

# Q1



## Interim Report January – March 2022

### Significant events during the first quarter 2022

- The company signed a memorandum of understanding regarding the continued development of the project with Cargill International Trading, a global player.
- The company's outgoing CEO was contracted to continue on a consulting basis as interim CEO.
- The short-term loan commitment was extended until September 2022.

### First quarter, 1 January – 31 March 2022

- Income amounted to SEK 0 million (0)
- Earnings after tax amounted to SEK -1.6 million (-2.7)
- Investments during the period January – March totalled SEK 2.3 million (0.4)
- Basic earnings per share were SEK -0.04 (-0.08)
- Cash as per 31 March 2021 amounted to 5.7 million (8.1)

### Significant events after the end of the period

- The company decided to postpone the Annual General Meeting to June 30, 2022
- The company contracts a new CEO who will take up the position on July 25, 2022.
- The company received a short-term loan of SEK 5 million.

### Key ratios (Group)

<i>Amounts in SEK</i>	<b>2022</b> Jan - Mar	<b>2021</b> Jan - Mar	<b>2021</b> Jan - Dec
<b>The Group</b>			
Equity ratio (%)	89.48%	88.93%	93.8%
Earnings per share	-0.04	-0.08	-0.26
Equity per share	4.15	4.50	4.19
Quick ratio (%)	44.32%	52.68%	40.6%
No. of shares at the end of the period	37 135 055	33 582 993	37 135 055
Weighted average no. Of shares before dilution	37 135 055	33 582 993	34 380 990
Weighted average no. Of shares after dilution	37 135 055	33 582 993	34 380 990

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

# Comments from the Managing Director

## The preparatory phase finally begins to move into the implementation phase

The dominating event over the past quarter was entering into a letter of intent with Cargill International Trading, one of the world's leading commodities trading companies. During the first month of the year, formulations and agreement terms and conditions were discussed before the agreement could finally be signed and made public. Cargill then initiated an audit of the project before making a binding decision to invest in NIO.

The first step is the issue of an investment of SEK 50 m in association with raising at least SEK 100 m in total to finance organisational development and preparatory work before starting civil engineering work. After which, in accordance with the letter of intent, Cargill will support the company as an active shareholder and work with NIO to develop products and markets, as well as organise sales of future production.

It is accordingly a relatively comprehensive package of agreements that is to be negotiated, which will take time and resources to complete. The aim is however, for the agreement to be finalised during the second quarter of 2022.

Negotiations with the Swedish Transport Administration after the end of the period, have led to NIO entering into a co-financing agreement in order for the Transport Administration to engage in new planning work for the prospective railway terminal. This will be a significantly simplified, and therefore cheaper solution, compared to the terminal that was planned in 2014.

## Market

During the fourth quarter of 2021, iron ore prices fell, very largely due to speculation and rumours of cutbacks in China. This resulted in a temporary drop in iron ore prices to under USD 100 per ton in November 2021. This was an extreme reaction, and not sustainable, and prices on the Iron Ore 62% FE Index quickly returned to trading at between USD 140 - 155

per ton and the spread between Iron Ore 62% FE and 65% FE remained at around USD 30 per ton.

The Russian invasion of Ukraine changed the picture and caused a return to uncertainty on the market. Analysts assess that the exports of iron ore and pig iron from the region amount to around 45 million tons in total. This drop off will impact the markets, especially Europe that is more exposed to any loss of these products.

As the war has progressed and Russia has escalated the destruction of key industrial areas in Ukraine, the effects on the markets will have an ever-increasing braking effect on global growth. As a consequence, the trend at the end of Q1 and start of Q2, was of a certain fall in the price of iron ore and of the premium for the higher grades.

What the effects will be in the longer term will depend on how long this conflict will last and how devastating it will be, but it will probably accelerate the transition in Europe to more sustainable energy and the use of hydrogen in steel manufacturing. The long-term driving forces to free Europe from carbon-based solutions within industry have been given a boost and as soon as the conflict is resolved, there is likely to be an acceleration in demand for high quality iron ore for new investments in the steel industry.

## Outlook

The priorities in the current quarter are naturally primarily to conclude negotiations with Cargill and to prepare, and if possible, to raise the capital the negotiations intend to lead to. Assuming we manage to achieve this, it will be an important foundation stone for the actual implementation of the project.

Building up our organisation has already begun, in that my successor has been appointed. If everything goes according to plan, Ronne Hamerslag will take over at a time when NIO can finally take its foot off the brake and go full speed ahead.

**Lennart Eliasson**

*Managing Director, Nordic Iron Ore AB (publ)*

# Operations

## Significant events during the period

The company's departing CEO agreed to continue on a consulting basis as interim CEO during the recruitment process for a successor.

The company has signed a letter of intent concerning the continued development of the project with global trading company Cargill International Trading. The intention is for Cargill to take an ownership stake in the company in association with a share issue and to sign an agreement to guarantee and organise future sales of the company's production.

Final negotiations on commercial terms and conditions are subject to Cargill first performing an audit of the project. An agreement is estimated to be finalised during the second quarter of the year.

### Market

The price of iron ore was high throughout the period and the premium for high grade ore remained good.

### Financing

The company's short-term credit facility of 10.5 million was extended to 30 September 2022.

## Share and ownership structure

At the end of the period the share capital amounted to SEK 64 400 884 divided between 37 135 055 shares with a quota value of SEK 1.734 per share. The number of shareholders totalled 8 138.

## Financial position

On the balance sheet date, the Group had cash and cash equivalents of SEK 8.1 million. The equity ratio was 88.93%. Consolidated shareholders' equity amounted to SEK 153.9 million, which corresponded to SEK 4.15 per share.

After the end of the period, loan commitments were increased by a further SEK 5 m, to a total of 15.5 m. Short-term credit facilities fall due for payment on 30 September 2022. Existing working capital is accordingly not sufficient for planned activities over the coming 12-month period.

To implement its long-term strategy and develop its projects, the company requires access to extensive financing. Starting specific civil engineering work will require financial resources,

that include both shareholders' equity and loan financing. These financing requirements will be estimated more precisely in association with the detailed planning work that has been started.

## Investments

During the period January – March investments totalled MSEK 2.3. The entire amount relates to prospecting resources and investigation work for the planned resumption of mining operations in Blötberget.

## Employees

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

## Financial calendar

The AGM will be held on 30 June 2022.

Interim report January – June 2022: 18 August 2022

Interim report January – September 2022: 18 November 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 capital requirements for working capital and construction of the mine being met. There have been no significant changes to alter this description.

## Events after the period end

Due to the ongoing discussions with Cargill, the company decided to postpone the Annual General Meeting until the end of June.

The company contracted a new CEO who will take up the position on July 25, 2022.

The company received a short-term loan of SEK 5 million that expands the existing credit facility, which falls due for payment on September 30, 2022.

# Operations

---

The undersigned confirm that the Year-end Report gives a true and fair summary of the business, financial position and earnings of the Parent Company and the Group, as well as describing material risks and factors of uncertainty facing the Parent Company and the members of the Group.

Stockholm, 18 May

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

Thomas Olofsson  
Chairman of the board

Jonas Bengtsson

Gösta Bergman

Timo Lindborg

Lennart Eliasson  
Managing director

This report has not been reviewed by the auditors.

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

For further information, please contact:

Lennart Eliasson  
Telephone: +46 70 640 51 77  
E-mail: [lennart.eliasson@nordicironore.se](mailto:lennart.eliasson@nordicironore.se)

# Consolidated income statement - summary

		2022	2021	2021
Amounts in TSEK	Note	Jan - Mar	Jan - Mar	Jan - Dec
Net revenue		0	0	0
Other operating income		0	0	120
Total operating income		0	0	120
Other external costs		-1 288	-1 640	-4 565
Personnel expenses		-157	-821	-3 375
Depreciation/amortization and impairment of property, plant and equipment and intangible assets		-42	-106	-422
<b>Operation profit/loss</b>		<b>-1 487</b>	<b>-2 567</b>	<b>-8 242</b>
Financial income		0	2	5
Financial expenses		-118	-168	-601
Net financial income/expense		-118	-166	-596
Profit/loss after financial income and expense		-1 605	-2 733	-8 838
<b>PROFIT/LOSS FOR THE PERIOD</b>		<b>-1 605</b>	<b>-2 733</b>	<b>-8 838</b>
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME				
Other comprehensive income		-	-	-
<b>Total comprehensive income for the period</b>		<b>-1 605</b>	<b>-2 733</b>	<b>-8 838</b>
Attributable to:				
Parent company shareholders		-1 605	-2 733	-8 838
<b>TOTAL</b>		<b>-1 605</b>	<b>-2 733</b>	<b>-8 838</b>
Number of shares				
Number of shares at the end of the period		37 135 055	33 582 993	37 135 055
Average no. of shares (before dilution)		37 135 055	33 582 993	34 380 990
Average no. of shares (after dilution)		37 135 055	33 592 993	34 380 990
Earnings per share				
Earnings per share, weighted average before dilution, SEK		-0.04	-0.08	-0.26
Earnings per share, weighted average after dilution, SEK		-0.04	-0.08	-0.26

# Consolidated statement of financial position

## - summary

<i>Amounts in TSEK</i>	<i>Note</i>	<b>31/03/2022</b>	<b>31/03/2021</b>	<b>31/12/2021</b>
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets		162 960	158 729	160 440
Property, plant and equipment		1 957	2 315	1 999
Financial assets		31	31	31
<b>Current assets</b>				
Other current assets		1 402	651	489
Cash and cash equivalents		5 693	8 090	2 812
<b>Total assets</b>		<b>172 043</b>	<b>169 817</b>	<b>165 771</b>
<b>Equity and liabilities</b>				
<b>Equity</b>		<b>153 939</b>	<b>151 012</b>	<b>155 543</b>
Non-current liabilities		2 097	2 211	2 097
Current liabilities	1	16 007	16 593	8 130
<b>Total Equity and liabilities</b>		<b>172 043</b>	<b>169 817</b>	<b>165 771</b>

# 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		58 241	219 819	-124 314	153 745
Comprehensive income for the period				-2 733	-2 733
<b>CLOSING EQUITY 31/3/2021</b>		<b>58 241</b>	<b>219 819</b>	<b>-127 047</b>	<b>151 012</b>
Opening equity 01/01/2022		58 241	219 819	-124 314	153 745
Comprehensive income for the period				-8 838	-8 838
New share issued		6 160	4 496		10 656
Transaction costs			-20		-20
<b>CLOSING EQUITY 31/3/2021</b>		<b>64 401</b>	<b>224 295</b>	<b>-133 153</b>	<b>155 543</b>
Opening equity 01/01/2022		64 401	224 295	-133 153	155 543
Comprehensive income for the period				-1 605	-1 605
<b>CLOSING EQUITY 31/03/2022</b>		<b>64 401</b>	<b>224 295</b>	<b>-134 758</b>	<b>153 938</b>

# Consolidated cash flow statement - summary

		2022	2021	2021
<i>Amounts in TSEK</i>	Note	Jan - Mar	Jan - Mar	Jan - Dec
<b>Operating activities</b>				
Profit/loss for the period		-1 605	-2 733	-8 838
Adjustments for items not included in the cash flow		-40	7	-26
<b>Cash flow from operating activities before changes in working capital</b>		<b>-1 644</b>	<b>-2 726</b>	<b>-8 864</b>
<b>Cash flow from changes in working capital</b>				
Change in working capital		-1 129	-111	51
Change in operating liabilities		2 708	1 132	-292
<b>Cash flow from operating activities</b>		<b>-65</b>	<b>-1 704</b>	<b>-9 105</b>
<b>Cash flow from investment activities</b>		<b>-2 304</b>	<b>-401</b>	<b>-3 528</b>
<b>Cash flow from financing activities</b>		<b>5 250</b>	<b>5 000</b>	<b>10 250</b>
<b>Cash flow for the year</b>		<b>2 881</b>	<b>2 895</b>	<b>-2 383</b>
Opening cash and cash equivalents		2 812	5 195	5 195
<b>CLOSING CASH AND CASH EQUIVALENTS</b>		<b>5 693</b>	<b>8 090</b>	<b>2 812</b>



# Parent Company Income statement - summary

		2022	2021	2021
Amounts in TSEK	Note	Jan - Mar	Jan - Mar	Jan - Dec
Net revenue				
Other operating income		0	0	120
Total operating income		0	0	120
Other external costs	2	-1 343	-1 765	-5 066
Personnel expenses		-157	-821	-3 375
Depreciation of property, plant and equipment and intangible fixed assets		-	-	-
Operating profit/loss		-1 501	-2 586	-8 321
Other interest income and similar profit/loss items		-	2	5
Interest expense and similar profit/loss items		-143	-141	-548
PROFIT/LOSS FOR THE PERIOD		-1 644	-2 726	-8 865

# Parent Company Balance sheet - summary

<i>Amounts in TSEK</i>	<i>Note</i>	<b>31/03/2022</b>	<b>31/03/2021</b>	<b>31/12/2021</b>
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets		162 553	158 439	160 086
Property, plant and equipment		-	-	-
Financial assets		31	31	31
Shares in subsidiaries		50	50	50
<b>Currens assets</b>				
Other current assets		1 402	651	489
Cash and cash equivalents		5 650	8 047	2 769
<b>Total assets</b>		<b>169 686</b>	<b>167 217</b>	<b>163 425</b>
<b>Equity and liabilities</b>				
<b>Equity</b>		<b>153 765</b>	<b>150 910</b>	<b>155 409</b>
Non-current liabilities		0	0	0
Current liabilities		15 921	16 307	8 016
<b>Total Equity and liabilities</b>		<b>169 686</b>	<b>167 217</b>	<b>163 425</b>

# Accounting policies

## The Group

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

## Changes to accounting principles

### *New and amended accounting principles for 2021:*

A number of new, amended, or improved accounting principles and interpretations have been published without any material impact. These concern IFRS 17 Insurance Contracts, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2: replacement of LIBOR with new RFRs (Risk Free Rates), Amendments to IFRS 16 Simpler lessee accounting for rent concessions as a result of Covid-19.

### *New and amended accounting principles for 2022 and thereafter:*

The new, amended or improved accounting principles and interpretations that have been published and are to be applied after 2022 are not expected to have any material impact on future reporting periods.

A number of limited amendments to IFRS3 Business Combinations, IAS 16 Property, Plant and Equipment, and IAS 37 Provisions, Contingent Liabilities and Contingent Assets, plus certain annual improvements to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, and IFRS 16 Leases, have been published and come into force from and or after January 2022.

Limited amendments to IAS 1 Presentation of Financial Statements, Classification of Liabilities as Current or Non-Current, to defer the effective date of the 2020 amendments to no earlier than January 1, 2024.

# 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)

Amounts in SEK	2022 Jan - Mar	2021 Jan - Mar	2021 Jan - Dec
The Group			
Equity ratio (%)	89.48%	88.93%	93.8%
Earnings per share	-0.04	-0.08	-0.26
Equity per share	4.15	4.50	4.19
Quick ratio (%)	44.32%	52.68%	40.6%
No. of shares at the end of the period	37 135 055	33 582 993	37 135 055
Weighted average no. Of shares before dilution	37 135 055	33 582 993	34 380 990
Weighted average no. Of shares after dilution	37 135 055	33 582 993	34 380 990

## Key ratio definitions

*Equity/assets ratio:*

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

*Earnings per share:*

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

*Equity per share:*

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

*Quick ratio:*

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

This press release contains information that Nordic Iron Ore AB (publ) is required to disclose under the EU Market Abuse Regulation. The information was publicised by a press release on the 18 May 2022 at 15.30.

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