital raise to fund initial zoning planning and construction work at Blötberget. In the beginning of 2024, the company engaged ABG Sundal Collier as financial advisor and together we are working intensively to structure the capitalization. When this work is completed, we will also present an updated time plan up until mining begins at Blötberget.

During the year we have also continued work on an updated environmental permit and made an application to the Land and environmental court for an extended working time regarding water operations. Since then, a referral process has been completed regarding the application and the application has received important support from Ludvika municipality and the Geological Survey of Sweden, among others, who argue that the mineral assets and reserves are considered to be of national interest. However, we have also received objection from the County Administrative Board and the Swedish Agency for Marine and Water Management who have requested complementary information. The company has compiled responses, included complementary information, based on the referral replies and provided these to the court for the continued handling of working

time. We are hopeful to receive a positive verdict from the court during the current financial year. In the end I expect that the company will receive all necessary permits. Some smaller changes to the environmental permit do not require treatment by the court and smaller changes that have been completed have been approved by the County Administrative Board and Ludvika municipality.

A lot of the infrastructure is already available through close access to the grid and the railway that will transport the iron ore concentrate to Oxelösunds harbour. The electrification of the mine and the electrical rail transports are important reasons for why Nordic Iron Ore will be able to produce ultra high-grade iron ore concentrate, suitable for so called green steel production, with exceptionally low carbon dioxide emissions, corresponding to only a few kilos of carbon dioxide equivalents per ton iron ore concentrate. In the beginning of 2024 we announced that we together with the Swedish Transport Administration agreed upon a technical solution for connecting Nordic Iron Ore's planned industrial rail to the nearby main line railway. This means that Nordic Iron Ore may proceed with its plans to enable railway transport of its future production to Oxelösund's harbour.

During the year we have made important progress regarding exploration of REE. This testing shows





promising results and that the total share of REE amounts to 15,300 ppm (1.53 percent) at the most. Several of the identified metals are used in production of permanent magnets which are used in for instance electric cars and wind turbines. These metals are high on EU's list of critical raw materials since they are not currently mined within EU. Additional testing will be carried out in order to gain a better understanding of the extent of the REE-mineralization with high hopes to be able to complement our future product portfolio with a biproduct concentrate that has high grades of phosphate and REE.

As we approach initial construction work, we need to strengthen the organization. In the beginning of 2024, I welcomed Ulf Kasshag as the company's new CFO. Ulf Kasshag brings extensive experience of financial controlling and he will play an important part in ensuring necessary routines and processes to facilitate a growing business. The strengthening of the organization is planned to continue during the year through both recruitments and consultants.

Nordic Iron Ore is now beginning the next chapter of its journey and I look forward to keeping you posted on our progress.

**Ronne Hamerslag**  
CEO Nordic Iron Ore AB

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**Nordic Iron Ore has worked intensively to secure a long-term purchase contract for the company's future production and during the year we were able to secure an agreement with Cargill Metals.**

# Asset portfolio

Nordic Iron Ore's current permits, mineral resources and mineral reserves are detailed in the following section.

## Permits – overview

<b>BLÖTBERGET:</b>	Environmental permit	Mining concessions	Exploration permit
<b>HÅKSBERG:</b>	Environmental permit	Mining concession	
<b>VÄSMAN FIELD</b>	Mining concession	Exploration permit	

### Environmental permit

Under the Swedish Environmental Code, an environmental permit from the Land and Environment Court is required in order to carry out continuous mining activities. Nordic Iron Ore received an environmental permit from Nacka District Court in 2014 for the restart of mining production in Blötberget and Håksberg. The environmental permit is subject to subsequent requirements that the company must comply with in its mining operations.

These include requirements on emissions to the air and water, noise, and the management of waste and environmentally hazardous substances. There is also a requirement for a restoration fund to be set up, with a large initial payment once the permit is used through commencement of construction. In connection with its permit application, the company has reported a comprehensive environmental impact assessment, the purpose of which is to identify and describe the direct and indirect damage that the planned operations could cause to humans, animals, plants, land, air, water, the climate, the landscape and the cultural environment.

During the year an application was made to the Land and environmental court for an extended working time regarding water operations. Since then, a referral process has been completed in which the County Administrative Board and the Swedish Agency for Marine and Water Management have made objections and required supplemental information. The company has prepared a response to referral replies and handled requests for additional information. The response has been provided to the court which will continue to deal with the matter. The company expects a final decision from the court during 2024.

### Exploration permits

The Minerals Act is a law governing the exploration and exploitation of mineral deposits on own or third-party land. The act regulates exploration permits, among other things. The holder of an exploration permit may carry out exploration work within the permit area. Exploration work may only be carried out to demonstrate that the mineral covered by the permit is present in the area and to further investigate the size, nature and mineability of the deposit.

The Mining Inspectorate of Sweden is a state-run decision organ with responsibility for reviewing exploration permits and mining concessions for minerals in line with the Minerals Act.

In 2023, the company applied for an additional exploration permit, Blötberget no. 6. The reason for the application is that initial exploration has given signals that the area is very interesting for expanded exploration. The company has previously been granted exploration permits for Ludvikafältet no. 1, Blötberget no. 4 and Blötberget no. 5. The exploration permit gives exclusive right to explore the requested area and lasts three years according to the Mineral Act.

### Mining concessions

The Minerals Act also regulates mining concessions. The mining concessions for Blötberget and Håksberg were granted in 2011 and for Väsman field in 2017, and these are valid for 25 years with the right to extend. The mining concession assigns the right of extract and own minerals within a specified area.

Exploration permit	Name	Municipality	Mineral	Valid	Share	Area (ha)
	Ludvikafältet No. 1	Ludvika	Apatite, iron	May 6, 2019 – May 6, 2024 <sup>1</sup>	100 %	913.65
	Blötberget No. 4	Ludvika	Apatite, iron	Feb 20, 2020 – Feb 20, 2025	100 %	453.72
	Blötberget No. 5	Ludvika	Apatite, iron	Nov 14, 2022 – Nov 14, 2025	100 %	465.00
	Blötberget No. 6	Ludvika	Apatite, iron	Jan 24, 2024 – Jan 24, 2027	100 %	56.92
Mining concessions	Name	Municipality	Mineral	Valid	Share	Area (ha)
	Blötbergsgruvan K No. 1	Ludvika	Apatite, iron, lanthanum	Aug 30, 2011 – Aug 30, 2036	100 %	126.43
	Blötbergsgruvan K No. 2	Ludvika	Apatite, iron, lanthanum	Aug 14, 2017 – Aug 14, 2042	100 %	38.65
	Håksbergsgruvan K No. 1	Ludvika	Gold, iron, copper	Dec 15, 2011 – Dec 15, 2036	100 %	136.30
	Södra Väsmanfältet K No. 1	Ludvika	Iron	Dec 21, 017 – Dec 21, 2042	100 %	115.39

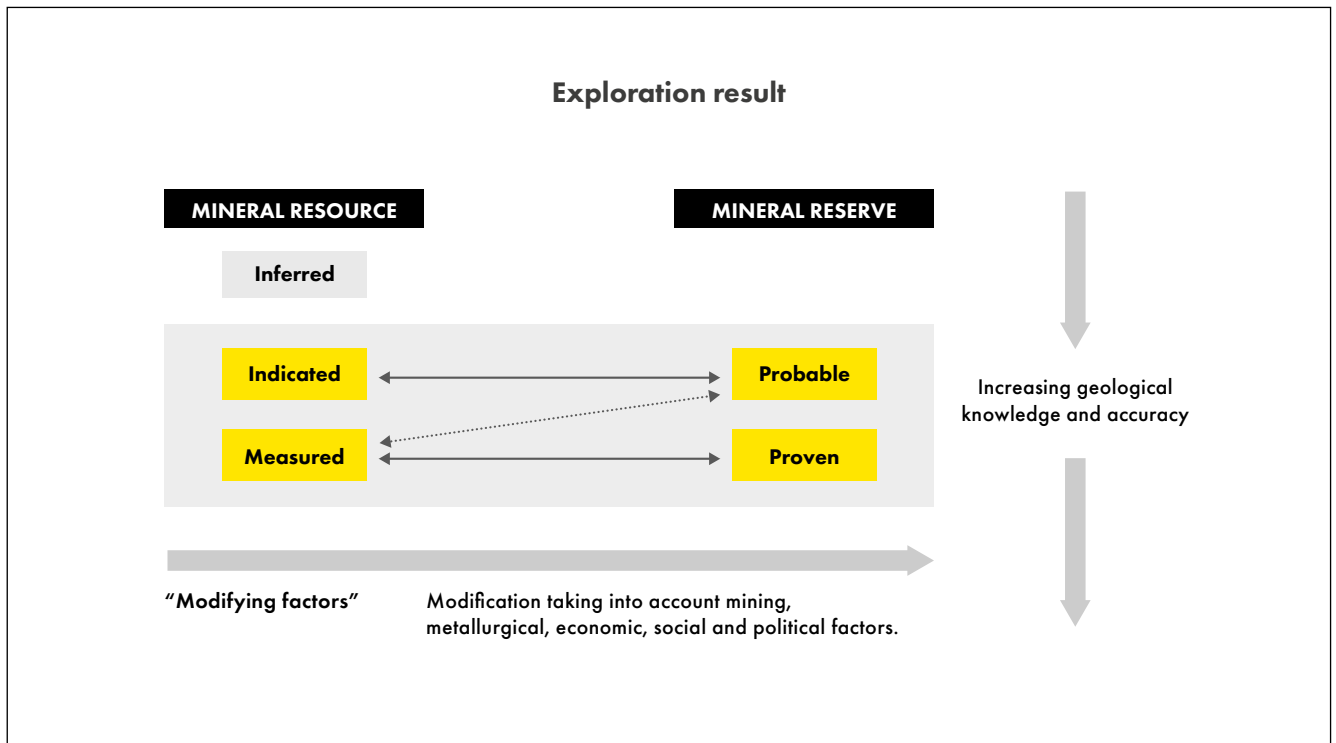
1. An application for a prolonged permit has been sent to the Mining Inspectorate of Sweden.

# Mineral resources and mineral reserves

There are several established methods for classifying mineral resources and mineral reserves. Nordic Iron Ore has chosen to use the so called JORC standard.

THE JORC STANDARD is a frequently used standard for reviewing exploration results by estimating mineral assets and mineral reserves. The standard considers geological knowledge of the deposit and whether mining is economically feasible. In order to increase knowledge about the deposit,

different explorations and studies are performed. In the matrix below, the mining company has the greatest knowledge about proven mineral reserves and the least knowledge about inferred mineral resources.





# Mineral resources

**Estimates of the company’s mineral resources have been prepared by an external lead Qualified Person. Reports on mineral resources are available on the company’s website.**

## Inferred mineral resources

An inferred mineral resource is the part of a mineral resource for which tonnage, grade and mineral content can be estimated based on geological surveys and limited sampling, and assumed, but not verified, geological and grade continuity.

The estimate is based on limited information and sampling, gathered by appropriate techniques from locations such as outcrops, test pits, quarry grindings and drill holes.

## Indicated mineral resources

An indicated mineral resource is the part of a mineral resource for which quantity, content, density, shape and physical properties can be assessed with an accuracy that is sufficient to allow the appropriate application of the technical and economic parameters required for calculating mineral reserves, establishing a mining plan and evaluating the economic viability of the deposits.

The assessment is based on detailed and reliably compiled exploration and testing data obtained

through appropriate techniques from outcrops, trenches, test pits, quarry grindings and drill holes that it is reasonable to assume geological and grade continuity.

## Measured mineral resources

A measured mineral resource is the part of a mineral resource for which quantity, content, density, shape and physical properties are so well known that they can be assessed with an accuracy that is sufficient to allow the appropriate application of the technical and economic parameters required for calculating mineral reserves, establishing a mining plan and evaluating the economic viability of the deposits.

The assessment is based on detailed and reliably compiled exploration and testing data obtained through appropriate techniques from outcrops, trenches, test pits, quarry grindings and drill holes that are sufficiently close to confirm that geological and grade continuity exists

Mineral resources	Project	Inferred		Indicated		Measured		Classifications
		MT	% FE	MT	% FE	MT	% FE	
	Blötberget	11.8	36.1	9.6	36.2	45.4	41.7	According to JORC 2012
	Häksberg	11.6	36	25.4	36.4	-	-	JORC
	Väsman	85.9	38.4	7	38.5			JORC



## Mineral reserves

**Mineral reserve estimates for Blötberget are based on a feasibility study from October 2019. A summary of the feasibility study is available on the company's website.**

### Probable mineral reserves

A probable mineral reserve is a part of an indicated mineral resource, and in some cases a measured mineral resource, which through at least one pre-feasibility study has proven economically viable to mine. This study must include adequate information on mining, concentration, metallurgy, and economic and other relevant factors that demonstrate that extraction is profitable.

### Proven mineral reserves

A proven mineral reserve is a part of a measured mineral resource, which through at least one pre-feasibility study has proven economically viable to mine. This study must include adequate information on mining, concentration, metallurgy, and economic and other relevant factors that demonstrate that extraction is profitable.

Mineral reserves	Project	Probable		Proven		Total	
		MT	% FE	MT	% FE	MT	% FE
	Blötberget	4.7	29.72	29.4	37.32	34.1	36.26

# Blötberget



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## Construction process

- 1** A new industrial area is established at Blötberget with an enrichment plant and warehouse among other buildings.
- 2** A ramp will be built to a depth of 280 meters and from there mining will take place to a depth of at least 820 meters.
- 3** Once the plant has been built, the plan is to initiate mining operations 2028 at the earliest.



**Infrastructure is to a large extent already in place through readily available power supply and close connection to the railway**

### Preparations ahead of mining

Infrastructure is to a large extent already in place through readily available power supply and close connection to the railway which will be used for the transport to Oxelösund harbour. The company has all necessary permits, in the form of environmental permits and mining concessions, to start production at Blötberget.

There are a number of important preparations that need to be made before the company can begin construction of the mine and these will be performed in the coming zoning plan and construction phase. An entirely new industrial area

will be established with an enrichment plant that can refine the iron ore from the mine into a ultra high-grade iron ore concentrate that will be made available to the market. Furthermore, a number of buildings and industrial tracks will be constructed in addition to the underground mine.

A majority of the mining at Blötberget took place above a depth of 240 metres before its closure in 1979. Nordic Iron Ore plans to restart mining even deeper at a depth that begins at 280 metres and a new ramp will be built down to the ore body and a new underground infrastructure will be established.

# 45.4      41.7

Measured mineral resources MT      Measured mineral resources % Fe

## About Blötberget

Blötberget is the first deposit that Nordic Iron Ore will process, and the mine has an estimated life of 15 years. Nordic Iron Ore has all permits in place to start mining in Blötberget, which includes both mining concessions valid until 2036 and 2042 and an environmental permit valid until at least 2024, for which we are now applying for an extension.

The agreement with Cargill Metals is an important step in securing funding of preparations ahead of mining such as construction work, strengthening of organization, exploration and preparations at Blötberget. A strengthening of the organization includes recruitment of employed personnel for management positions in technology, project management and mining operations. The company has secured certain initial contracts with suppliers but negotiations continue with additional collaboration partners that will be involved in important parts of the construction work at Blötberget.

During the year, the company made an application to the Land and environmental court for an extended working time regarding water operations. After the period, a referral process was completed and the company has received all referral replies. The application has been supported by Ludvika municipality and the Geological Survey of Sweden, among others, who argue that the mineral assets and reserves are considered to be of national interest. The County Administrative Board and the Swedish Agency for Marine and Water Management have made certain objections and requested complementary information. The company will now compile a

response to all referral replies and hand these in to the court and hopefully receive a positive judgement in 2024.

Nordic Iron Ore has already signed a letter of intent with ABB whereby the company will contribute knowledge on optimum development of operations underground, including an electrification programme. A letter of intent has also been signed with Hitachi Energy for an electric power plant to secure the necessary electricity supply during construction and mining operations. Nordic Iron Ore also has a strategic partnership with Epiroc, who will assist with knowledge of modern mining operations and electrified vehicles. All these agreements require the parties to work together to produce the most sustainable and productive solutions for mining in Blötberget.

## Completed studies

Golder Associates reported the results of its definitive feasibility study in 2019. The study found that Blötberget's net present value, taking into account identified mineral reserves, amounted to just over USD 71 million at a discount rate of 8 percent, with an EBITDA margin of 43 percent and a pre-tax internal rate of return of 13 percent. Golder estimated the total capital need to SEK 2.5 billion.

In 2020, Whittle Consulting, a specialist in strategic planning for the mining industry, conducted an optimisation study for Blötberget. The purpose of the study was to optimise the economic outcome of the project based on the definitive feasibility study

for Blötberget. Profitability improved significantly and the net present value was USD 172 million at a discount rate of 8 percent, more than double the previous figure. The pre-tax internal rate of return rose to 21.2 percent.

Due to recent years' high inflation and changes in currency exchanges and new studies, the company has made an update cost and investment outlook for completing Blötberget. According to the updated outlook, SEK 3.5 billion will be required in order to make Blötberget into an operational mine. In order to reduce our capital need, the company is looking to lease or rent some plants and machines. Examples of such assets are buildings, power supply plants, material handling/offloading terminal, mobile machines and process equipment. If these opportunities are fully exploited, SEK 1.0-1.5 billion of our capex requirement can be converted into opex and thereby reduce our capital need to SEK 2.0-2.5 billion. Additional studies will be performed related to design of the production plant and how best to allocate our spending in terms of capex and opex.

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## Blötberget's resources

Current mining concessions	Name	Mineral	Valid	Area (ha)
	Blötbergsgruvan K No. 1	Iron, lanthanum, lanthanides, apatite	August 30, 011 – August 30, 036	126.4
	Blötbergsgruvan K No. 2	Iron, lanthanum, yttrium, scandium, apatite	August 14, 2017 – August 14, 2042	38.7

Mineral resources	Measured		Indicated		Inferred		Classification According to JORC 2012
	MT	% FE	MT	% FE	MT	% FE	
	45.4	41.7	9.6	36.2	11.8	36.1	

Mineral reserves	Proven		Probable		Total	
	MT	% FE	MT	% FE	MT	% FE
	29.4	37.32	4.67	29.72	34.1	36.26

# Väsman field

# 7.0 38.5

Measured mineral resources MT    Measured mineral resources % Fe

**The extensive magnetite mineralisations under Lake Väsman have been known about since the 1800s. For Nordic Iron Ore, the Väsman field is a very exciting opportunity to further expand operations once mining starts at Blötberget.**

**T**he Väsman field is close to the Blötberget mine and its planned industrial area and is a direct southern continuation of the iron mineralisations in the Håksberg field (to the north of Ludvika). This will enable the Väsman field to benefit from significant logistics and infrastructure synergies arising from the investments in logistics and enrichment that are planned for Blötberget.

The Väsman field will benefit from the infrastructure that has been built up for Blötberget. Preliminary planning for the Väsman deposit is for it to be mined using a method similar to Blötberget or using a variant of sub-level stoping. Possible application of backfill mining will be evaluated when making the final selection of the mining method. Key issues are complete avoidance of subsidence of the surface (due to the overlying lake) and evaluation of the potential at the northern end of the Väsman field. The deposit requires extensive exploration work to determine mineable reserves, particularly for the northern part.

## Mineral resources

In 2019, SRK Consulting conducted a techno-economic conceptual study concerning the southern section of the Väsman field where the company has been granted a mining concession. Despite the area only corresponding to less than half of the total of Väsman field, the study indicated a profitable mine with a seven-year lifespan.

The southern part of the Väsman field, including the mineralisations at Finnäset, were investigated in autumn 2012 by core drilling down to about 300 metres. The mineral resources in the smaller part investigated through core drilling have been estimated at 7.0 million tons with 38.5 percent Fe, classified as indicated resources, and 85.9 million tons with 38.4 percent Fe currently classified as inferred mineral resources.

A summary of the optimisation study can be found at [nordicironore.se](http://nordicironore.se) under "Technical reports". SRK's conceptual study for the southern Väsman field is also available there.

## Väsman field's resources

Valid mining concessions	Mineral		Valid		Area (ha)
			December 20, 2017 – December 20, 2042		
	Iron				115.4

Mineral resources	Indicated		Inferred		Classification
	MT	% FE	MT	% FE	
		7.0	38.5	85.9	38.4



# Håksberg

# 25.4 36.4

Measured mineral resources MT    Measured mineral resources % Fe

**Håksberg is an area located to the north of Ludvika. The area was mined from the 1700s until 1979. Nordic Iron Ore holds a mining concession and an environmental permit for Håksberg.**

**T**he mineralisations at the Håksberg field occur in four elongated parallel zones, from Lake Väsman in the south to Källbotten in the north.

The iron oxide minerals comprise approximately 80 percent magnetite and 20 percent haematite. The indicated mineral resources at the Håksberg field down to the 350-metre level have been estimated at 25.4 million tons with an average iron content of 36.4 percent. Historical deep-hole drilling down to around 800 metres suggests that the ore bodies continue to depth. Current mineral resource estimates indicate at least 11.6 million tons with an iron content of around 36.0 percent.

The company's mining concession application was granted by the Mining Inspectorate of Sweden on December 15, 2011. The mining concession provides rights to extract and exploit iron, copper, gold and molybdenum for 25 years with a possibility to extend. An environmental permit was granted in 2014.

## Håksberg's reserves

Valid mining concessions	Mineral		Valid		Area (ha)
	Iron, copper, gold, molybdenum		December 15, 2011 – December 15, 2036		
					136.3

Mineral resources	Indicated		Inferred		Classification
	MT	% FE	MT	% FE	
		25.4	36.4	11.6	36.0

# Market and products

**Prices on iron ore continued to fluctuate in 2023 in line with the shifting demand for steel. General price increases of products and services together with a restrictive monetary policy also impacts the demand for steel.**

Over the full-year 2023, global demand on tradeable steel recovered somewhat following a decline during the previous year. During the year, important steps have been taken to enable a green transition of Swedish iron and steel industries. As an example Ovako opened its new hydrogen plant and SSAB began construction of an electric arc furnace in Oxelösund. The price of iron ore increased substantially during the second half of 2023 and the price of 62 percent Fe-grade iron ore reached a maximum price at the end of the year with a closing price of 136.37 USD/ton on December 31, 2023 compared to 117.68 USD/ton on January 1, 2023. 65 percent Fe-grade iron ore also reached maximum price at the end of the year with a closing price of 151.12 USD/ton on December 31, 2024, compared to 130.84 USD/ton on January 1, 2024.

## The global steel market

The previous year has seen continued high volatility and the general economic climate has many similarities to 2022 in the form of high inflation and a restrictive monetary policy. Following a decline in 2022, the global demand for tradeable

steel however increased by 1.8 percent during 2023 according to World Steel Association. This means that global demand increased to 1,814 million tons during 2023. The increase is primarily driven by a recovery in China which accounts for over half the world’s consumption of steel and a significant increase in India and Southeast Asia. EU, North America and South America saw decreased demand.

One of the most important trade policy issues during the year has been the transatlantic agreement for steel between the EU and US. In October 2021, the EU and US informed their intention to make a new agreement, Global Arrangement on Sustainable Steel and Aluminum, and negotiations have been ongoing since then. The agreement aims to limit carbon emissions from steel production and the goal is to finalize negotiations before March 2025.

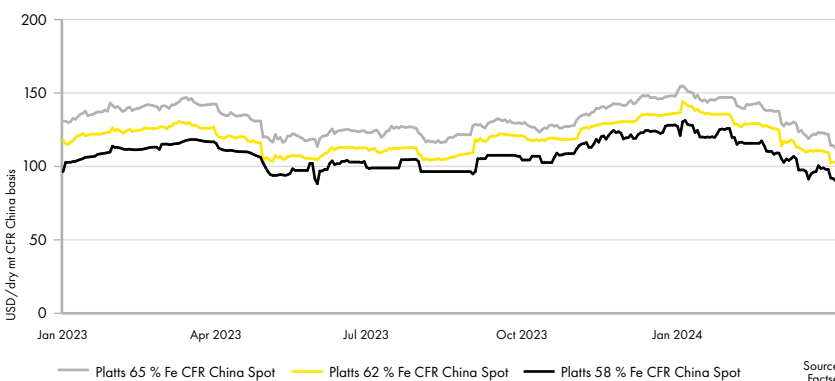
## Increased demand on high-grade iron ore

The development towards a fossil-free future in the steel industry has continued during the year. An important step in reducing carbon dioxide

emissions is to replace the use of coal and coke that is used in production with hydrogen and thus the residual product becomes water instead of carbon dioxide. The traditional production method uses a blast furnace in order to heat up the iron ore and thereby reduce the iron ore to steel while the production method that uses hydrogen is known as direct reduction. Nordic Iron Ore’s ultra high-grade iron ore concentrate is highly suitable for reduction in all available production processes and all known coming processes, since these production methods are benefited by a high iron-grade and low levels of pollution of primarily aluminum and sour.

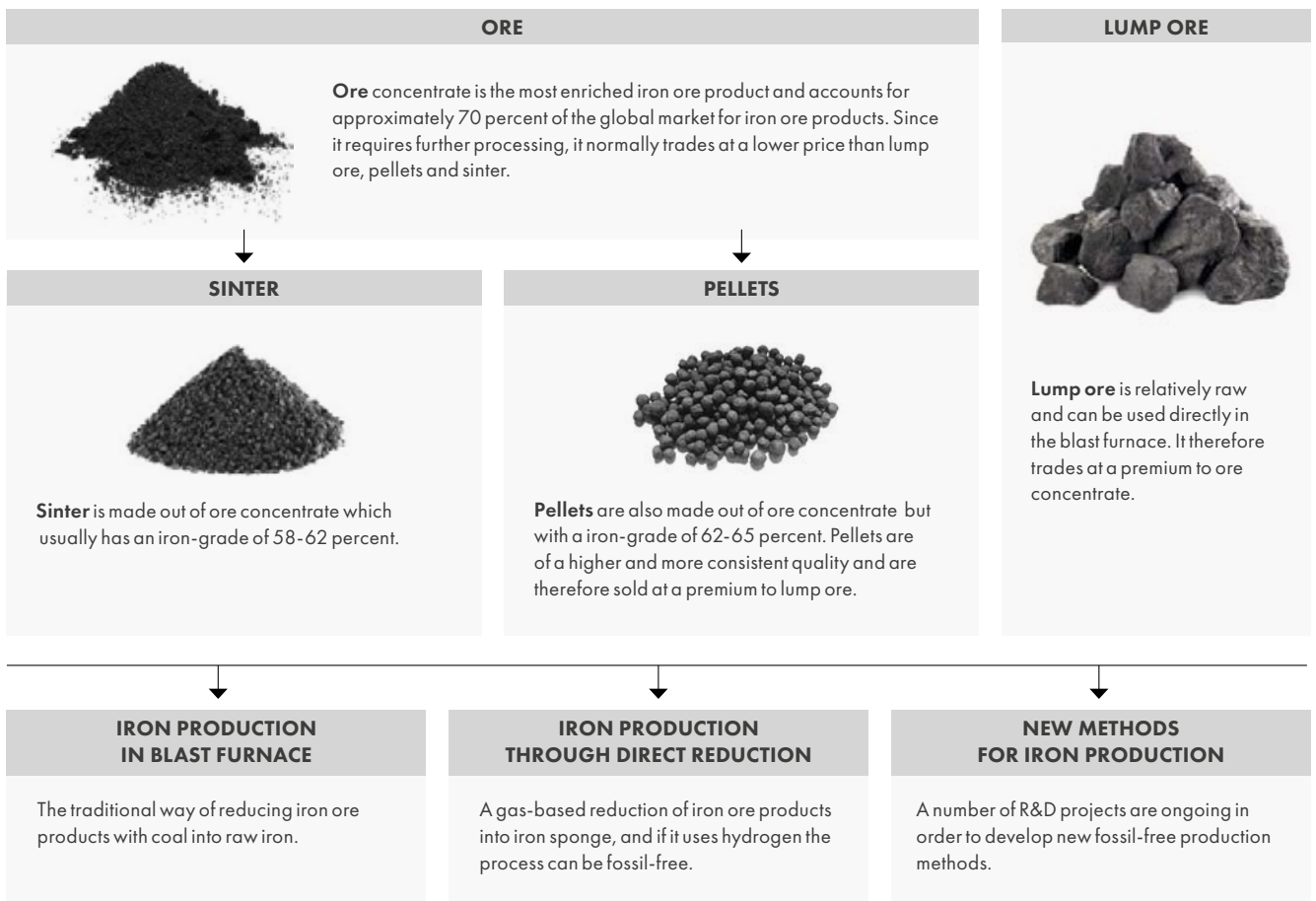
In addition to environmental considerations, there are also other reasons why demand for high quality iron ore is expected to increase. For instance, a higher productivity can be achieved by using a raw material with higher iron content and better metallurgical properties. This trend has increased demand for pellets which is generally a iron ore product that is produced out of high-grade iron ore concentrate. All in all, this suggests a continued strong growth in a market segment in which Nordic Iron Ore will operate.

Price development for different iron ore products in 2023



**Following a decline in 2022, the global demand for tradeable steel increased by 1.8 percent in 2023.**

Source: Factset



Source: Cuervo Resources, Raw Materials Group

### Different product segment

There are primarily four types of iron ore products;

- Ore concentrate
- Pellets
- Sinter
- Lump ore

These iron ore products account for virtually the entire market. Nordic Iron Ore will be producing an ore concentrate which thus needs to be further refined into sinter or pellets before it can be used in the blast furnace or in the direct reduction process.

The price of different iron ore products is based on a number of market indices that are based on executed contracts with deliveries to China. The

indices consider aspects such as different concentrations of iron and potential contaminations of the delivered product. Products with higher concentrations of iron, such as Nordic Iron Ore's products, are traded at additional premiums since these products are well suited for green steel production and also require less production costs regardless of which production process is used.

# Strategy

## Vision

**Nordic Iron Ore will be a major Swedish producer of ultra high-grade iron ore products.**

## Objectives

The company's operational objectives are to:

- Resume mining operations at Blötberget, where all permits are in place, with a production start in 2028 at the earliest, gradually expanding to an anticipated annual production of about 1.6 million tons of ultra high-grade iron ore concentrate. The company will also evaluate the availability of rare earth elements and phosphates in proximity of the mine.

- Substantially expand mineral resources and mineral reserves through continued exploration of the Väsman field and Häksberg.

- Gain necessary permits for mining in the Väsman field.

The company's financial objectives are to:

- Achieve profit after financial expenses that is sustainable and a profitability level above the industry average within two years of the start of production

## Strategic priorities

The company's objectives will be achieved by:

- Exploring and developing high-grade iron ore deposits.
- Creating an efficient and sustainable complete solution for mining, enrichment and logistics with low carbon emission.
- Being an attractive business partner providing a high level of reliability of supply for selected customer segments and offering products tailored to customers.
- Producing and marketing a niche product with a very high iron content.

18

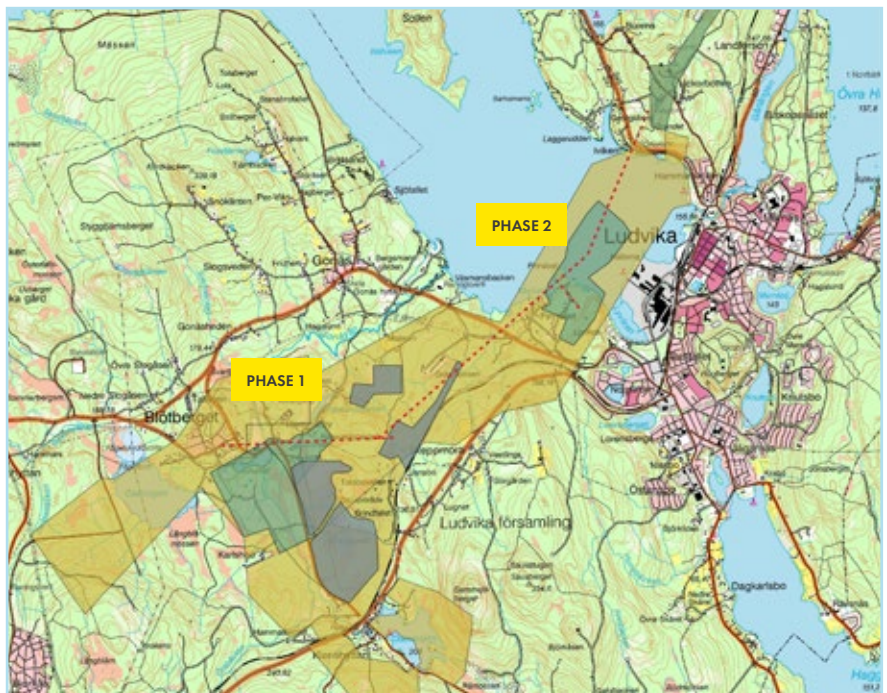
## Phases for resuming mining operations

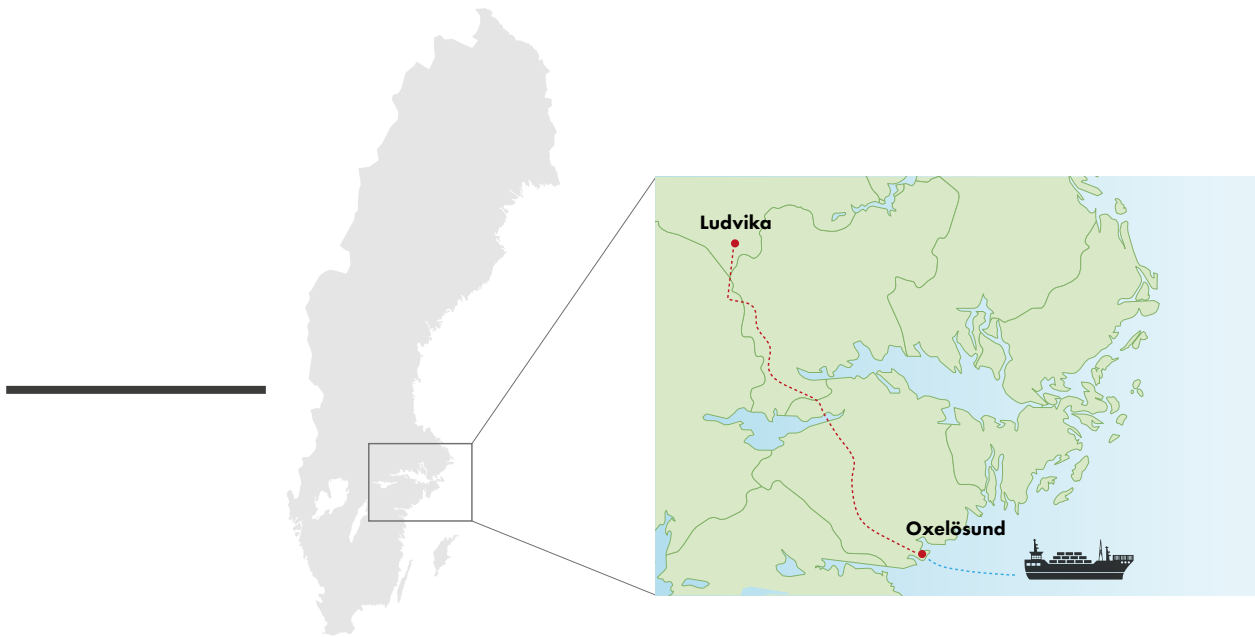
### Phase 1

The first phase covers the start of mining at Blötberget planned for 2028, with a first production line at the ore enrichment plant. Exploration and development of the Väsman field continues in parallel. Cash flows from Blötberget will contribute to financing the following phases.

### Phase 2

In phase 2, the deposits in the Väsman field and Häksberg will be developed.





The iron ore concentrate can be transported by rail to the harbour in Oxelösund for further transport to a global market.

## Funding

In order to execute the company's long-term strategy and process the company's resources will require substantial funding.

Due to recent years' inflation and changes in currency exchanges and new studies, the company has updated its cost and investment prognosis for completing Nordic Iron Ore. According to the updated prognosis, approximately SEK 3.5 billion will be required in order to make Blötberget into an operational mine. In order to reduce the capital need, the company is looking to lease or rent some plants and machines. Examples of such assets are buildings, power supply plants, material handling/offloading terminal, mobile machines and process equipment. If these opportunities are fully exploited, SEK 1.0-1.5 billion of the capex requirement can be converted into opex and thereby reduce the capital need to SEK 2.0-2.5 billion. Additional studies will be performed related to design of the production plant and how best to allocate spending in terms of capex and opex.

### Agreement with Cargill metals

After many years' negotiations, Nordic Iron Ore entered a collaboration and financing agreement with Cargill Metals. The agreement is an important milestone for the company and will facilitate future funding of the business.

The agreement with Cargill Metals means that they will acquire up to 25 million tons of the company's future production of ultra high-grade iron ore concentrate. Based on the price of ore concentrate with a high iron-grade at the time when the agreement was entered, the market value of the contract amounts to SEK 35 billion in total sales during at least 15 years' production. In addition to the offtake agreement, the collaboration includes

conditional funding commitments from Cargill Metals of SEK 307 million, whereby Cargill Metals will initially invest SEK 60 million in a directed rights issue and thereafter its pro rata share of capital required to complete construction of the Blötberget mine, up to maximum of USD 23 million (corresponding to approximately SEK 247 million).

### Rights issues

We have previously communicated our plans to do a directed rights issue and a preferential rights issue during the autumn of 2023 in order to finance initial zoning planning at Blötberget. In the current investment climate with continued high inflation, high interest rates and overall uncertainty regarding the general economy, the company concluded that additional time will be required in order to complete financing. The company has sufficient working capital in order to create preconditions whereby the capital raise can be made at favorable terms for shareholders.

## Product

Nordic Iron Ore will initially focus on ultra high-grade iron ore concentrate delivered to customers. Tests show that the company will be able to deliver a ultra high-grade product with an expected average iron content of about 69 percent. This is a premium product that enable fossil-free steel production.

The plan is then to evaluate other types of premium iron ore products, including pellets and own direct reduction.

In addition the company will evaluate the existence of rare earth elements and phosphates. Initial testing has shown promising results with high grades of rare earth elements in and in close proximity of the iron ore in Blötberget.

This is why Nordic Iron Ore is planning to perform additional testing to gain a better understanding of the extent of the mineralization.

## Logistics

The mines are located next to a railway that is connected to the national rail network. Nordic Iron Ore can then deliver the iron ore concentrate by rail to the harbour of Oxelösund for further transportation to a global market. The company has signed a letter of intent with the port of Oxelösund for use of the port. During the year, preparatory work has continued with both the port of Oxelösund and the Swedish Transport Administration to ensure that preparations are proceeding according to plan.

## Production

The deposit includes two main categories of ore minerals: magnetite and haematite. Although both categories require specific processing, the mine will only mine and transport mixed input materials to the ore concentrating plant. This is possible thanks to an concentrating plant that allows a varied haematite/magnetite ratio in the incoming ore with with an enrichment process that produces an iron ore concentrate that meets the company's high expectations.

Three products could be produced: a magnetite, haematite and a mixed concentrate depending on future demand and pricing of individual products. The primary enrichment methods are magnetic separation for magnetite and gravimetric separation for haematite concentrate.

For the removal of phosphorous, reverse flotation is applied. This results in very low residual phosphorous levels and therefore a higher quality end product.



The enrichment plant will have an annual capacity of approximately 3 million tons iron ore which is also the current limitation according to the environmental permit and this will result in an annual production of 1.6 million tons of iron ore concentrate.



**Mining operations are designed with modern technology to minimise impact in the form of noise, vibrations and emissions into the air and water.**

Construction of the ore enrichment plant is a standardised procedure and is expected to start in 2025 and be completed for the start of production in 2028 at the earliest.

**Sustainable mining operations**

Nordic Iron Ore aims to operate in a sustainable way. Mining operations are designed with modern technology to minimise impact in the form of noise, vibrations and emissions into the air and water. Our environmental permit has strict requirements that we must continuously meet in order to conduct mining operations in Blötberget. The company maintains ongoing dialogue with the County Administrative Board, the municipality and local residents to inform them of the company’s activities.

Sustainable development means meeting human needs in a way that does not prevent future generations from meet their needs. In specific terms, this means long-term conservation of the ecosystem’s productive capacity and minimisation of negative impacts on nature and human health.

*Sustainable development can be divided into three areas:*

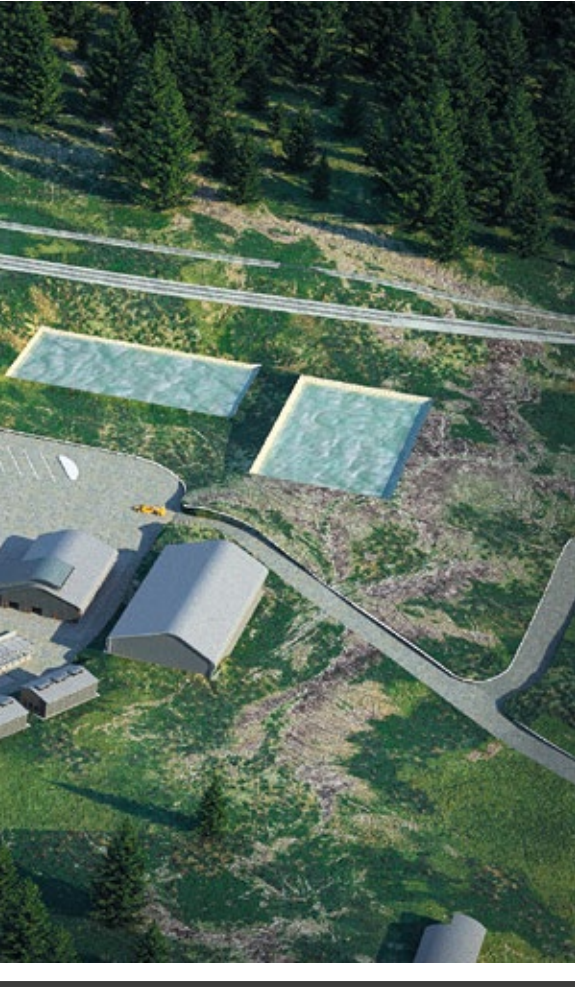
- **ECONOMIC SUSTAINABILITY:** ensuring long-term economic growth without compromising social and ecological sustainability.

- **SOCIAL SUSTAINABILITY:** developing societies that are inclusive, equal and tolerant by putting people’s needs and well-being at the centre.

- **ECOLOGICAL SUSTAINABILITY:** developing societies without endangering the ecosystem through over-exploitation of natural resources, thus ensuring future generations are able to meet their needs.

When Nordic Iron Ore plans future operations, these three sustainability aspects will act as guiding principles on how they are conducted. In preparing for the start of production in Blötberget, the company is focusing on minimising emissions in water and air. Nordic Iron Ore will, for example, use efficient and modern mining methods that minimise discharges into groundwater and waterways, and machinery that consumes as little energy as possible.

The company also wants to contribute to the development of the area surrounding Ludvika. Blötberget is expected to provide direct employment for around 300 people and once the planned expansion of operations at the Väsman field and Håksberg is underway, the company will employ even more people.



The image shows the future layout at Blötberget. In the lower part of the picture there is a conveyor from the mine to a dome where the ore is stored before entering the ore concentrating plant (building under construction). The oblong building at the top of the picture is a storage facility for the finished concentrate product, which can then be transported via the railway alongside. Other buildings are administrative buildings such as offices, storerooms and repair shops.

In 2023, the company continued to work on a number of sustainability-related activities in preparation for the upcoming mining operations. Among other things, the continuous water quality monitoring programme has progressed, with about thirty samples having been taken from holes and wells. The level of groundwater is measured continuously to monitor changes before and during the mine's development.

Another focus area during the year has been to work on the electrification of future mining operations and a sustainable logistics solution. The plans and analyses of future operations indicate uniquely low CO<sub>2</sub> emissions per tons of iron ore concentrate delivered to the harbour.

The compensation programme for nature conservation values, approved in 2015, involves management plans and easement agreements. Nordic Iron Ore is working on the details of these together with Stora Enso Skog och Mark and with Ludvika Municipality.

The management plans will finally be approved by the Administrative Board before the environmental permit can be used and construction can begin. This is expected to take place in 2024.

#### Management of sustainability work

Nordic Iron Ore's efforts to minimise damage to the natural environment and contribute to sustainable development are based on the policies and guidelines adopted by the Board. The principles of the UN Global Compact are an important framework. Ultimate responsibility for Nordic Iron Ore's sustainability work lies with the Board, while company management has operational responsibility for monitoring targets and prioritised activities.

#### Nordic Iron Ore's policies and guidelines

##### *Sustainability policy*

Basic principles on how operations are to be conducted sustainably, from an economic, ecological and social perspective.

##### *Personnel policy*

Basic principles on the employee's right to fulfilling work, including taking responsibility for a work environment characterised by safety, respect for and trust in each individual employee.

##### *Environmental policy*

Basic principles providing guidance on how to minimise the overall environmental impact and resource consumption of operations and contribute to sustainable and profitable

development. Three priority areas for environmental work:

- Minimising the impact on the natural environment in the area of operations
- Minimising emissions to the air and water
- Creating a safe work environment

#### *Code of Conduct*

Principles on the company's responsibilities and conduct as a good business partner, employer and member of society.

The company intends to gradually certify its operations under ISO 14001.

# The share

**Nordic Iron Ore's share was admitted to trading on Nasdaq First North Growth Market on October 1, 2018. The last price paid for Nordic Iron Ore's share, on December 31, 2023, was SEK 7.60, corresponding to a market capitalization of SEK 282 million.**

**F**irst North Growth Market is an alternative marketplace operated by NASDAQ and does not have the same legal status as a regulated market. Investing in a company traded on First North entails more risk than investing in a company traded on a regulated market. All companies whose shares are admitted to trading on First North have a Certified Adviser that monitors regulatory compliance. Nordic Iron Ore's Certified Adviser is Wildeco.

## Dividend policy

Nordic Iron Ore is in an expansive phase of growth, with any surplus capital in operations being invested in operations and/or acquisitions. As the company has not distributed a dividend to its shareholders since it was founded, there is no adopted dividend policy.

Ticker: NIO  
ISIN code: SE0011528017



## Shareholders, December 31, 2023

Shareholders	Number of shares	Share of votes and capital
Bengtssons Tidnings AB	7,799,238	21.0 %
Ludvika Holding AB	4,453,483	12.0 %
Kopparinvest AB	2,600,132	7.0 %
Whittle Equity Pty Ltd	1,294,226	3.5 %
Skålpussen	1,106,000	3.0 %
Björn Israelsson	1,052,000	2.8 %
Johan Flink	751,450	2.0 %
Per Einarsson	594,500	1.6 %
Avanza Pension	536,320	1.4 %
Jonas Bengtsson	524,105	1.4 %
<b>Total top 10</b>	<b>20,708,454</b>	<b>55.8 %</b>
Other	16,426,601	44.2 %
<b>Total</b>	<b>37,135,055</b>	<b>100.0 %</b>



## Share capital development

The table below shows the company's share capital development since it was founded.

Year	Event	Change in no. of shares	Change in share capital, SEK	Total no. of shares	Total share capital, SEK	Quota value, SEK*
2008	Founded	1,000	100,000	1,000	100,000	100.00
2008	Split	11,000	-	12,000	100,000	8.33
2010	Non-cash issue <sup>1</sup>	18,400	153,333	30,400	253,333	8.33
2010	Warrants <sup>2</sup>	14,000	116,667	44,400	370,000	8.33
2010	Bonus issue	-	400,000	44,400	770,000	17.34
2010	New share issue <sup>3</sup>	6,940	120,356	51,340	890,356	17.34
2011	New share issue <sup>4</sup>	26,500	459,572	77,840	1,349,928	17.34
2011	Split	7,706,160	-	7,784,000	1,349,928	0.17
2012	Offset issue <sup>5</sup>	3,708,738	643,182	11,492,738	1,993,110	0.17
2014	New share issue <sup>6</sup>	1,606,000	278,518	13,098,738	2,271,628	0.17
2014	New share issue <sup>7</sup>	745,099	129,218	13,843,837	2,506,786	0.17
2014	Offset issue <sup>8</sup>	610,875	105,940	14,454,712	2,377,568	0.17
2014	Offset issue <sup>9</sup>	56,000	9,712	14,510,712	2,516,497	0.17
2015	Offset issue <sup>10</sup>	3,112,501	539,781	17,623,213	3,056,278	0.17
2015	New share issue <sup>11</sup>	14,837,741	2,573,212	32,460,954	5,629,490	0.17
2016	New share issue <sup>12</sup>	4,084,596	708,365	36,545,550	6,337,854	0.17
2017	New share issue <sup>13</sup>	73,091,100	12,675,709	109,636,650	19,013,563	0.17
2018	Offset issue <sup>14</sup>	16,370,000	2,838,941	126,006,650	21,852,505	0.17
2018	New share issue <sup>15</sup>	73,091,100	12,675,709	199,097,750	34,528,214	0.17
2018	Reverse share split	-179,187,975	-	19,909,775	34,528,214	1.73
2019	Warrants exercised <sup>16</sup>	68,419	118,654	19,978,194	34,646,868	1.73
2019	Rights issue <sup>17</sup>	9,991,276	17,327,213	29,969,470	51,974,081	1.73
2020	Private placement <sup>17</sup>	400,000	693,694	30,369,470	52,667,775	1.73
2020	Conversion <sup>18</sup>	885,834	1,536,244	31,255,304	54,204,018	1.73
2020	Private placement <sup>19</sup>	2,327,689	4,036,758	33,582,993	58,240,776	1.73
2021	Offset issue <sup>20</sup>	3,552,062	6,160,108	37,135,055	64,400,884	1.73

\* Rounded to two decimal places.

- The subscription price was SEK 450.00 per share. Payment was with a non-cash consideration.
- New share issue through the exercise of warrants. The subscription price was SEK 8.33 per share.
- The subscription price was SEK 500 per share.
- The subscription price was SEK 850 per share.
- The subscription price was SEK 17 per share. Payment was by offsetting receivables.
- The subscription price was SEK 25 per share.
- The subscription price was SEK 25 per share.
- The subscription price was SEK 20 per share. Payment was by offsetting receivables.
- The subscription price was SEK 25 per share. Payment was by offsetting receivables.
- The subscription price was SEK 1.00 per share. Payment was by offsetting receivables.
- The subscription price was SEK 1.00 per share.
- The subscription price was SEK 1.00 per share.
- The subscription price was SEK 0.25 per share. The new share issue was registered in two stages: share capital increased by SEK 9,958,369.102110 at the first registration, and by SEK 2,717,339.719908 at the second.
- The subscription price was SEK 0.50 per share. Payment was by offsetting receivables.
- The new share issue comprised units consisting of two shares and a warrant that was free of charge. Each unit was issued at a price of SEK 1.00, meaning a subscription price of SEK 0.50 per share as the warrant was issued free of charge.
- The subscription price was SEK 10.00 per share.
- The subscription price was SEK 2.50 per share.
- The conversion price was SEK 9.02 per share.
- The issue price was SEK 2.57 per share.
- The issue price was SEK 3.0 per share.

# Corporate governance

**Corporate governance at Nordic Iron Ore is based on Swedish legislation, the company's articles of association and internal instructions. The Swedish Corporate Governance Code ("the Code") applies to Swedish limited liability companies whose shares are listed on a regulated market. As Nordic Iron Ore is not listed on a regulated market, it is not obliged to apply the Code but has chosen to apply certain sections of the Code.**

## The share

The company's shares were admitted to trading on Nasdaq First North Growth Market on October 1, 2018. The share capital at the end of the financial year was SEK 64,400,884 divided into 37,135,055 shares with a quota value of SEK 1.734 per share. The number of shareholders is 8,332.

There are no restrictions on the transferability of shares under the Articles of Association or other agreements. The company has appointed Wildecø Ekonomisk Information AB as its Certified Adviser in order to fulfil the requirements for listing on Nasdaq First North.

## Shareholders and general meetings

The highest decision-making body is the general meeting, at which shareholders exercise their influence in the company. An ordinary shareholder meeting must be held each year, referred to as the Annual General Meeting. The AGM passes resolutions on items including adoption of the income statements and balance sheets, appropriation of the company's profit or loss, discharge from liability for the Board and CEO, election of the Board and auditors and adoption of their fees.

Notice of the AGM shall be issued no earlier than six weeks and no later than four weeks before the meeting. This also applies to an Extraordinary General Meeting dealing with amendments to the Articles of Association. Notice of any other EGM

shall be issued no earlier than six weeks and no later than two weeks before the meeting. Notice of the meeting is given by announcement in Post och Inrikes Tidningar and on the company's website. Shareholders who are recorded in Euroclear's share register on the record date and have notified the company of their participation in due time are entitled to participate and vote their shares at the general meeting.

## 2023 Annual General Meeting

The Annual General Meeting (AGM) was held on June 12, 2023. The AGM re-elected the Board members Tomas Olofsson, Jonas Bengtsson and Gösta Bergman, and elected Tobias Hansson and Bengt Nilsson as new Board members. Further, Bengt Nilsson was elected Chairman of the Board. The AGM also authorized the Board to decide upon issues of shares, warrants or convertible debentures with or without preferential rights for existing shareholders, whereby the share capital and number of shares in the company post issue, exchange or conversion can increase to an amount allowed by the articles of association at the time of the issue at hand.

## Board

The Board of Directors is the company's highest decision-making body after the general meeting. In accordance with the Swedish Companies Act, the Board of Directors is responsible for the company's administration and organisation, which includes responsibility for establishing goals and

strategies, ensuring procedures and systems are in place for evaluating defined goals, continuously evaluating the company's results and financial position and evaluating the operational management. The Board is also responsible for ensuring the timely preparation of the annual report and interim reports. In addition, the Board appoints the company's CEO.

Board members are elected by the AGM for the period until the end of the next AGM. According to the Articles of Association, the Board is to comprise between three and ten members with not more than ten deputies. The Chairman of the Board is elected by the AGM and has a particular responsibility for managing the work of the Board and ensuring that the work is well organised and carried out efficiently.

The Board of Nordic Iron Ore comprises expertise and experience in areas that are important to the company. The Board consists of members with expertise and experience in areas including the mining industry and financing. Board work is conducted based on prevailing legislation, regulations and the rules of procedure adopted by the Board. The rules of procedure are regularly reviewed and adopted at least once a year at the statutory Board meeting following the AGM. The Board meets according to an annual schedule. In addition to these Board meetings, additional meetings may be convened to deal with matters that cannot be scheduled for a regular Board meeting. In addition to the Board meetings, the Chairman of

the Board and the CEO maintain regular dialogue regarding the management of the company.

For the time being, the Board has decided against appointing any Board committees, as it is of the opinion that the duties that would be performed by remuneration and audit committees are currently handled most efficiently by the full Board. According to the rules of procedure, the Board is to hold at least six meetings in addition to the statutory meeting. In 2023, the Board held 10 meetings.

The company's website [www.nordicironore.se](http://www.nordicironore.se) includes the Articles of Association and information about the Board and senior executives. Information on remuneration to the Board is provided in Note 8.

## CEO

The CEO reports to the Board and has the main responsibility for operating activities, including personnel, financial and accounting issues, regular contact with the company's stakeholders (such as authorities and the financial market) and for providing the Board with the information required to make well-founded decisions. The distribution of duties and responsibilities between the Board and the CEO is regulated by law and the company's instructions for the CEO. Information about remuneration of the CEO is presented in Note 8.

## Insider register and insider policy

Before listing of the company's share on Nasdaq First North, the Board of Directors adopted an information policy that includes rules for managing insider information. The policy regulates procedures for the periods during which persons in senior positions and other insiders are not permitted to trade shares or other financial instruments issued by the company.

## Audit

The auditor reviews the company's Annual Report and accounting records, and the administration of the Board of Directors and CEO pursuant to the Swedish Companies Act and generally accepted auditing standards in Sweden. The 2023 AGM re-elected the company's auditor, Öhrlings PricewaterhouseCoopers AB for the period until the 2024 AGM.

# Board and Management

## Board



**BENGT NILSSON**  
Chairman since June 2023

**Born:** 1961

**Other assignments:** Bengt has no other assignments.

**Background:** Bengt Nilsson has almost 30 years' experience of management in the Swedish steel industry. Bengt has, among other positions, been CEO of Åkers Group and Managing Director of SSAB Oxelösund. Bengt has also been CEO of Edsbyn Senab which operates in the furniture- and interior design industry.

Independent in relation to the company, its management and major shareholders.

**Holdings in the company:**

–



**TOMAS OLOFSSON**  
Board Member since May 2017 (Deputy director 2014 – 2016)

**Born:** 1968

**Other assignments:** CEO of Lemont AB, owner, partner and board member of Ludvika Holding AB, Grytänge Invest AB, Fastighets AB Morgårdshammar, Datorama AB, Badhusudden AB, A. Rentall AB, Mecapto AB, Svanströms Lackeringar AB and Rondic Invest AB.

**Background:** Thomas Olofsson is an entrepreneur with 20 years of experience from the engineering industry. He has built and developed a number of industrial, staffing and real estate companies.

Independent in relation to the company and its management but not from major shareholders.

**Holdings in the company:** 4,453,483 shares through owned companies.



**JONAS BENGTSSON**  
Board Member since 2011

**Born:** 1969

**Education:** MBA, Stockholm University.

**Other assignments:** Board member of Bengtssons Tidnings AB with subsidiaries, Zensum AB, Jonas Bengtsson Invest AB with subsidiaries and Svenska Nyttobostäder AB with subsidiaries.

**Background:** Jonas Bengtsson is a partner at BTAB Invest and has 15 years experience in the financial sector and the development of small and medium-sized industrial and property companies.

Independent from the company and its management but not from major shareholders.

**Holdings in the company:** 524,105 shares directly and 7,799,238 shares through corporate holdings.



**GÖSTA BERGMAN**  
Board Member since August 2018

**Born:** 1950

**Education:** LL.B. from Stockholm University

**Other assignments:** Owner of Advokatfirman Bergman & Partners AB. Chairman of the Board in OptiMobile AB.

**Background:** Business Lawyer since 1978 with experience from companies including Ericsson, Unisys, Ovako Steel and as chairman of the board of Grängesberg Iron AB.

Independent from the company and its management and from major shareholders.

**Holdings in the company:**

–



**TOBIAS HANSSON**  
Board Member since June 2023

**Born:** 1977

**Other assignments:** CEO of Hitachi Energy Sweden and Board member in Hitachi Energy Sweden, Teknikföretagen and Luleå University of Technology among others.

**Background:** Tobias has more than 20 years' experience from different positions in ABB, most recently Senior Vice President, Power Transformers in Europe.

Independent in relation to the company's management and major shareholder. Not independent in relation to the company.

**Holdings in the company:**

–

## Management



**RONNE HAMERSLAG**  
Chief Executive Officer  
since July 2022

**Born:** 1969

**Education:** M.Sc in Metallurgy and Materials Technology, Royal Institute of Technology (KTH), Stockholm

**Background:** Ronne has previously held a managerial roles within Boliden's raw materials supply and the procurement organization. Prior to that, he has held a number of operational and business leadership roles in international operations. Ronne also has experience from several start-up companies and board positions.

**Other assignments:** Board Member of the subsidiary Ludvika Gruvor AB. Board Member Mahvie Minerals AB

**Holdings in the company:**  
–



**ULF KASSHAG**  
CFO since March 2024

**Born:** 1959

**Education:** Bachelor of Science in business administration, University of Stockholm.

**Background:** Ulf Kasshag has vast experience of financial controlling, accounting, reporting and finance and has held the role as CFO in several fast growing international companies, most recently in Findity AB.

**Other assignments:** Senior advisor in Sakofall Fastigheter i Sverige AB and Betagenon AB.

## Advisors



**HANS THORSHAG**  
Technical advisor since 2011

**Born:** 1950

**Education:** Mining Engineer, Royal Institute of Technology (Kungliga Tekniska högskolan), Stockholm, Sweden

**Background:** Hans Thorshag has more than 35 years' experience from the mining industry as a project manager, production manager and mining specialist at companies such as LKAB, Boliden, Midroc Gold and Lundin Mining. Also, he is nominated Qualified Person in accordance with SveMin's regulatory framework.

**Other assignments:** Board member of HT Mineral AB and partner in Mining and Milling in Bergslagen Handelsbolag.

**Holdings in the company:** 14,000 shares.



**PAUL MARSDEN**  
Technical and Marketing advisor

**Born:** 1957

**Education:** Bachelor of Science in geology, Aston University, Birmingham, UK, Chartered Engineer (C Eng) and Chartered Scientist (CSci).

**Background:** Paul Marsden has since November 2011 worked as Technical Sales and Marketing Director for Nordic Iron Ore and previously held various executive positions at Northland Resources.

Prior to this Paul Marsden has close to 30 years worked as a consultant in the international mining, iron and steel industry, including nearly 27 years with Corus Consulting (formerly British Steel Consultants Ltd). Paul Marsden's last position at Corus Consulting was as project director which included, among other things, responsibility for managing industry development projects and feasibility studies.

**Other assignments:** No other assignments.

**Holdings in the company:** 17,740 shares.



**LENNART ELIASSON**  
Financial advisor

**Born:** 1956

**Education:** MBA, Uppsala University.

**Background:** Lennart Eliasson has previously been CEO of Nordic Iron Ore 2018-2022 and CFO 2011-2018. Lennart has also worked as an Authorised Public Accountant at KPMG, where he was a partner and worked as a specialist in financial analysis and valuation issues. He subsequently worked as an advisor for ten years, primarily concerning raising venture capital and IPOs.

**Other assignments:** Board member of the subsidiaries Ludvika Gruvor AB and LEAdvisory AB.

**Holdings in the company:** 50,000 shares.



**SANDVIK**

# Board of Directors' Report

The Board of Directors and CEO of Nordic Iron Ore AB (publ), Corp. Reg. No. 556756-0940, hereby submit the following Annual Report and consolidated financial statements for the financial year January 1, 2023 to December 31, 2023.

## Operations

The company's operations comprise exploration and project development for future mining operations, principally through the management and refinement of the mining concessions held for iron-ore deposits in Ludvika, Dalarna. The company is also evaluating the possibility to extract a bi-product concentrate with high grades of phosphorate and rare earth elements.

## Significant events during the financial year

### Operational developments

The company entered an engineering agreement with VB Elnät to determine required measures in order to enable connection to the electric grid.

Exploration activities showed promising results with high grades of rare earth elements ("REE") within and in close proximity of the iron ore at the Blötberget mine. The total rare earth elements grade amounts to a maximum of 6,574 ppm (0.66 percent).

Nordic Iron Ore and Cargill Metals entered into an agreement whereby Cargill Metals undertakes to buy 25 million tons of ultra high-grade iron ore concentrate from the Blötberget mine in Dalarna, Sweden. In addition to the offtake agreement, the collaboration includes conditional funding commitments from Cargill Metals of SEK 307 million. The offtake agreement is estimated to generate SEK 35 billion in total revenues during an estimated production period of at least 15 years.

Nordic Iron Ore is a partner to the research center "Smart Exploration Research". The research center has been granted SEK 60 million by the Swedish Foundation for Strategic Research and is a multidisciplinary center that will do research on exploration and refinement of metals and minerals. The research is led by Uppsala University and is important for the ongoing energy transition and society's adjustment to the climate.

Nordic Iron Ore followed up on the earlier exploration of REE during spring 2023 with additional testing at Blötberget. This testing shows even more promising results and the total share of REE amounts to 15,285 ppm (1.53 percent) at the most.

Nordic Iron Ore made an application to Bergsstaten for an additional exploration permit in the proximity of Blötberget. The reason for the application is that initial exploration has given signals that the area is very interesting for expanded exploration.

## Financing

During the first quarter, the short term credit facility was extended by SEK 3 million to a total of SEK 21.5 million and prolonged until September 30, 2023. The credit facility has been entered with the company's major owners Bengtssons Tidnings AB, Ludvika Holding AB and Kopparinvest AB as well as a previous Board member.

During the second quarter, the short term credit facility was extended by SEK 3 million to a total of SEK 24.5 million and prolonged until November 15, 2023. The credit facility has been entered with the company's major owners Bengtssons Tidnings AB, Ludvika Holding AB and Kopparinvest AB as well as a previous Board member.

During the third quarter, the short term credit facility was extended by SEK 1.5 million to a total of SEK 26 million and prolonged until December 31, 2023. The credit facility has been entered with the company's major owners Bengtssons Tidnings AB, Ludvika Holding AB and Kopparinvest AB, as well as Nordic Iron Ores CEO Ronne Hamerslag and a previous Board member.

During the fourth quarter, the short term credit facility was extended by SEK 6 million to a total of SEK 32 million and prolonged until February 28, 2024. The credit facility has been entered with the company's major owners Bengtssons Tidnings AB, Ludvika Holding AB and Kopparinvest AB, as well as Nordic Iron Ores CEO Ronne Hamerslag, a previous Board member and a group of investors.

## Significant events after the period

Nordic Iron Ore received an approval from Bergsstaten on its application for an additional exploration permit in the proximity of Blötberget. A successful exploration of the area could potentially increase Nordic Iron Ore's mineral resources.

Nordic Iron Ore has entered into an agreement with ABG Sundal Collier (ABGSC) concerning the company's upcoming capital raise. Nordic Iron Ore will now evaluate options for capital structure together with ABGSC and Cargill Metals.

Nordic Iron Ore appointed Ulf Kasshag as the company's new CFO. Ulf Kasshag, born 1959, has extensive experience of controlling, accounting, reporting and finance, and has had the role as CFO at several fast-growing international companies, most recently at Findity AB.

Nordic Iron Ore and the Swedish Transport Administration agreed upon a technical solution for connecting Nordic Iron Ore's planned industrial rail to the nearby main line railway. This means that Nordic Iron Ore may proceed with its plans for environmentally friendly railway transport of its future production of ultra high-grade iron ore concentrate to Oxelösund's harbour.

Nordic Iron Ore entered into loan agreements to prolong the term for repayment for existing outstanding loans of SEK 32 million until August 31, 2024. The loan agreements have been entered with the company's major owners Bengtssons Tidnings AB, Ludvika Holding AB and Kopparinvest AB, as well as Nordic Iron Ores CEO Ronne Hamerslag, a previous Board member and a group of investors.

Nordic Iron Ore extended the short-term credit facility by SEK 6 million to a total of SEK 38 million. The loans are due for repayment on August 31, 2024. The loan extension has been entered with Lubrica Equity AB and Bizcap AB.

Nordic Iron Ore and Cargill entered into an amendment agreement in order to adjust the existing financing agreement which was announced on July 12, 2023. The amendment agreement has been made due to the FDI-law which requires application for certain foreign direct investments.

### Employees

During the year, the company has on average had 3 (3) employees in the company.

### Financial position, liquidity and future capital requirements

The Group had a liquidity of SEK 0.9 million (2.7) at the end of the period. The equity/assets-ratio amounted to 77.5 percent. The Group's equity amounted to SEK 132.1 million (145.1) corresponding to 3.56 SEK per share (3.91). During the year, the company entered into an agreement to extend an existing credit facility by SEK 13.5 million to a total of SEK 32 million, and after the period the credit facility was extended by an additional SEK 6 million to SEK 38 million. The credit facility was also prolonged until August 31, 2024. It is the Board's view that the current working capital is insufficient to finance the planned activities during the coming 12 months, which means that significant doubt could arise regarding the company's going concern. The Board is therefore actively reviewing financing options as part of the company's strategy and has, among other actions, engaged ABG Sundal Collier as advisor in the beginning of 2024 to advise on the upcoming capitalization process. Structure and time plan for the capitalization will be developed in collaboration with Cargill Metals. Short-term loans plus interest accrued on such amount, amounting to approximately SEK 29.9 million as of December 31, 2023, will in its entirety be set-off in the capitalization.

### Risks and uncertainties

The company's long-term risks mainly relate to securing sufficient financing since the total capital requirement in order to initiate production at Blötberget is estimated at a total of SEK 3.5 billion. The capital need can be reduced by SEK 2.0-2.5 billion if the company chooses to lease or rent certain buildings and machines. The company has previously entered a collaboration agreement with Cargill Metals whereby they have made a conditional funding commitment and also committed to purchase the future production from Blötberget. After December 1, 2023, Cargill Metals' investment in Nordic Iron Ore is subject to the new law on foreign direct investments, the so called FDI-law. Other risks are primarily connected to fluctuations in world market prices for iron ore products, which in turn affects the profitability of the project. Furthermore, the company is dependent on obtaining all the necessary authority permits in order to have mining operations. Outlooks for production and sales are estimates based on samples and geological examinations, and there is always a risk that the final outcome will be different.

### Future development

Work to secure funding of the zoning plan and initial construction work is the most important milestone during 2024. The Board is therefore actively reviewing financing options as part of the company's strategy and will update the market when a decision has been made regarding the structure of the capitalization.

### Proposed appropriation of profits

Funds at the disposal of the AGM:

	Amounts in SEK thousand
Retained earnings	-201,785
Share premium reserve	224,296
Profit/loss for the year	-12,930
<b>Total</b>	<b>9,581</b>

The Board proposes that the profit, SEK 9,581 thousand be carried forward.

The earnings and financial position of the company and the Group are presented in the following income statements and balance sheets with supplementary information and notes.



# Financials

## Consolidated statement of comprehensive income

Amounts in SEK 000	Note	2023	2022
<b>Operating income</b>			
Other operating income		-	-
<b>Total income</b>		<b>0</b>	<b>0</b>
<b>Operating expenses</b>			
Other external costs	6,7,8	-6,793	-6,540
Personnel expenses	8	-4,100	-2,080
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	13,14,15	-176	-760
<b>Total operating expenses</b>		<b>-11,069</b>	<b>-9,380</b>
<b>Operating profit/loss</b>		<b>-11,069</b>	<b>-9,380</b>
Financial income	9	2	0
Financial expenses	10	-1,866	-1,094
<b>Net financial expense</b>		<b>-1,864</b>	<b>-1,094</b>
<b>Profit/loss after financial items</b>		<b>-12,933</b>	<b>-10,474</b>
Tax	11	-	-
<b>Profit/loss for the year</b>		<b>-12,933</b>	<b>-10,474</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Attributable to</b>			
Parent Company shareholders		-12,933	-10,474
<b>Number of shares</b>			
Number of shares at end of year		37,135,055	37,135,055
Average number of shares (before dilution)		37,135,055	37,135,055
Average number of shares (after dilution)		37,135,055	37,135,055
<b>Earnings per share</b>	12		
Earnings per share, weighted average before dilution, SEK		-0.35	-0.28
Earnings per share, weighted average after dilution, SEK		-0.35	-0.28

## Parent company statement of comprehensive income

Amounts in SEK 000	Note	2023	2022
Profit/loss for the year		-12,933	-10,474
Other comprehensive income		-	-
<b>Total other comprehensive income</b>		<b>-12,933</b>	<b>-10,474</b>

## Consolidated statement of financial position

Amounts in SEK 000	Note	Dec 31, 2023	Dec 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Capitalised expenditure pertaining to exploration and evaluation	13	166,947	164,886
<b>Property, plant and equipment</b>			
Machinery and equipment	14	33	-
Right-of-use assets	15	1,666	1,832
<b>Financial assets</b>			
Other non-current receivables	17	32	31
<b>Total non-current assets</b>		<b>168,678</b>	<b>166,749</b>
<b>Current assets</b>			
Other receivables	18,19	782	253
Prepaid expenses and accrued income	20	185	226
Cash and cash equivalents	18,21	866	2,722
<b>Total current assets</b>		<b>1,833</b>	<b>3,201</b>
<b>TOTAL ASSETS</b>		<b>170,511</b>	<b>169,950</b>
<b>EQUITY</b>			
<b>Equity attributable to Parent Company shareholders</b>			
Share capital	22	64,401	64,401
Other contributed capital		224,295	224,295
Retained earnings including comprehensive income for the year		-156,561	-143,628
<b>Total equity</b>		<b>132,135</b>	<b>145,068</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities	15	1,836	1,972
		<b>1,836</b>	<b>1,972</b>
<b>Current liabilities</b>			
Borrowings	18	29,935	19,644
Lease liabilities	15	136	125
Trade payables		3,080	445
Other liabilities	18,23	148	149
Accrued expenses and deferred income	18,24	3,241	2,546
<b>Total current liabilities</b>		<b>36,540</b>	<b>22,910</b>
<b>Total liabilities</b>		<b>38,376</b>	<b>24,882</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>170,511</b>	<b>169,950</b>

## Consolidated statement of changes in equity

Amounts in SEK 000	Attributable to Parent Company shareholders			Total equity
	Share capital	Other contributed capital	Retained earnings incl. profit/loss for the year	
Opening equity, Jan 1, 2022	64,401	224,295	-133,154	155,542
Profit/loss for the year			-10,474	-10,474
Closing equity, Dec 31, 2022	64,401	224,295	-143,628	145,068
Opening equity, Jan 1, 2023	64,401	224,295	-143,628	145,068
Profit/loss for the year			-12,933	-12,933
Closing equity, Dec 31, 2023	64,401	224,295	-156,561	132,135

## Consolidated cash flow statement

Amounts in SEK 000	Note	2023	2022
<b>Operating activities</b>			
Profit/loss for the year		-12,933	-10,474
Adjustment for non-cash items			
Depreciation, amortisation and impairment	13, 14, 15	176	760
Other non-cash items		-85	-40
		<b>-12,842</b>	<b>-9,754</b>
<b>Cash flow from changes in working capital</b>			
Increase (-)/Decrease (+) in operating receivables		-568	10
Increase (+)/Decrease (-) in operating liabilities		5,117	1,369
<b>Cash flow from operating activities</b>		<b>-8,293</b>	<b>-8,375</b>
<b>Investing activities</b>			
Acquisition of tangible assets		-43	-
Acquisition of intangible assets	13	-2,021	-4,965
<b>Cash flow from investing activities</b>		<b>-2,064</b>	<b>-4,965</b>
<b>Financing activities</b>			
New loans	25	8,500	13,250
<b>Cash flow from financing activities</b>		<b>8,500</b>	<b>13,250</b>
<b>Cash flow for the year</b>		<b>-1,856</b>	<b>-90</b>
Opening cash and cash equivalents		2,722	2,812
<b>Closing cash and cash equivalents</b>	21	<b>866</b>	<b>2,722</b>

## Parent Company income statement

Amounts in SEK 000	Note	2023	2022
<b>Operating income</b>			
Other operating income		-	-
<b>Total income</b>		<b>0</b>	<b>0</b>
<b>Operating expenses</b>			
Other external costs	6,7,8	-7,020	-6,763
Personnel expenses	8	-4,100	-2,080
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	13,14	-10	-594
<b>Total operating expenses</b>		<b>-11,129</b>	<b>-9,437</b>
<b>Operating profit/loss</b>		<b>-11,129</b>	<b>-9,437</b>
<b>Profit/loss from financial investments</b>			
Interest income	9	2	0
Interest and similar expenses	10	-1,803	-1,060
<b>Total profit/loss from financial investments</b>		<b>-1,801</b>	<b>-1,060</b>
<b>Profit/loss after financial items</b>		<b>-12,930</b>	<b>-10,497</b>
Tax	11	-	-
<b>Profit/loss for the year</b>		<b>-12,930</b>	<b>-10,497</b>

## Parent Company statement of comprehensive income

Amounts in SEK 000	Note	2023	2022
Profit/loss for the year		-12,930	-10,497
Other comprehensive income		-	-
<b>Total other comprehensive income</b>		<b>-12,930</b>	<b>-10,497</b>

## Parent Company balance sheet

Amounts in SEK 000	Note	Dec 31, 2023	Dec 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Capitalised expenditure pertaining to exploration and evaluation	13	166,478	164,457
		<b>166,478</b>	<b>164,457</b>
<b>Property, plant and equipment</b>			
Machinery and equipment	14	33	-
		33	0
<b>Financial assets</b>			
Investments in Group companies	16	50	50
Other non-current receivables	17	32	31
		<b>82</b>	<b>81</b>
<b>Total non-current assets</b>		<b>166,593</b>	<b>164,538</b>
<b>Current assets</b>			
<b>Current receivables</b>			
Other receivables	19	782	253
Prepaid expenses and accrued income	20	185	226
Cash and bank balances	21	824	2,679
<b>Total current assets</b>		<b>1,791</b>	<b>3,158</b>
<b>TOTAL ASSETS</b>		<b>168,385</b>	<b>167,696</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital	22	64,401	64,401
Development expenditure reserve		58,002	55,981
		<b>122,403</b>	<b>120,382</b>
<b>Non-restricted equity</b>			
Share premium reserve		224,296	224,296
Retained earnings		-201,785	-189,268
Profit/loss for the year		-12,930	-10,497
		<b>9,581</b>	<b>24,531</b>
<b>Total equity</b>		<b>131,984</b>	<b>144,913</b>
<b>Current liabilities</b>			
Borrowings		29,935	19,644
Trade payables		3,077	445
Other current liabilities	23	148	149
Accrued expenses and deferred income	24	3,241	2,546
<b>Total current liabilities</b>		<b>36,401</b>	<b>22,784</b>
<b>Total liabilities</b>		<b>36,401</b>	<b>22,784</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>168,385</b>	<b>167,697</b>

## Parent Company statement of changes in equity

Amounts in SEK 000	Restricted equity		Non-restricted equity			Total equity
	Share capital	Development expenditure reserve	Share premium reserve	Retained earnings	Profit/loss for the year	
Opening equity, Jan 1, 2022	64,401	51,017	224,296	-175,439	-8,864	155,410
Appropriation of profits				-8,864	8,864	-
Capitalisation of development expenditure		4,965		-4,965		-
Comprehensive income for the year					-10,497	-10,497
Closing equity, Dec 31, 2022	64,401	55,982	224,296	-189,268	-10,497	144,913
Opening equity, Jan 1, 2023	64,401	55,982	224,296	-189,268	-10,497	144,913
Appropriation of profits				-10,497	10,497	-
Capitalisation of development expenditure		2,020		-2,020		-
Comprehensive income for the year					-12,930	-12,930
Closing equity, Dec 31, 2023	64,401	58,002	224,296	-201,785	-12,930	131,984

## Parent Company cash flow statement

Amounts in SEK 000	Note	2023	2022
<b>Operating activities</b>			
Profit/loss for the year		-12,930	-10,497
Adjustment for non-cash items			
Depreciation, amortisation and impairment	13, 14, 15	10	594
		<b>-12,920</b>	<b>-9,903</b>
<b>Cash flow from changes in working capital</b>			
Increase (-)/Decrease (+) in operating receivables		-488	10
Increase (+)/Decrease (-) in operating liabilities		5,118	1,518
<b>Cash flow from operating activities</b>		<b>-8,290</b>	<b>-8,375</b>
<b>Investing activities</b>			
Acquisition of tangible assets		-43	-
Acquisition of intangible assets		-2,021	-4,965
increase of financial assets		-1	-
<b>Cash flow from investing activities</b>		<b>-2,065</b>	<b>-4,965</b>
<b>Financing activities</b>			
Proceeds from borrowings	25	8,500	13,250
<b>Cash flow from financing activities</b>		<b>8,500</b>	<b>13,250</b>
<b>Cash flow for the year</b>		<b>-1,855</b>	<b>-90</b>
Opening cash and cash equivalents		2,679	2,769
<b>Closing cash and cash equivalents</b>	21	<b>824</b>	<b>2,679</b>

# Notes

## Note 1 General information

Nordic Iron Ore AB (publ) is a mining and exploration company with its main operations consisting of exploration and mining activities, principally through the management and refinement of the exploration permits and mining concessions held by the Company for iron-ore deposits in Västerbergslagen (a geographical area in the south of Dalarna).

In addition to the Parent Company Nordic Iron Ore AB (publ), the Nordic Iron Ore Group consists of the wholly owned subsidiary Ludvika Gruvor AB.

The Parent Company is a limited liability company registered in Sweden and domiciled in the municipality of Ludvika. The street address of the head office is Åkarevägen 2, SE-772 32, Grängesberg, Sweden. All amounts are stated in thousand SEK unless otherwise specified. The information in parentheses refers to the preceding year. The Board approved the publication of the annual accounts and consolidated financial statements on May 16, 2024.

## Note 2 Summary of significant accounting policies

### BASIS OF PREPARATION

The following accounting and valuation policies refer to the consolidated financial statements and the Parent Company's annual accounts unless otherwise specified. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Commission for application within the EU.

The most important accounting policies applied in preparing these consolidated financial statements are described below. The consolidated financial statements have also been prepared in accordance with Swedish law and application of RFR 1, Supplementary Accounting Rules for Groups, published by the Swedish Financial Reporting Board. The consolidated financial statements have been prepared in accordance with the cost method. The Parent Company's accounts have been prepared in accordance with RFR 2, Accounting for Legal Entities, and the Annual Accounts Act. In cases where the Parent Company applies accounting policies that differ from those of the Group, this is described separately under the heading Parent Company's accounting policies. Preparing financial statements in compliance with IFRS requires the use of certain critical accounting estimates. Management is also required to make certain judgements when applying the Group's accounting policies. Areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are of material importance to the consolidated financial statements, are described separately. See note 4.

### Changes in reporting standards

New, amended or improved accounting standards and interpretations that have been published and apply after 2023 are not expected to have any material impact on future reporting periods.

The narrow-scope amendments to IAS 1 Presentation of Financial Statements related to the classification of liabilities have been deferred until January 1, 2024.

### BASIS OF CONSOLIDATION

The Group's business combinations are accounted for using the acquisition method. The Group's only subsidiary was formed on the Group's own initiative and was therefore not acquired.

### EFFECTS OF EXCHANGE-RATE CHANGES

#### Functional currency and reporting currency

Group companies have the Swedish krona (SEK) as their functional currency and reporting currency.

### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing on the transaction date. Exchange gains and losses arising on settlement of such transactions and on translation of foreign currency trade receivables and trade payables are recognised in profit or loss.

### INTANGIBLE ASSETS

#### Capitalised expenditure on exploration and evaluation

Expenditure on exploration for and evaluation of mineral resources is recognised according to IFRS 6 Exploration for and Evaluation of Mineral Resources. Exploration and evaluation work is measured at cost and refers to all expenditure directly attributable to exploration for and evaluation of mineral resources.

Capitalised expenditure on exploration and evaluation assets includes expenditure on geological and technical surveys, test drilling and laboratory analyses. Indirect expenses and expenses arising prior to obtaining exploration permits are recognised directly as an expense in the period in which they arise. Once technically and commercially feasible, capitalised development expenditure attributable to Ludvika Mines will no longer be classified as exploration and evaluation assets. The assets will then be reclassified and recognised in accordance with IAS 16 Property Plant and Equipment or IAS 38 Intangible Assets, depending on how they have been classified.

#### Amortisation

Amortisation of exploration and evaluation work commences at the start of production at the mining facilities and then continues in line with the useful life of the mining facility.

#### Impairment

Exploration and evaluation assets are tested for impairment when reclassified as property, plant and equipment or intangible assets, or whenever facts and circumstances indicate that the asset's carrying amount may be higher than its recoverable amount. An impairment loss is recognised as an expense in the income statement. One or more of the following factors and circumstances indicate the need for impairment testing:

- The period during which the company is entitled to explore the specified area has expired or will expire within the near future, and has not been renewed.

- Significant expenditure on further exploration for and evaluation of mineral resources in the area in question is neither planned nor budgeted.
- Exploration for and evaluation of mineral resources in the area in question have not led to the discovery of mineral resources in commercially viable quantities and the company has decided to cease such operations in the area in question
- There is sufficient information to indicate that, despite the probable continuation of development in the area in question, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in its entirety through successful development or a sale.

Capitalised expenses in the form of exploration and evaluation assets and exploration permits are written down as soon as the exploitation licence is relinquished to the issuer.

### PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are recognised at cost less depreciation. Cost includes expenses directly attributable to the acquisition of the asset.

In order to distribute the cost down to the calculated residual value, depreciation of other assets is applied on a straight-line basis over the estimated useful life as follows:

#### Machinery and equipment 5 years

Gains and losses on disposal are determined by comparing the sales proceeds and the carrying amount.

### LEASES

The Group recognises the obligation to make lease payments as a lease liability in the balance sheet. The right to use the underlying asset over the lease term is recognised as an asset. Depreciation of the asset is recognised in profit or loss as is the interest payable on the lease liability. Lease payments are apportioned between interest charges and repayment of the lease liability. Payments on short-term leases (under 12 months) and low-value leases are exceptions.

Lease costs comprise rent for premises and land leases.

### FINANCIAL INSTRUMENTS

Financial instruments recognised under assets in the balance sheet include cash and cash equivalents, loan receivables and other current assets. Financial instruments recognised under liabilities include loan liabilities, trade payables, lease liabilities and other current liabilities.

#### Recognition and derecognition

A financial asset or liability is recognised in the balance sheet when the company becomes party to the contractual provisions of the instrument. A liability is recognised when the counterparty has delivered and the company is contractually obliged to settle the obligation, even if no invoice has been received.

A financial asset is derecognised in the balance sheet when the contractual rights have been realised, have expired or the company loses control over them. The same applies to part of a financial asset. A financial liability is derecognised in the balance sheet when the contractual obligation has been discharged or has expired in some other way.

A financial asset and a financial liability may be offset and the net amount presented in the balance sheet only if the company has a legally enforceable right to set off the recognised amounts, and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### Classification and measurement

On initial recognition, financial assets are classified as at fair value through profit or loss, at amortised cost or at fair value through other comprehensive income. The classification is based on the business model the Group uses to

manage the financial assets and their contractual cash flow characteristics. A financial asset is measured at amortised cost if it is held for collection of contractual cash flows and the contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. If the financial asset is held with the objective of both collecting contractual cash flows and selling financial assets, it is measured at fair value through other comprehensive income. Financial assets that are not measured at amortised cost or at fair value through other comprehensive income are measured at fair value through profit or loss

All financial assets are measured at amortised cost.

All financial liabilities are classified as measured at amortised cost.

### FAIR VALUE MEASUREMENT

The carrying amount, after any impairment, of loan receivables and trade receivables, and other liabilities, is assumed to correspond to their fair value as these items are current in nature. The Group does not have any financial instruments measured at fair value in the balance sheet.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and bank balances. Cash and cash equivalents in the cash flow statement include cash and bank balances.

### SHARE CAPITAL

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new shares are recognised in equity as a deduction from the issue proceeds.

#### Earnings per share

Basic earnings per share are calculated by dividing earnings for the year attributable to Parent Company shareholders by a weighted average number of shares outstanding during the period. In calculating diluted earnings per share, the number of shares is adjusted for all shares with a potential dilutive effect

### TRADE PAYABLES

Trade payables are undertakings to pay for expenses and capitalised expenditure. Trade payables are classified as current liabilities if they fall due within one year. Trade payables are recognised at their nominal amount. The carrying amount of trade payables is assumed to correspond to their fair value as this item is current in nature.

### BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs. Borrowings are subsequently recognised at amortised cost, and any difference between the amount received (net of transaction costs) and the repayment amount is recognised in profit or loss over the term of the loan using the effective interest method.

### BORROWING COSTS

Borrowing costs that are attributable to the construction of qualifying assets are capitalised as part of the qualifying asset's cost. A qualifying asset is an asset that necessarily takes a substantial period of time to prepare. For the Group, capitalisation of interest pertains to exploration and evaluation. No borrowing costs have been activated during the year.

### CURRENT AND DEFERRED TAX

Income tax consists of current tax and deferred tax. Taxes are recognised in the income statement except when an underlying transaction is recognised directly in equity.

#### Current tax

Current tax is tax payable or recoverable in respect of the current financial year and any adjustment of tax attributable to prior years. The current tax expense is estimated according to the tax rate applicable to the tax assessment. In the balance sheet, the tax asset or tax liability for current tax is recognised as current.



**Deferred tax**

Deferred tax is calculated on the difference between the carrying amounts of the company's assets and liabilities and their tax bases. Deferred tax is accounted for using the balance-sheet method. Deferred tax is recognised on essentially all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. There are currently no differences between carrying amounts and tax bases in the company's balance sheet, which means there are no temporary differences that could lead to deferred tax assets/liabilities.

**CASH FLOW STATEMENT**

The cash flow statement is prepared according to the indirect method. Cash and cash equivalents include cash and bank balances.

**EMPLOYEE BENEFITS****Pension obligations**

Nordic Iron Ore AB only has defined-contribution plans. For these, Nordic Iron Ore AB pays contributions into publicly or privately managed pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no additional payment obligations once the contributions have been paid. The contributions are recognised as personnel expenses when due for payment. Prepaid contributions are recognised as an asset to the extent that cash repayment or a reduction in future payments can accrue to the Group.

**PROVISIONS**

A provision is recognised in the balance sheet when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of financial resources will be required to settle the obligation, and a reliable estimate can be made.

**REVENUE RECOGNITION**

Interest income is recognised over the relevant period using the effective interest method.

**PARENT COMPANY'S ACCOUNTING POLICIES**

The Parent Company's applies RFR 2, Accounting for Legal Entities, and the Swedish Annual Accounts Act.

**Income statement and balance sheet presentation**

The presentation of the income statement and balance sheet follows the format prescribed in the Annual Accounts Act.

This main differences from the consolidated financial statements concern financial income and expenses, the statement of comprehensive income, provisions and the statement of changes in equity.

**Shares in subsidiaries**

Shares in subsidiaries are recognised at cost less any impairment. Dividends received are recognised as financial income. A dividend that exceeds the subsidiary's comprehensive income of for the period, or where the carrying amount of the holding's net assets in the consolidated financial statements is less than the carrying amount of the shares, is an indication of impairment. When there is an indication that shares in subsidiaries have declined in value, the recoverable amount is calculated. If this is lower than the carrying amount, an impairment loss is recognised. Impairment is recognised under profit/loss from investments in Group companies.

**Leases**

The Parent Company recognises all leases according to the rules for operating leases in accordance with the exemption in RFR 2. This means that the Parent Company's accounting policies for leases are unchanged.

**Classification and measurement of financial Instruments**

In accordance with the exemption in RFR 2, the Parent Company does not apply IFRS 9.

Financial instruments are measured at cost, after taking into account the provisions on measurement of current and non-current assets contained in the Annual Accounts Act.

Interest income and expenses are recognised using the effective interest method.

The Parent Company applies the same policies as the Group with regard to the recognition and derecognition of financial instruments in the balance sheet. In addition, the same policies under IFRS 9 as the Group are applied to assess and calculate impairment of receivables.

**Borrowing costs**

The Parent Company, borrowing costs are expensed as incurred.

**Note 3 Financial risk factors**

In the course of its operations, the Group is exposed to a number of different financial risks: market risk (comprising currency risk, interest risk in cash flow and price risk), credit risk and liquidity risk. The Group's financial policy/risk management policy focuses on minimising potentially adverse effects on Group earnings.

**Market risk**

■ Currency risk is the risk of exchange rate fluctuations negatively affecting the company's earnings, financial position and/or cash flows. Currency risk comprises both transaction risk and translation risk. The company currently does not currently have any material currency exposure as operating activities largely have costs linked to the Swedish krona (SEK). Decisions about any future mining will involve the need for significant investments in mining and processing plants, machinery and equipment, in certain cases with foreign suppliers in currencies other than the SEK. Furthermore, iron ore prices are set on the global iron ore market in USD. Once the decision has been made to start the mines, there will be currency exposure, mainly

related to future revenue flows in USD, that needs to be managed. The company has not yet decided on any currency hedges or adopted a hedging policy, but intends to do so when the need arises.

- The Group is not currently exposed to price risk, but when operations begin, there will be exposure to fluctuations in the price of iron ore.
- There is only limited interest risk at present as the loans raised carry a fixed interest rate. If the interest rate would change +/- 1 percentage point this would increase/decrease the annual interest cost by SEK 294 thousand.

**Credit risk**

Credit risk is the risk of a counterparty in a financial transaction failing to meet its obligations on the due date. Credit risks arise through bank balances, including restricted bank balances. Only banks and financial institutions with a high credit rating are accepted by the Group.

### Liquidity risk

Liquidity risk is the risk of the Group lacking sufficient cash and cash equivalents to meet its financial liabilities. In order to strengthen working capital, the company has extended its credit facilities with a short-term loan of SEK 13.5 million primarily from the company's largest owners. The company continually monitors the Group's liquidity reserve to ensure that the Group has sufficient funds to meet the needs of operating activities. As of December 31, 2023, the Group had a cash balance of SEK 866 (2,722) thousand. The Group's credit facilities of SEK 38.0 million expire on August 31, 2024 and the company therefore needs to strengthen its solvency before this date. The short-term loans were extended on four separate occasions in 2023: SEK 3 million on February 27, SEK 3 million on April 6, SEK 1.5 million on August 25 and SEK 6 million on October 4. Work to secure the company's funding continues and the Board's view, based on ongoing work and dialogues, is that the company will be able to secure funding to meet its funding needs during the coming 12 months and therefore concludes that it is correct to make the Annual Report with the assumption of going concern. If the company is not able to secure funding, this could lead to serious doubt about the company's ability to continue its operations.

### Maturity analysis

December 31, 2023	Within 1 year	2-5 years	After 5 years
Interest on short-term borrowings	-2,935	-	-
Repayment of short-term borrowings	-27,000	-	-
Trade payables	-3,075	-	-
Lease liabilities	-232	-975	-1,332

### Capital risk

In order for the company to achieve its long-term goals and start mining operations, the company needs access to additional funding. It is the Board's assessment that existing capital and cash flow is not sufficient for all planned activities until the start of mining and the Board is actively working on funding as an essential part of the company's strategy.

## Note 4 Significant accounting estimates and assumptions

Accounting estimates and assessments are evaluated regularly. They are largely based on historical experience and other factors, including expectations about future events which are considered reasonable in the present circumstances. The Group makes estimates and assumptions about the future. The resulting accounting estimates will, by definition, rarely match the actual outcome. The estimates and assumptions involving a significant risk of material adjustments in the carrying amounts of assets and liabilities in the following financial years are outlined below.

#### (a) Impairment testing for exploration and evaluation work

Exploration and evaluation assets are tested for impairment, based on the requirements of IFRS 6, when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When facts and circumstances indicate that the carrying amount is higher than the recoverable amount, the assets are measured, with classification and disclosures provided in accordance with the requirements of IAS 36 Impairment of Assets. On December 31, 2023, the value of intangible assets, capitalised exploration and evaluation expenditure, amounted to SEK 166,478 (164,457) thousand. The value is dependent on, among other factors, the opportunities and resources for developing the capitalised expenditure into mineable deposits. If there is any change in the underlying assessments on which the value of the intangible assets is based, and facts and circumstances arise to indicate that impairment testing is required, their value may need to be written down.

No impairment of capitalised expenses was recognised during the year or in the previous year.

#### (b) Assessment of potential capitalisation of loss carry-forwards

Unutilised loss carry-forwards are recognised as deferred tax assets to the extent that it is probable that future taxable profit will be available against which they can be utilised. Because the Group has not yet commenced commercial sales, it is company management's opinion that loss carry-forwards will not be capitalised at this point. This will be assessed at the end of each reporting period.

The Group's existing loss carry-forwards continue indefinitely, with no time limit.

#### (c) Assessment of provision for restoration costs

Meeting the requirements of environmental legislation may require substantial expenses, including fees for restoring land and for damage due to land contamination. As the company has not commenced mining operations and has only carried out limited exploration, no provision for restoration costs has been recognised.

#### (d) Assessment of going concern

Work to secure the company's funding continues and the Board's view, based on ongoing work and dialogues, is that the company will be able to secure funding to meet its funding needs during the coming 12 months and therefore concludes that it is correct to make the Annual Report with the assumption of going concern.

If the company is not able to secure funding, this could lead to serious doubt about the company's ability to continue its operations.

## Note 5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the function responsible for allocating resources and assessing the operating segments' performance. For the Group, this function has been identified as the CEO. At the end of 2023, Nordic Iron Ore AB (publ) was active in one operating segment, namely exploration for and evaluation of mineral resources. The operations are conducted in Sweden.

Consequently, Nordic Iron Ore AB's identified operating segment coincides with reporting for the Group as a whole.

Additional disclosures related to revenue from external customers and non-current assets for geographical areas, as well as information about major customers, is not applicable to the Group as operations are only conducted in Sweden and the Group has not yet reported any revenue.

**Note 6 Auditors' fees**

Auditors' fees cover examination of the annual financial statements, accounting records and administration of the Board of Directors and CEO, other procedures required to be carried out by the company's auditors and advice or other assistance in connection with observations made during the performance of these other procedures. Anything else is classified as other services.

Amounts in SEK 000	2023	2022
<b>Group and Parent Company</b>		
PWC		
Audit engagement	375	276
Audit-related services	39	25
<b>Total</b>	<b>414</b>	<b>301</b>

**Note 7 Leases**

Amounts in SEK 000	Dec 31, 2023	Dec 31, 2022
<b>Parent Company</b>		
Lease payments for the year recognised as an expense:		
Lease payments regarding rental expenses for premises and land leases	670	667
Future lease payments are due for payment as follows:		
Within 1 year	676	670
2-5 years	840	840
After five years	1,050	1,260

**Note 8 Remuneration of employees etc.**

Average number of employees	2023	2022
<b>Group and Parent Company</b>		
Average number of employees	3	3
<b>Group total</b>	<b>3</b>	<b>3</b>

Board members – number on reporting date	2023	2022
<b>Group and Parent Company</b>		
Board members		
Number of Board members	5	4
Women	-	-
<b>Total</b>	<b>5</b>	<b>4</b>

Senior executives – number on reporting date	2023	2022
<b>Group and Parent Company</b>		
CEO and other senior executives		
Men	3	3
Women	-	-
<b>Total</b>	<b>3</b>	<b>3</b>

Salaries, other benefits and social security contributions	2023	2022
<b>Group and Parent Company</b>		
Board, CEO and company management	2,401	2,927
Other employees	929	917
<b>Total</b>	<b>3,330</b>	<b>3,844</b>
Social security contributions	1,144	586
Pension expenses, Board and CEO	413	184
Pension expenses	37	37
<b>Total</b>	<b>1,594</b>	<b>807</b>

SEK 889 (785) thousand of personnel expenses have been capitalised.

The fees for the Board, CEO and company management include invoiced fees to the project director, CTO and the marketing and product development advisor. These expenses have been recognised under other external costs in the income statement. The fee recognised for 2023 was SEK 661 (661) thousand.

A mutual notice period of three months applies between the company and the CEO. Salary is payable under normal terms during the notice period. Lennart Eliasson served as interim CEO on a consultancy basis from January 1, 2022 to July 24, 2022, and after this period as an advisor to the CEO and Chairman of the Board. His fee amounted to SEK 127 thousand (511) in 2023.

**Note 8 Remuneration of employees etc., cont'd**

2023

Amounts in SEK 000	Fees	Salaries	Other benefits and remuneration	Pension expense	Total remuneration
Bengt Nilsson, Chairman of the Board	300				300
Ronne Hamerslag, CEO		1,701		413	2,114
Tomas Olofsson, Board member	100				100
Jonas Bengtsson, Board member	100				100
Gösta Bergman, Board member	100				100
Tobias Hansson, Board member	100				100
Other senior executives, 2 individuals	24				24
<b>Total</b>	<b>724</b>	<b>1,701</b>	<b>-</b>	<b>413</b>	<b>2,838</b>

2022

Amounts in SEK 000	Fees	Salaries	Other benefits and remuneration	Pension expense	Total remuneration
Tomas Olofsson, Chairman of the Board	200				200
Lennart Eliasson, CEO until July 25, 2022	1,109				1,109
Ronne Hamerslag, CEO from July 25, 2022		732		184	916
Jonas Bengtsson, Board member	75				75
Gösta Bergman, Board member	75				75
Timo Lindborg, Board member	75				75
Other senior executives, 2 individuals	661				661
<b>Total</b>	<b>2,195</b>	<b>732</b>	<b>-</b>	<b>184</b>	<b>3,111</b>

**Note 9 Financial income**

Amounts in SEK 000	2023	2022
<b>Group and Parent Company</b>		
Interest income	2	0
<b>Total financial income</b>	<b>2</b>	<b>0</b>

**Note 10 Financial expenses**

Amounts in SEK 000	2023	2022
<b>Group</b>		
Interest expenses, external	-1,855	-1,081
Exchange differences	-11	-13
<b>Total financial expenses</b>	<b>-1,866</b>	<b>-1,094</b>
<b>Parent Company</b>		
Interest expenses, external	-1,792	-1,046
Exchange differences	-11	-13
<b>Total financial expenses</b>	<b>-1,803</b>	<b>-1,060</b>

**Note 11** Income tax/tax on profit for the year

Amounts in SEK 000	%	2023	%	2022
<b>Group</b>				
Profit/loss before tax		-12,933		-10,474
Tax based on Parent's applicable tax rate	20.6 %	2,664	20.6 %	2,158
Tax effect of				
Non-deductible expenses		-7		-7
Non-taxable income				
Issue expenses				
Tax effect of net loss/gain on operations not recognised as deferred tax assets		-2,658		-2,151
<b>Current tax expense recognised</b>	<b>0.0 %</b>	<b>-</b>	<b>0.0 %</b>	<b>-</b>
<b>Parent Company</b>				
Profit/loss before tax		-12,930		-10,496
Tax based on Parent's applicable tax rate	20.6 %	2,664	20.6 %	2,162
Tax effect of				
Non-deductible expenses		-7		-7
Non-taxable income				
Issue expenses		-		-
Tax effect of net loss/gain on operations not recognised as deferred tax assets		-2,657		-2,155
<b>Current tax recognised</b>	<b>0.0 %</b>	<b>-</b>	<b>0.0 %</b>	<b>-</b>

**Tax loss carryforwards**

Amounts in SEK 000	2023	2022
<b>Parent Company</b>		
Tax loss carryforwards	179,583	166,684
<b>Group</b>		
Tax loss carryforwards	179,591	166,691

The Group's existing loss carry-forwards continue indefinitely, with no time limit.  
The weighted average tax rate for the Group and Parent Company is 20.6 percent (20.6 percent).  
No deferred tax had been recognised as of Dec 31, 2023 or Dec 31, 2022.

**Note 12** Earnings per share

Amounts in SEK 000	2023	2022
<b>Basic earnings per share</b>		
Profit/loss for the year attributable to Parent company shareholders	-12,933	-10,474
Average number of shares	37,135,055	37,135,055
Number of shares when calculating basic earnings per share	<b>37,135,055</b>	<b>37,135,055</b>
<b>Diluted earnings per share</b>		
Profit/loss for the year attributable to Parent company shareholders	-12,933	-10,474
Average number of shares	<b>37,135,055</b>	<b>37,135,055</b>
Number of shares when calculating diluted earnings per share	<b>37,135,055</b>	<b>37,135,055</b>

**Basic earnings per share**

The calculation of earnings per share attributable to Parent Company shareholders is based on profit/loss for the year after tax attributable to Parent Company shareholders in relation to the weighted average number of shares amounting to 37,135,055 (37,135,055).

**Diluted earnings per share**

The calculation of earnings per share attributable to Parent Company shareholders is based on profit/loss for the year after tax attributable to Parent Company shareholders.

**Note 13 Capitalised expenditure pertaining to exploration and evaluation**

Amounts in SEK 000	Dec 31, 2023	Dec 31, 2022
<b>Group</b>		
Accumulated cost		
At beginning of year	165,480	160,440
Acquisitions during the year	2,060	5,040
<b>Closing carrying amount</b>	<b>167,541</b>	<b>165,480</b>
<b>Accumulated impairment</b>		
At beginning of year	-594	-
Impairment for the year	-	-594
<b>Closing accumulated impairment</b>	<b>-594</b>	<b>-594</b>
<b>Carrying amount</b>	<b>166,947</b>	<b>164,886</b>

Amounts in SEK 000	Dec 31, 2023	Dec 31, 2022
<b>Group</b>		
Accumulated cost		
At beginning of year	165,051	160,086
Acquisitions during the year	2,021	4,965
<b>Closing carrying amount</b>	<b>167,072</b>	<b>165,051</b>
<b>Accumulated impairment</b>		
At beginning of year	-594	-
Impairment for the year	-	-594
<b>Closing accumulated impairment</b>	<b>-594</b>	<b>-594</b>
<b>Carrying amount</b>	<b>166,478</b>	<b>164,457</b>

**Capitalised expenditure on exploration and evaluation**

Capitalised expenditure on exploration and evaluation refers to costs incurred in connection with investigative work on the planned start of mining operations, chiefly drilling. All items directly associated with exploration, including personnel expenses, have been capitalised during the year. Borrowing costs in the Group have been capitalised.

**Note 14 Property, plant and equipment**

Amounts in SEK 000	Dec 31, 2023	Dec 31, 2022
<b>Accumulated cost</b>		
At beginning of year	696	696
Acquisitions during the year	43	-
<b>Closing accumulated cost</b>	<b>739</b>	<b>696</b>
<b>Accumulated depreciation and impairment</b>		
At beginning of year	-696	-696
Depreciation and write-downs	-10	-
<b>Closing accumulated depreciation and impairment</b>	<b>-706</b>	<b>-696</b>
<b>Accounted values</b>	<b>33</b>	<b>-</b>

**Depreciation**

Values are depreciated linearly over the period of use, i.e. over five years.

**Note 15 Right-of-use assets**

Amounts in SEK 000	Dec 31, 2023	Dec 31, 2022
<b>Group</b>		
Opening cost	4,075	4,075
<b>Closing accumulated cost</b>	<b>4,075</b>	<b>4,075</b>
<b>Opening depreciation</b>		
At beginning of year	-2,243	-2,077
Amortisation for the year	-166	-166
Closing accumulated amortisation	-2,409	-2,243
<b>Closing carrying amount</b>	<b>1,666</b>	<b>1,832</b>

Amounts in SEK 000	Dec 31, 2023	Dec 31, 2022
<b>Group</b>		
Opening lease liabilities	1,972	2,211
Repayments	-136	-239
<b>Closing accumulated cost</b>	<b>1,837</b>	<b>1,972</b>
Future lease payments are due for payment as follows:		
Within 1 year (undiscounted)	232	227
2-5 years (undiscounted)	975	956
After 5 years (undiscounted)	1,332	1,583

Leases comprise rented premises and land leases. The lease for the premises in Grängesberg is extended one year at a time. The land lease for the coming mine has a planned useful life up to and including the year 2033. Future lease payments are tied to developments in the CPI, although to a limited extent when changes are negative. Index adjustments are included in the lease liability as soon as they are applicable, at which point the right-of-use asset is adjusted.

**Note 16** Investments in Group companies

Amounts in SEK 000	Dec 31, 2023	Dec 31, 2022
<b>Parent Company</b>		
Accumulated cost		
At beginning of year	50	50
<b>Closing balance</b>	<b>50</b>	<b>50</b>

Subsidiary / Org. number / Municipality	Number of shares	Share of votes/ capital	Equity	Carrying amount	Earnings
Ludvika Gruvor AB 556856-2994 Ludvika	50	100	43	50	–

**Note 17** Other non-current receivables

Amounts in SEK 000	Dec 31, 2023	Dec 31, 2022
<b>Group</b>		
Deposit under the Minerals Act issued to the Mining Inspectorate of Sweden	32	31
<b>Total</b>	<b>32</b>	<b>31</b>
<b>Parent Company</b>		
Deposit under the Minerals Act issued to the Mining Inspectorate of Sweden	32	31
<b>Total</b>	<b>32</b>	<b>31</b>

**Note 18** Financial instruments by category

## December 31, 2023

Amounts in SEK 000	Financial assets at amortised cost	Financial liabilities at amortised cost	Total carrying amount	Fair value
<b>Group</b>				
Deposits and restricted bank balances	32		32	32
Other receivables	782		782	782
Cash and cash equivalents	866		866	866
<b>Total</b>	<b>1,680</b>	<b>–</b>	<b>1,680</b>	<b>1,680</b>
Borrowings		29,935	29,935	29,935
Lease liabilities		1,972	1,972	1,972
Trade and other payables		3,075	3,075	3,075
<b>Total</b>		<b>34,982</b>	<b>34,982</b>	<b>34,982</b>

## December 31, 2022

<b>Group</b>				
Deposits and restricted bank balances	31		31	31
Other receivables	253		253	253
Cash and cash equivalents	2,722		2,722	2,722
<b>Total</b>	<b>3,006</b>	<b>–</b>	<b>3,006</b>	<b>3,006</b>
Borrowings		19,644	19,644	19,644
Lease liabilities		2,097	2,097	2,097
Trade and other payables		446	446	446
<b>Total</b>		<b>22,187</b>	<b>22,187</b>	<b>22,187</b>

**Note 19 Other receivables**

Amounts in SEK 000	Dec 31, 2023	Dec 31, 2022
<b>Group and Parent Company</b>		
VAT recoverable	641	152
Other items	141	101
<b>Total</b>	<b>782</b>	<b>253</b>

**Note 20 Prepaid expenses and accrued income**

Amounts in SEK 000	Dec 31, 2023	Dec 31, 2022
<b>Group and Parent Company</b>		
Prepaid rental expenses	90	40
Other items	95	186
<b>Total</b>	<b>185</b>	<b>226</b>

**Note 22 Share capital and other contributed capital**

The Articles of Association of Nordic Iron Ore AB (publ) stipulate a share capital of not less than SEK 64,340,090 and not more than SEK 257,360,360. The number of shares shall be not less than 37,100,000 and not more than 148,400,000. The company's registered share capital on December 31, 2023 was SEK 64,400,883.865445 divided into 37,135,055 shares with a quotient value of SEK 1.734 per share.

	Number of shares	Share capital, SEK	Other contributed capital
<b>2022</b>			
Opening balance, 1 Jan 2022	37,135,055	64,400,884	224,295,169
<b>Closing balance, 31 Dec 2022</b>	<b>37,135,055</b>	<b>64,400,884</b>	<b>224,295,169</b>
<b>2023</b>			
Opening balance, 1 Jan 2023	37,135,055	64,400,884	224,295,169
<b>Closing balance, 31 Dec 2023</b>	<b>37,135,055</b>	<b>64,400,884</b>	<b>224,295,169</b>

Proposed appropriation of the company's profit	Parent Company
Retained earnings	-201,785,385
Share premium reserve	224,295,168
Profit/loss for the year	-12,929,898
	<b>9,579,885</b>
<b>To be carried forward</b>	<b>9,579,885</b>

**Note 23 Other liabilities**

Amounts in SEK 000	Dec 31, 2023	Dec 31, 2022
<b>Group and Parent Company</b>		
Withholding tax	81	83
Employer's contributions	67	66
<b>Total</b>	<b>148</b>	<b>149</b>

**Note 21 Cash and cash equivalents**

Amounts in SEK 000	Dec 31, 2023	Dec 31, 2022
<b>Group</b>		
Cash and bank balances	866	2,722
<b>Total</b>	<b>866</b>	<b>2,722</b>
<b>Parent Company</b>		
Cash and bank balances	824	2,679
<b>Total</b>	<b>824</b>	<b>2,679</b>

**Note 24 Accrued expenses and deferred income**

Amounts in SEK 000	Dec 31, 2023	Dec 31, 2022
<b>Group and Parent Company</b>		
Accrued salaries and fees	1,047	675
Accrued holiday pay	398	321
Accrued capitalised expenses	120	120
Accrued pension expenses	109	54
Other items	1,567	1,376
<b>Total</b>	<b>3,241</b>	<b>2,546</b>



**Note 25** Report on cash flows

Amounts in SEK 000	Dec 31, 2021	Cash items	Non-cash items	Dec 31, 2022
Liabilities to investors	5,250	13,250	-	18,500
<b>Total liabilities from financing activities</b>	<b>5,250</b>	<b>13,250</b>	-	<b>18,500</b>

Amounts in SEK 000	Dec 31, 2022	Cash items	Non-cash items	Dec 31, 2023
Liabilities to investors	18,500	8,500	-	27,000
<b>Total liabilities from financing activities</b>	<b>18,500</b>	<b>8,500</b>	-	<b>27,000</b>

**Note 26** Pledged assets and contingent liabilities

Amounts in SEK 000	Dec 31, 2023	Dec 31, 2022
<b>Group and Parent Company</b>		
Contingent liabilities	None	None
Pledged assets	-	-
Restricted bank balances, SHB, pledged to the benefit of the County Administrative Board of the County of Värmland regarding a commitment to restore land	32	31
<b>Total pledged assets and contingent liabilities</b>	<b>32</b>	<b>31</b>

**Note 27** Related-party transactions

Related parties are defined as subsidiaries included in the Group, members of the company's Board of Directors and senior executives of the Group including close family members of such individuals. Nordic Iron Ore did not have any liabilities to related parties as of the reporting date. For remuneration of Board members, see Note 8.

**Note 28** Significant events after the period

Nordic Iron Ore received an approval from Bergsstaten on its application for an additional exploration permit in the proximity of Blötberget. A successful exploration of the area could potentially increase Nordic Iron Ore's mineral resources.

Nordic Iron Ore has entered into an agreement with ABG Sundal Collier (ABGSC) concerning the company's upcoming capital raise. Nordic Iron Ore will now evaluate options for capital structure together with ABGSC and Cargill Metals.

Nordic Iron Ore appointed Ulf Kasshag as the company's new CFO. Ulf Kasshag, born 1959, has extensive experience of controlling, accounting, reporting and finance, and has had the role as CFO at several fast-growing international companies, most recently at Findity AB.

Nordic Iron Ore and the Swedish Transport Administration agreed upon a technical solution for connecting Nordic Iron Ore's planned industrial rail to the nearby main line railway. This means that Nordic Iron Ore may proceed with its plans for environmentally friendly railway transport of its future production of ultra high-grade iron ore concentrate to Oxelösund's harbour.

Nordic Iron Ore entered into loan agreements to prolong the term for repayment for existing outstanding loans of SEK 32.0 million until August 31, 2024. The loan agreements have been entered with the company's major owners Bengtssons Tidnings AB, Ludvika Holding AB and Kopparinvest AB, as well as Nordic Iron Ores CEO Ronne Hamerslag, a previous Board member and a group of investors.

Nordic Iron Ore extended the short-term credit facility by SEK 6 million to a total of SEK 38 million. The loans are due for repayment on August 31, 2024. The loan extension has been entered with Lubrica Equity AB and Bizcap AB.

The undersigned hereby affirm that the annual accounts and the consolidated financial statements were prepared in compliance with International Financial Reporting Standards, IFRS, as adopted within the European Union, and with generally accepted accounting principles, and that they provide a true and fair representation of the Group's and the Parent

Company's financial position and earnings, and that the Administration Report provides a true and fair view of the Group's and Parent Company's operations, financial position and performance and describes the material risks and uncertainties faced by the companies in the Group.

Ludvika on May 15, 2024

Bengt Nilsson  
Chairman of the Board

Jonas Bengtsson

Gösta Bergman

Tomas Olofsson

Tobias Hansson

Ronne Hamerslag  
CEO

Our auditor's report was submitted on May 15, 2024  
Öhrlings PricewaterhouseCoopers AB

Jonas Åkerlund  
Authorised public accountant

# Auditor's Report

To the general meeting of the shareholders of Nordic Iron Ore AB (publ), corporate identity number 556756-0940

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of Nordic Iron Ore AB (publ) for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 29-48 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Significant uncertainty factor regarding the assumption of going concern

Without affecting my statements above, we would like to draw attention to the management report and note 4 in the annual accounts, which show that existing working capital is not sufficient for the planned activities during the next twelve-month period and that the company is dependent on external funding.

The annual accounts also show that the group made a loss of SEK 12,933 thousand for the financial year ending on December 31, 2023 and that the group's current debt, at the same date, exceeded its current receivables and cash by SEK 34,707 thousand.

These conditions indicate that there is a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

We have not altered our statement in this regard.

### Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and can be found on pages 1-28 and 51-54. The Board of Directors and the Managing Director are responsible for the other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

## Report on other legal and regulatory requirements

### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Nordic Iron Ore AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

### Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things

continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website [www.revisorsinspektionen.se/](http://www.revisorsinspektionen.se/) revisornsansvar. This description is part of the auditor's report.

Gävle, May 15, 2024

Öhrlings PricewaterhouseCoopers AB

Jonas Åkerlund  
Authorized Public Accountant

# Glossary

## Apatite

A mineral composed of calcium phosphate mixed with either calcium fluoride or calcium chloride. However, the apatite that occurs in Sweden is almost entirely a mixture of calcium phosphate and calcium fluoride, and it exists as a component of, for example, granite, gneiss and iron ore.

## Blast furnace

Furnace in which the iron ore oxide is reduced to pig iron.

## Core drilling

Rotary drilling used to extract a core from the bedrock.

## Drift

Mining tunnel.

## Environmental permit

Permit to conduct mining and ore processing under the Environmental Code.

## Exploration

The search for ore.

## Exploration permit

Permit from the Mining Inspectorate of Sweden to operate.

## Feasibility study

Scoping study/feasibility study. A study with sufficient accuracy to serve as the basis for an investment decision.

## Flotation

An enrichment process whereby mineral grains in a liquid are lifted to the surface and skimmed off. Geophysical survey Measurements with instruments that identify the physical properties of the rock types (ores and tectonic structures).

## Haematite

Mineral with the chemical composition  $\text{Fe}_2\text{O}_3$ . Mined for extraction of iron. Also previously called red iron ore.

## Inclined trackway

Tunnel for the ascent from and descent into the mine. Often in a spiral.

## JORC (Australasian Joint Ore Reserves Committee)

Internationally accepted standard setting minimum standards for public reporting of exploration results and mineral resources. The standard is prepared by the Australasian Joint Ore Reserves Committee, which gave its name to the standard.

## Lump ore

Iron ore product obtained when dressing.

## Magnetite

Mineral with the chemical composition  $\text{Fe}_3\text{O}_4$ . Mined for extraction of iron. Also referred to as black ore.

## Mineralisation

Concentration of potential economically interesting mineral deposits in the bedrock.

## Mineral reserves

Mineral reserves are calculated based on the indicated and measured mineral resources taking into account, for instance, technical and economic considerations for mining and concentration as well as matters of a legal nature.

## Mineral resources

Refers to mineralisations of such quality and quantity as to enable commercial extraction of metals or minerals. The mineral resources are classified based on the extent of geological knowledge about them, i.e. inferred, indicated or measured mineral resources. Mineral resources are calculated and classified by a Qualified Person.

## Mining

Removing rock or ore in an open-cast or underground mine.

## Mining concession

Permit to process (mine) a deposit (previously known as a mining concession).

## NPV

Net present value. Net present value is the estimated value of an investment's future cash flows, both positive and negative, discounted using a given interest rate calculation.

## Ore

Term for a mineralisation that can be exploited for financial gain, see also mineral reserves.

## Ore concentrate

Fine-grained iron ore product obtained through enrichment of iron ore.

## Preliminary economic assessment (PEA)

A preliminary economic assessment and early evaluation of a mining project aimed at objectively identifying the strengths and weaknesses of the project and highlighting the relevant opportunities and threats, the resources required for implementation and, finally, the prospects of success.

## Preliminary feasibility study (PFS)

A PFS is less detailed than a feasibility study but more extensive than a PEA, from which it differs by, for instance, only including measured and indicated mineral resources in the calculations.

## Raise

Vertical or steeply sloping link between two levels in a mine.

## Shaft

Usually, a vertical drift that is used for the transport of ore and workers.

## Sinter

Coarser product for charging to the blast furnace, made of fine-grained iron ore concentrate.





Nordic  
**Iron Ore**™

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