

# Q1



**Interim Report**  
**January – March 2023**

Nordic  
**Iron Ore**<sup>TM</sup>

# Q1

## Interim Report January – March 2023

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**Nordic Iron Ore is a mining company in the southern Dalarna region of Sweden whose main ambition is to resume mining operations at Ludvika Mines which includes the previously operational mine Blötberget and Håksberg, as well as the Väsman field which is considered to hold significant potential. The company has all necessary permits in place to initiate the project at Blötberget, and will be able to produce high-grade iron ore concentrate. This makes the company well positioned on a market with growing demand for high quality iron.**

### Financial development

#### First quarter, 1 January – 31 March 2023

- Sales amounted to SEK 0 million (0)
- Earnings after tax amounted to SEK -2.7 million (-1.6)
- Investments amounted to SEK -0.2 million (-2.3) in January-March
- Earnings per share before and after dilution amounted to -0.08 SEK (-0.05)
- Cash and cash equivalents amounted to SEK 1.7 million (5.7) on March 31, 2023.

### Significant events

#### During the quarter

- The company entered into an agreement with VB Elnät to evaluate necessary measures in order to enable connection to the grid.
- The short term debt facility of SEK 18.5 million with the company's major shareholders Bengtsson's Tidnings AB, Ludvika Holding AB and Kopparinvest AB as well as Board member Timo Lindborg AB through company, was prolonged to June 30, 2023.
- In order to strengthen working capital, the company extended its credit facilities with SEK 3 million with the company's two largest shareholders Bengtssons Tidnings AB and Ludvika Holding AB. The credit facilities thereby amounted to a total of SEK 21.5 million.

- The company prolonged outstanding loans of SEK 21.5 million with the company's three largest shareholders and a Board member. Repayment was prolonged by three months until September 30, 2023.

#### After the period

- In order to strengthen working capital, the company extended its credit facilities with SEK 3 million with the company's two largest shareholders Bengtssons Tidnings AB and Ludvika Holding AB. The loan extension has the same terms as prior loans, meaning an interest of 8 percent and these loans mature on September 30, 2023. The credit facilities thereby amounted to a total of SEK 24.5 million.



Photo: Epiroc

## Key ratios

Group (Amounts in SEK)	Q1 2023	Q1 2022	Full year 2022
Equity/ Assets-ratio (%)	84.20 %	89.48 %	85.36 %
Earnings per share, before and after dilution	-0.07	-0.04	-0.28
Equity per share	3.84	4.15	3.91
Quick ratio (%)	8.96 %	-44.32 %	13.97 %
No. of shares	37,135,055	37,135,055	37,135,055
Weighted average no. of shares before dilution	37,135,055	37,135,055	37,135,055



# CEO letter

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Dear Shareholder,

**During the quarter we continued to work on completing an agreement with Cargill. There are only small number of items outstanding and we are hopeful to complete an agreement during the year. The purpose of these negotiations is for us to secure an extensive supply agreement as well as a long term investor and strategic partner that can strengthen Nordic Iron Ore. Furthermore, we have worked on clarifying the terms for the working time related to water operations in the Environmental Permit through discussions with the County Administrative Board, negotiated drafts of MOUs with potential suppliers and continued exploration at Blötberget with some exciting results.**

## Preparations continue

During the quarter, Nordic Iron Ore has continued to work on preparations ahead resuming mining operations at Blötberget. We have negotiated drafts of MOUs with potential suppliers of equipment and services to the mine. As both the processing plant and much of the machinery to be used down in the mine will consume significant amounts of electricity, we need to secure electricity supply to the mine. We have previously received approval on our application for a power outtake of 20 MW and signed a letter of intent with Hitachi Energy for the installation and operation of an electric power plant with a 50/12kV station. Furthermore, in order to secure initial power and ensure that the electric power plant can be connected to the grid, we have also signed an engineering agreement with VB Elnät to determine the required measures to access the initial power requirement. Additionally, work is underway to ensure access to necessary land, either through acquisitions or through easement, so that construction can begin as soon as an agreement with Cargill is finalized. In connection to this work we have identified alternative locations for some planned facilities which in turn has been notified to the County Administrative Board. We have also continued our dialogue with the County Administrative Board concerning clarification of the terms for the working time for the water operations in the Environmental Permit with the purpose of satisfying the terms for the water operations.

The Traffic Authority's evaluation of our desired new connection to the railway at Skeppmora was sent on referral during the first quarter. We expect a final result from the evaluation during the second quarter this year and will thereafter decide how to proceed.

## Negotiations with Cargill

We continue intensive negotiations with Cargill and have a positive outlook on completing negotiations regarding deliveries, investment and the future collaboration during the current year. Once the agreement is completed, the plan is to initiate work on the ground at Blötberget and begin the journey towards a modern, electrified and green mine.

According to current schedules and calculations, Nordic Iron Ore has a lead time of about three years before mining can start at Blötberget. The mine is expected to annually produce approximately 1.6 million tonnes of iron ore concentrate with an average iron concentration of 69%, one of the highest concentrations available on the market. Iron ore concentrate of this quality is an important component in reducing the CO<sub>2</sub> intensity in the entire iron ore value chain while the planned electrical mining at Blötberget is expected to have a uniquely low CO<sub>2</sub>-intensity per tonne iron ore product.



### Interesting results from exploration

In parallel, we have continued exploration of the area around Blötberget and also received a new exploration permit for the area last year. We have made new interesting observations in material that has previously not been analyzed and we also have plans to re-analyze previous samples in order to potentially broaden mineral resources with new substances, such as rare earth elements (REE). Our hope is that this work during the year will lead to a re-classification of certain mineral resources or that new ones are added. Regardless of whether we are successful or not, this work will lead to a better understanding of mineralization in Blötberget and lay a foundation for future exploration and drilling programs.

### Focus going forward

In the short term, our focus is to complete a long-term collaboration agreement with Cargill and thereby secure important initial funding of ground work. We will also continue to strengthen the organization through necessary recruitments and secure partners and suppliers. I also look forward to keeping you posted on our continued exploration of Blötberget.

**Ronne Hamerslag**  
CEO  
Nordic Iron Ore AB (publ)

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**Iron ore concentrate of this quality is an important component in reducing the CO<sub>2</sub> intensity in the entire iron ore value chain.**

# Financial development

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## Results

The period's result amounted to SEK -2.7 million (-1.6) during the first quarter. The worse result is primarily due to increased personnel costs. The earning per share amounted to -0.07 SEK (-0.04) before and after dilution during the first quarter.

## Capital structure

The Group had a liquidity of SEK 1.7 million (5.7) at the end of the period. The equity/assets-ratio amounted to 84.20 %. The Group's equity amounted to SEK 142.4 million (153.9) corresponding to 3.84 SEK per share (4.15).

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 there are significant uncertainties which could lead to significant doubts regarding the company's going concern.

In order to implement the long-term strategy and develop the company's projects requires access to extensive financing. The start of construction will require financial resources – both equity and loan financing. For this reason, the Board is planning a major capital raising in connection with strengthening the ownership base and is in advanced discussions with Cargill, having signed a Memorandum of Understanding on future cooperation with that company in February 2022. The company expects to finalise an agreement in 2023.

## Investments

Investments amounted to SEK 0.2 million in January – March 2023. The entire amount relates to exploration assets and examination work concerning the planned restart of mining at Blötberget.

## Employees

The company had an average of 3 (2) employees during the period.

## Risks and uncertainties

The company's short-term risks are related to financing and the ability to execute certain works tasks as specified in the timetable of the environmental permit. Other risks are primarily connected to fluctuations in world market prices for iron ore products, which in turn affects the profitability of the project, and technical risks are the possibilities of starting the business depending on obtaining all the necessary authority permits and that the extensive capital requirement can be met.

# Share information

Nordic Iron Ore's share is traded on Nasdaq First North Growth Market Stockholm. Wildeco Ekonomisk Information AB is the company's Certified Adviser.

The share capital amounted to 64,400,883 SEK divided upon 37,135,055 shares, with a quota value of 1.734 SEK per share. The number of shareholders amounted to 7,943.

## Shareholders as of March 31, 2023

Shareholder	Number of shares	Share of votes and capital
Bengtssons Tidnings AB	7,799,238	21.00 %
Ludvika Holding AB	4,453,483	11.99 %
Kopparinvest AB	2,600,132	7.00 %
Whittle Equity Pty Ltd	1,752,369	4.72 %
Skålpussen AB	1,116,000	3.01 %
Björn Israelsson	965,000	2.60 %
Avanza Pension	671,833	1.81 %
Johan Flink	645,100	1.74 %
Per Einarsson	558,500	1.50 %
Jonas Bengtsson	524,105	1.41 %
<b>Total top-10</b>	<b>21,085,760</b>	<b>56.78 %</b>
Others	16,049,295	43.22 %
<b>Total</b>	<b>37,135,055</b>	<b>100.00 %</b>

## Share price



## Financial calendar

Interim Report Q1 2023.....	22 May 2023
Annual General Meeting .....	12 June 2023
Interim Report Q2 2023.....	24 August 2023
Interim Report Q3 2023.....	23 November 2023

# Financials

## Consolidated statement of comprehensive income - summary

Amounts in TSEK	2023 Jan–Mar	2022 Jan–Mar	2022 Full year
Net revenue	0	0	0
Other operating income	0	0	0
<b>Total operating income</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other external costs	-1,246	-1,288	-6,540
Personnel expenses	-973	-157	-2,080
Depreciation/amortization and impairment of property, plant and equipment and intangible assets	-42	-42	-760
<b>Operation profit/loss</b>	<b>-2,261</b>	<b>-1,487</b>	<b>-9,380</b>
Financial income	0	0	0
Financial expenses	-393	-118	-1,094
<b>Net financial income/expense</b>	<b>-393</b>	<b>-118</b>	<b>-1,094</b>
<b>Profit/loss after financial income and expense</b>	<b>-2,654</b>	<b>-1,605</b>	<b>-10,474</b>
<b>Profit/loss for the period</b>	<b>-2,654</b>	<b>-1,605</b>	<b>-10,474</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>-2,654</b>	<b>-1,605</b>	<b>-10,474</b>
<b>Attributable to:</b>			
Parent company shareholders	-2,654	-1,605	-10,474
<b>Total</b>	<b>-2,654</b>	<b>-1,605</b>	<b>-10,474</b>
<b>Number of shares</b>			
Number of shares at year-end	37,135,055	37,135,055	37,135,055
Average no. of shares (before dilution)	37,135,055	37,135,055	37,135,055
Average no. of shares (after dilution)	37,135,055	37,135,055	37,135,055
<b>Earnings per share</b>			
Earnings per share, weighted average before dilution, SEK	-0.07	-0.04	-0.28
Earnings per share, weighted average after dilution, SEK	-0.07	-0.04	-0.28



## Consolidated statement of financial position - summary

Amounts in TSEK	2023-03-31	2022-03-31	2022-12-31
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	165,110	162,960	164,886
Property, plant and equipment	1,790	1,957	1,832
Financial assets	31	31	31
<b>Current assets</b>			
Other current assets	523	1,402	479
Cash and cash equivalents	1,695	5,693	2,722
<b>Total assets</b>	<b>169,149</b>	<b>172,043</b>	<b>169,950</b>
<b>Equity and liabilities</b>			
Equity	142,415	153,939	145,069
Non-current liabilities	1,972	2,097	1,972
Current liabilities	24,762	16,007	22,909
<b>Total Equity and liabilities</b>	<b>169,149</b>	<b>172,043</b>	<b>169,950</b>

## Consolidated statement of change in equity

Amounts in TSEK	Share capital	Other contributed capital	Profit/loss brought forward, incl. profit/loss for the period	Total equity
<b>Opening equity 2022-01-01</b>	<b>64,401</b>	<b>224,295</b>	<b>-133,153</b>	<b>155,543</b>
Comprehensive income for the period			-1,605	-1,605
<b>Closing equity 2022-03-31</b>	<b>64,401</b>	<b>224,295</b>	<b>-134,758</b>	<b>153,938</b>
<b>Opening equity 2022-01-01</b>	<b>64,401</b>	<b>224,295</b>	<b>-133,153</b>	<b>155,543</b>
Comprehensive income for the period			-10,474	-10,474
<b>Closing equity 2022-12-31</b>	<b>64,401</b>	<b>224,295</b>	<b>-143,627</b>	<b>145,069</b>
<b>Opening equity 2023-01-01</b>	<b>64,401</b>	<b>224,295</b>	<b>-143,627</b>	<b>145,069</b>
Comprehensive income for the period			-2,654	-2,654
<b>Closing equity 2023-03-31</b>	<b>64,401</b>	<b>224,295</b>	<b>-146,281</b>	<b>142,415</b>

## Consolidated cash flow statement - summary

Amounts in TSEK	2023 Jan-Mar	2022 Jan-Mar	2022 Full year
<b>Operating activities</b>			
Profit/loss for the period	-2,653	-1,605	-10,474
Adjustments for items not included in the cash flow	15	-40	720
<b>Cash flow from operating activities before changes in working capital</b>	<b>-2,638</b>	<b>-1,644</b>	<b>-9,754</b>
<b>Cash flow from changes in working capital</b>			
Change in working capital	-53	-1,129	10
Change in operating liabilities	383	2,708	1,368
<b>Cash flow from operating activities</b>	<b>-2,308</b>	<b>-65</b>	<b>-8,376</b>
<b>Cash flow from investment activities</b>	<b>-219</b>	<b>-2,304</b>	<b>-4,965</b>
<b>Cash flow from financing activities</b>	<b>1,500</b>	<b>5,250</b>	<b>13,250</b>
<b>Cash flow for the year</b>	<b>-1,027</b>	<b>2,881</b>	<b>-90</b>
Opening cash and cash equivalents	2,722	2,812	2,812
<b>Closing cash and cash equivalents</b>	<b>1,695</b>	<b>5,693</b>	<b>2,722</b>

## Parent Company Income statement - summary

Amounts in TSEK	Note	2023 Jan–Mar	2022 Jan–Mar	2022 Full year
Net revenue		0	0	-
Other operating income		0	0	-
<b>Total operating income</b>		<b>0</b>	<b>0</b>	<b>0</b>
Other external costs	2	-1,302	-1,343	-6,763
Personnel expenses		-973	-157	-2,080
Write-down of intangible fixed assets		-	-	-594
<b>Operating profit/loss</b>		<b>-2,275</b>	<b>-1,501</b>	<b>-9,437</b>
Other interest income and similar profit/loss items		0	-	-
Interest expense and similar profit/loss items		-371	-143	-1,060
<b>Profit/loss for the period</b>		<b>-2,646</b>	<b>-1,644</b>	<b>-10,497</b>
<b>Parent company statement of comprehensive income</b>				
Other comprehensive income		-	-	-
<b>Total comprehensive income for the period</b>		<b>-2,646</b>	<b>-1,644</b>	<b>-10,497</b>
<b>Attributable to:</b>				
Parent Company shareholders		-2,646	-1,644	-10,497
<b>Total</b>		<b>-2,646</b>	<b>-1,644</b>	<b>-10,497</b>

## Parent Company Balance sheet - summary

Amounts in TSEK	2023-03-31	2022-03-31	2022-12-31
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	164,677	162,553	164,457
Property, plant and equipment	-	-	-
Financial assets	31	31	31
Shares in subsidiaries	50	50	50
<b>Current assets</b>			
Other current assets	523	1,402	479
Cash and cash equivalents	1,652	5,650	2,679
<b>Total assets</b>	<b>166,933</b>	<b>169,686</b>	<b>167,697</b>
<b>Equity and liabilities</b>			
Equity	142,266	153,765	144,912
Non-current liabilities	-	-	-
Current liabilities	24,667	15,921	22,785
<b>Total Equity and liabilities</b>	<b>166,933</b>	<b>169,686</b>	<b>167,697</b>

# Notes

## Note 1 Related parties

Related parties include subsidiaries that are part of the Group, Board members in the company's Board, the Group's senior executives as well as close relatives to these individuals. At the end of the quarter, Nordic Iron Ore had no debts to related parties.

## Note 2 Key ratios (Group)

Group (Amounts in SEK)	2023 Jan–Mar	2022 Jan–Mar	2022 Full year
Equity ratio (%)	84.20 %	89.48 %	85.4 %
Earnings per share	-0.07	-0.04	-0.28
Equity per share	3.84	4.15	3.91
Quick ratio (%)	8.96 %	-44.32 %	14.0 %
No. of shares	37,135,055	37,135,055	37,135,055
Weighted average no. of shares before dilution	37,135,055	37,135,055	37,135,055
Weighted average no. of shares after dilution	37,135,055	37,135,055	37,135,055

# Other

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## Accounting policies

### Group

This interim report was prepared in accordance with IAS 34 Interim Financial Statements and in accordance with RFR 1 of the Swedish Financial Reporting Board and, for the Parent Company, RFR 2. The same accounting policies and calculation methods are applied as in the last interim report. For a detailed description of the accounting policies applied for the Group and the Parent Company in this interim, see the Annual Report 2022.

New and changed accounting policies for 2022 and onwards: the new, changed or improved accounting policies that have been announced and will be used after 2022 are not expected to have a significant impact on future reporting periods. A number of limited changes of IFRS3 Business combinations, IAS 16 Property, Plant and Equipment, and IAS 37 Provisions as well as some improvements of IFRS 1 First-time Adoption of IFRS, IFRS 9 Financial Instruments and IFRS 16 Leases have been announced and are effective as of January 2022. Limited changes to IAS 1 Presentation of Financial Statements, on classification of debt with postponed enforcement until January 1, 2024.

### Definitions

Equity/assets ratio:	Equity as a per cent of the balance total.
Earnings per share:	Profit/loss after tax in relation to the weighted average number of shares.
Equity per share:	Equity in relation to the number of shares on the balance sheet date.
Quick ratio:	Current assets excluding stock in relation to current liabilities.

This press release contains information that Nordic Iron Ore AB (publ) is required to disclose under the EU Market Abuse Regulation. The information was published through a press release on May 25, 2023 at 08.00 CET.



# Signatures

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Ludvika, May 25, 2023

Board of Nordic Iron Ore AB (publ) org. nr 556756-0940

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Tomas Olofsson  
Chairman

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Jonas Bengtsson

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Gösta Bergman

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Timo Lindborg

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Ronne Hamerslag  
CEO

This report has not been reviewed by an auditor.

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

**For further information, please contact:**

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Photo: Sandvik



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