

Q1



Interim Report January – March 2021

Significant events during the first quarter 2021

- The company received approx. SEK 15 million in short term financing.

First quarter, 1 January – 31 March 2021

- Income amounted to SEK 0 million (0)
- Earnings after tax amounted to SEK -2.7 million (-2.5)
- Investments during the period January – March totalled SEK 2.0 million (0.4)
- Basic earnings per share were SEK -0.08 (-0.08)
- Cash as per 31 March 2021 amounted to 8.1 million (7.5)

Significant events after the end of the period

- The company decided to postpone the Annual General Meeting until the end of June

Key ratios (Group)

Amounts in SEK	2021 Jan - Mar	2020 Jan - Mar	2020 Jan - Dec
The Group			
Equity ratio (%)	88,93%	90,93%	93,2%
Earnings per share	-0,08	-0,08	-0,29
Equity per share	4,50	4,82	4,58
Quick ratio (%)	52,68%	65,50%	64,1%
No. of shares	33 582 993	30 369 470	33 582 993

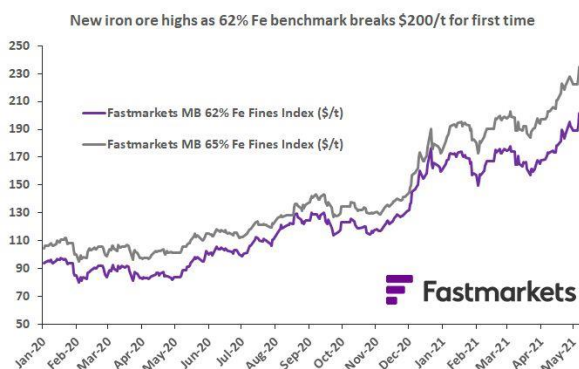
Nordic Iron Ore AB is a mining development company that aims to resume and develop iron ore production at Ludvika Mines in Blötberget and Håksberg. The Company has all the essential permits in place, which will enable it to produce iron ore of extremely high quality from significant mineral resources.

Comments from the Managing Director

There is no question that the greater focus on sustainability in both society and the industry will benefit Nordic Iron Ore. We will produce a high-grade iron ore concentrate that contributes to environmental sustainability. There are also indications that the current price premium at which our product is being traded will remain as steel manufacturers increasingly transition to more sustainable production.

The past year has been an unusual one on the iron ore market. The price of iron ore was heavily impacted by the spread of the COVID-19 pandemic as demand for steel fluctuated. The price of iron ore fell at first, only to rebound during the second half of the year to levels that have not been seen since the peak years 2010–2013. During the first quarter, the price trend continued to climb, and the average price for the quarter was USD 167/tonne, which was significantly higher than the previous quarter.

Nordic Iron Ore will produce iron ore that is classified as 65% Fe. The price premium spread between Platts IODEX 65% Fe and 62% rose sharply during the quarter, increasing to more than USD 30/tonne, as demonstrated in the graph below.



Steel industry focusing more on sustainability

It is positive both for society and for us that the steel industry is increasing its focus on environmental sustainability. Several initiatives have been introduced to reduce/eliminate carbon emissions, in some regions already by 2050. This industry trend benefits us since we deliver “green ore”, which helps steel manufacturers produce “green steel” worthy of its name. Our

product will also offer cost-related benefits for steel and pellet manufacturers through increased productivity. Our products decrease the amount of energy consumed in pellet manufacturing, thus reducing slag production in the blast furnace and lowering carbon emissions per produced tonne of steel.

Project development

The preparations to start construction at the mine are under way. During the quarter, we were in contact with potential suppliers and we discussed with relevant land owners the borders of the land areas we need to control. We also initiated an independent assessment of these areas.

Furthermore, we prepared a proposal for environmental compensation, which must be approved by the County Administrative Board and adopted by Stora Enso, which owns the compensation areas in question.

We commissioned both an updated plan for the new entrance tunnel to the mine and the preparation of the basis for a modified loading terminal. We also engaged the English consultancy firm Paterson & Cooke to evaluate alternatives for the waste management that was used as the basis in previous studies. The goal is to find a solution that significantly reduces the environmental impact of the mining operations but is also attractive from an economic standpoint.

With regard to future financing, the Board is evaluating a number of options. During negotiations, it is unfortunately not always possible to control the counterparty’s schedules and priorities; some patience is required. However, it is very encouraging that global players – which only a few years ago were not really interested in our project – are now contacting us to discuss the possibility of working together. It will be very exciting to see where these discussions lead.

Lennart Eliasson

Managing Director. Nordic Iron Ore AB (publ)

Operations

Significant events during the period

Project development

During the period, the company held discussions with affected land owners regarding the borders of future land acquisition, and the company initiated an independent evaluation of the area. Thus, the preparations have been made to submit an application for land allocation to the Mining Inspectorate.

The company prepared a proposal for environmental compensation, which must be approved by the County Administrative Board.

The company also continued discussions with VB Energy regarding the future provision of capacity from the 50 kV line that is currently being moved.

Market

The price of iron ore was high throughout the period, and the premium on high-grade iron ore increased.

Financing

The company received a short-term loan of approximately SEK 10 million and settled the short-term loan of SEK 5 million that fell due in February. The company also received a short-term loan facility of SEK 10.5 million.

Share and ownership structure

At the end of the period the share capital amounted to SEK 58 240 776 divided between 33 582 993 shares with a quota value of SEK 1.734 per share. The number of shareholders totalled 8 051.

Financial position

On the balance sheet date, the Group had a liquidity of SEK 8.1 million. The equity/assets ratio was 88.83%. The Group's equity amounted to SEK 151.0 million, corresponding to SEK 4.50 per share.

Investments

During the period January – March investments totalled MSEK 0.4. The entire amount relates to prospecting resources and investigation work for the planned resumption of mining operations in Blötberget.

Employees

On average, three people were employed by the Company during the period and three were engaged on a consultancy basis.

Financial calendar

The AGM will be held on 30 June 2021.

Interim report January – June 2021: 18 August 2021

Interim report January – September 2021: 18 November 2021

Year-end report for 2020: February 2022

Risks and uncertainties

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

Events after the period end

Due to the ongoing spread of infection, the company decided to postpone the Annual General Meeting until the end of June.

Veidekke Entreprenad AB was commissioned to update the planning for the new entrance tunnel to the mine. The work includes new drawings and an updated cost estimate.

Paterson & Cooke was retained for a study regarding future waste management.

Operations

Stockholm, May 18th 2021

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

Tomas Olofsson
Chairman of the board

Jonas Bengtsson

Gösta Bergman

Timo Lindborg

This report has not been reviewed by the auditors.

Technical source material has been reviewed by the Company's qualified persons, Hans Thorshag and Paul Marsden. Hans Thorshag is a qualified person under FAMMP 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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Consolidated statement of comprehensive income - summary

		2021	2020	2020
Amounts in SEK	Note	Jan - Mar	Jan - Mar	Jan - Dec
Net revenue		0	0	0
Other operating income		0	0	0
Total operating income		0	0	0
Other external costs		-1 639 925	-1 386 881	-4 295 694
Personnel expenses		-820 930	-806 966	-3 183 527
Depreciation/amortization and impairment of property, plant and equipment and intangible assets		-105 647	-206 758	-827 032
Operation profit/loss		-2 566 502	-2 400 605	-8 306 253
Financial income		1 961	0	-
Financial expenses		-168 209	-124 687	-714 595
Net financial income/expense		-166 248	-124 687	-714 595
Profit/loss after financial income and expense		-2 732 750	-2 525 292	-9 020 848
PROFIT/LOSS FOR THE PERIOD		-2 732 750	-2 525 292	-9 020 848
OTHER COMPREHENSIVE INCOME		-	-	-
Total comprehensive income for the period		-2 732 750	-2 525 292	-9 020 848
Attributable to:				
Parent company shareholders		-2 732 750	-2 525 292	-9 020 848
TOTAL		-2 732 750	-2 525 292	-9 020 848
Number of shares				
Number of shares at year-end		33 582 993	30 369 470	33 582 993
Average no. of shares (before dilution)		33 582 993	30 307 932	30 930 590
Average no. of shares (after dilution)		33 592 993	30 307 932	30 930 590
Earnings per share				
Earnings per share, weighted average before dilution, SEK		-0,08	-0,08	-0,29
Earnings per share, weighted average after dilution, SEK		-0,08	-0,08	-0,29

Consolidated statement of financial position - summary

Amounts in SEK	Note	31/03/2021	31/03/2020	31/12/2020
Assets				
Non-current assets				
Intangible assets		158 729 154	149 811 096	156 722 776
Property, plant and equipment		2 315 465	3 041 386	2 421 112
Financial assets		30 898	30 898	30 898
Current assets				
Other current assets		651 118	473 425	540 202
Cash and cash equivalents		8 090 043	7 499 238	5 195 326
Total assets		169 816 678	160 856 043	164 910 314
Equity and liabilities				
Equity		151 012 294	146 271 722	153 745 043
Non-current liabilities		2 211 438	2 412 498	2 211 438
Current liabilities	1	16 592 946	12 171 823	8 953 833
Total Equity and liabilities		169 816 678	160 856 043	164 910 314

Consolidated statement of change in equity

<i>Amounts in SEK</i>	Note	Share capital	Other contributed capital	Profit/loss brought forward, incl. profit/loss for the period	Total equity
Opening equity 01/01/2021		58 240 776	219 818 659	-124 314 391	153 745 044
Comprehensive income for the period				-2 732 750	-2 732 750
CLOSING EQUITY 31/3/2021		58 240 776	219 818 659	-127 047 141	151 012 294
Opening equity 01/01/2020		51 974 081	211 146 388	-115 293 543	147 826 926
Comprehensive income for the period				-2 525 292	-2 525 292
New share issued		693 694	306 306		1 000 000
Transaction costs			-29 912		-29 912
CLOSING EQUITY 31/3/2020		52 667 775	211 422 782	-117 818 835	146 271 722
Opening equity 01/01/2020		51 974 081	211 146 388	-115 293 543	147 826 926
Comprehensive income for the period				-9 020 848	-9 020 848
New share issued		6 266 695	8 702 183		14 968 878
Transaction costs			-29 912		-29 912
CLOSING EQUITY 31/12/2020		58 240 776	219 818 659	-124 314 391	153 745 044

Consolidated cash flow statement - summary

		2021	2020	2020
Amounts in SEK	Note	Jan - Mar	Jan - Mar	Jan - Dec
Operating activities				
Profit/loss for the period		-2 732 750	-2 525 291	-9 020 848
Adjustments for items not included in the cash flow		7 182	206 758	-67 531
Cash flow from operating activities before changes in working capital		-2 725 568	-2 318 533	-9 088 379
Cash flow from changes in working capital				
Change in working capital		-110 916	303 198	236 421
Change in operating liabilities		1 132 108	-3 002 488	-2 665 022
Cash flow from operating activities		-1 704 376	-5 017 823	-11 516 980
Cash flow from investment activities				
		-400 907	-446 692	-1 251 447
Cash flow from financing activities				
		5 000 000	0	5 000 000
Cash flow for the year		2 894 717	-5 464 515	-7 768 427
Opening cash and cash equivalents		5 195 326	12 963 753	12 963 753
CLOSING CASH AND CASH EQUIVALENTS		8 090 043	7 499 238	5 195 326

Parent Company Income statement - summary

		2021	2020	2020
Amounts in SEK	Note	Jan - Mar	Jan - Mar	Jan - Dec
Net revenue				
Other operating income		0	0	0
Total operating income		0	0	0
Other external costs	2	-1 765 300	-1 617 763	-5 219 222
Personnel expenses		-820 930	-806 966	-3 183 527
Depreciation of property, plant and equipment and intangible fixed assets		-	-	-
Operating profit/loss		-2 586 230	-2 424 729	-8 402 749
Other interest income and similar profit/loss items		1 961	-	-
Interest expense and similar profit/loss items		-141 299	-109 479	-685 630
PROFIT/LOSS FOR THE PERIOD		-2 725 568	-2 534 208	-9 088 379

Parent Company Balance sheet - summary

Amounts in SEK	Note	31/03/2021	31/03/2020	31/12/2020
Assets				
Non-current assets				
Intangible assets		158 438 596	149 643 277	156 437 689
Property, plant and equipment		-	-	-
Financial assets		30 898	30 898	30 898
Shares in subsidiaries		50 000	50 000	50 000
Current assets				
Other current assets		651 118	632 075	540 202
Cash and cash equivalents		8 046 805	7 456 000	5 152 089
Total assets		167 217 417	157 812 250	162 210 878
Equity and liabilities				
Equity		150 910 488	146 221 349	153 636 057
Non-current liabilities		0	0	0
Current liabilities		16 306 929	11 590 901	8 574 821
Total Equity and liabilities		167 217 417	157 812 250	162 210 878

Accounting policies

The Group

This interim report was prepared in accordance with IAS 34 Interim Financial Statements and in accordance with RFR 1 of the Swedish Financial Reporting Board and, for the Parent Company, RFR 2. The same accounting policies and calculation methods are applied as in the last interim report. For a detailed description of the accounting policies applied for the Group and the Parent Company in this interim, see the annual report of 2020.

Notes to the Financial Statements

Note 1 Related parties

The following are considered to be related parties: Subsidiaries included in the Group; members of the Company's board; senior executives in the Group and close family members of such persons. Nordic Iron Ores had no debts to related parties per March 31, 2021.

Note 2 Key ratios (Group)

<i>Amounts in SEK</i>	2021 Jan - Mar	2020 Jan - Mar	2020 Jan - Dec
The Group			
Equity ratio (%)	88,93%	90,93%	93,2%
Earnings per share	-0,08	-0,08	-0,29
Equity per share	4,50	4,82	4,58
Quick ratio (%)	52,68%	65,50%	64,1%
No. of shares	33 582 993	30 369 470	33 582 993
Weighted average no. Of shares before dilution	33 582 993	30 307 932	30 930 590
Weighted average no. Of shares after dilution	33 582 993	30 307 932	30 930 590

Key ratio definitions

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

This press release contains information that Nordic Iron Ore AB (publ) is required to disclose under the EU Market Abuse Regulation. The information was publicised by a press release on the 18 May 2021 at 15.00.

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