

Q3



Interim Report January – September 2021

Significant events during the third quarter 2021

- A cooperation agreement was signed with ABB.
- A short-term loan facility amounting to SEK 10.5 million was extended to the year end.
- The board decided upon a set off issue of shares against short term loans

Third quarter, 1 July – 30 September 2021

- Income amounted to SEK 0 million (0)
- Earnings after tax amounted to SEK – 1.9 million (–2.4)
- Investments in the period July - September totalled SEK 0.7 million (1.5)
- Basic earnings per share were SEK –0.06 (–0.08)

Interim period, 1 January – 30 September 2021

- Income amounted to SEK 0 million (0)
- Earnings after tax amounted to SEK –6.8 million (–6.9)
- Investments in the period July - September totalled SEK 1.7 million (2.4)
- Basic earnings per share were SEK –0.21 (–0.23)
- Cash and cash equivalents on 30 September 2021 amounted to SEK 2.1 million (8.1)

Significant events after the end of the period

- The decided set-off issue increases the number of shares by 3,552,062.
- The short-term loan facility will be extended until the end of the first half of 2022.
- The Board begins to seek a successor to the CEO.

Key ratios (Group)

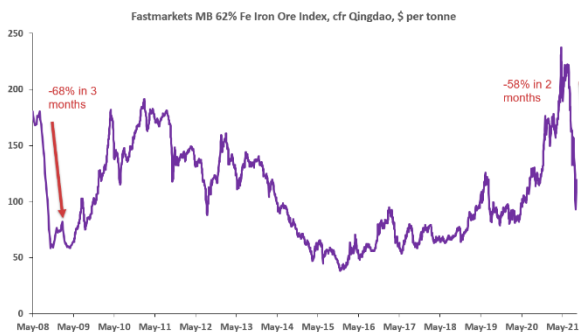
<i>Amount in SEK</i>	2021 July-Sep	2020 July-Sep	2021 Jan - Sep	2020 Jan - Sep	2020 Jan - Dec
Equity ratio (%)	89.00%	92.03%	89.00%	92.03%	93.23%
Earnings per share	-0.06	-0.08	-0.21	-0.23	-0.29
Equity per share	4.37	4.80	4.37	4.80	4.58
Quick ratio (%)	16.62%	81.43%	16.62%	81.43%	64.06%
No. of shares	33 582 993	31 255 304	33 582 993	31 255 304	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

A dramatic quarter in the iron ore market

During the third quarter, we experienced what must be described as a collapse for the price of iron ore. The main reason for this has probably been the stops for steel production that the Chinese government introduced in an attempt to avoid a crude steel production for the whole of 2021 that exceeds the record level of 2020, achieve environmental goals and at the same time try to push down iron ore prices. During the first months of the year, Chinese steel production was initially about 12% higher than the year before, despite a first round of production cuts demanded by the government. The cuts in the second half of the year therefore needed to be strong to affect the market. The result was the fastest depreciation of iron ore since 2008. See graph below.



However, the fundamentals of the market do not really support this price fall as sustainable, as much of the slowdown in Chinese demand is also explained by Covid outbreaks and a subsequent slowdown in some infrastructure projects in some provinces. While global iron ore production continues to recover somewhat from a multi-year period of repeated supply problems, the expansion of iron ore production and logistics also continues to suffer from economic problems and a lack of investment. This is now exacerbated as several iron ore mines have closed due to the fall in prices.

Despite the fall in prices, the prices of higher qualities remain more resilient while the price of lower quality products is under pressure. There is no doubt that the demands for global environmental improvements and progress in the production of carbon-free steel will help to maintain good premiums for

higher-quality iron ore, i.e. the type of product that NIO will produce. It is our view that iron ore prices will recover; Chinese production cuts are unlikely to be sustainable, which is why some growth can be expected, which is driving iron ore prices.

Project development

During the period, we entered into a collaboration agreement with ABB to design process control and management systems for a future-proof and digitized mining operation in Blötberget. Together with the cooperation agreement with Epiroc, which was reached during the second quarter, we thus have cooperation with two world-leading companies in modern mining technology. Work on a new simplified design of the future cargo terminal in Skeppmora continued in collaboration with the Swedish Transport Administration, which is responsible for the actual design work.

As I mentioned already in the report for the first quarter, we have contact with globally active players, some of whom have shown great interest in helping us with the project. These negotiations resulted in us receiving a proposal for non-binding declarations of intent on cooperation from a globally reputable group. However, the board decided to evaluate more alternatives before a decision is made. Therefore, the loan facility was extended from the major owners to finance the business until a decision is made.

At the end of the period, two short-term loans matured where the lenders had the right to have the receivable settled with newly issued shares, which they naturally chose over cash repayment.

During the quarter, my employment contract expired due to reaching retirement age. However, I extended the agreement for the rest of the year. The board is looking for successors who I wish good luck with this very exciting industrial project

Lennart Eliasson

Managing Director. Nordic Iron Ore AB (publ)

Operations

Significant events during the period

Project activities

During the period, a cooperation agreement was signed with ABB to design process control and management systems for a future-proof and digitized mining operation in Blötberget.

In connection with an update of the 2014 design of the railway terminal in Skeppmora, which takes place under the auspices of the Swedish Transport Administration, a discussion and analysis of possible simplifications of the previously made design took place. The ambition is to significantly reduce the investment cost for the terminal.

Discussions were also held with VB Energi regarding the design of the switchgear that will be connected to the 50-kV line moved during the year.

Financing

To strengthen the company's liquidity, a short-term loan facility of SEK 10.5 million was extended until the turn of the year.

The company's need for financing to implement the long-term strategy and development of the company's projects requires access to financing. It is the Board's assessment that existing working capital is not sufficient for all planned activities during the next twelve-month period. The business may therefore need to be adapted by deferring certain investments and costs to ensure the need for working capital. The Board works actively with financing as an essential part of the company's strategy.

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 1.73 per share. The number of shareholders totalled 8 306.

Financial position

On the balance sheet date, the Group had a liquidity of SEK 2.0 million. The equity/assets ratio was 92.03%. The Group's equity amounted to SEK 147 million, corresponding to SEK 4.37 per share.

Investments

During the period January – September investments totalled MSEK 1.7. The entire amount relates to prospecting resources and investigation work for the planned resumption of mining operations in Blötberget.

Employees

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

Financial calendar

Year-end report for the financial year 2020: 18 February 2022

Interim report January – March 2022: 18 May 2022

Annual General Meeting: 18 May 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 extensive capital requirements being met.

The latest description of risks and uncertainties can be found in the annual report for 2020. No significant changes have occurred that cause this description to change.

Significant events after the period end

Two short-term loans with conversion rights were converted into shares.

The short-term loan facility from major owners was extended until the end of June 2022.

The board began recruiting a new CEO after the current one, who will retire at the turn of the year

Annual report and financial reports

The Company's press releases and financial reports are distributed via Cisionwire and are available at www.nordicironore.se.

Operations

Stockholm 18 November 2021

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

Jonas Bengtsson

Gösta Bergman

Timo Lindborg

Tomas Olofsson
Chairman

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
E-mail: Lennart.eliasson@nordicironore.se

Consolidated statement of comprehensive income - summary

		2021	2020	2021	2020	2020
Amounts in SEK	Note	July - Sep	July - Sep	Jan - Sep	Jan - Sep	Jan - Dec
Net revenue		0	0	0	0	0
Other operating income		0	0	120 596	0	0
Total operating income		0	0	120 596	0	0
Other external costs		-920 279	-983 865	-3 750 148	-3 250 279	-4 295 694
Personnel expenses		-765 250	-804 003	-2 436 917	-2 418 724	-3 183 527
Depreciation/amortization and impairment of property, plant and equipment and intangible assets		-105 647	-206 758	-316 941	-620 274	-827 032
Operation profit/loss		-1 791 176	-1 994 626	-6 383 410	-6 289 277	-8 306 253
Financial income		0	0	1 961	0	0
Financial expenses		-194 180	-376 695	-506 945	-634 694	-714 595
Net financial income/expense		-194 180	-376 695	-504 984	-634 694	-714 595
Profit/loss after financial income and expense		-1 985 356	-2 371 321	-6 888 394	-6 923 971	-9 020 848
PROFIT/LOSS FOR THE PERIOD		-1 985 356	-2 371 321	-6 888 394	-6 923 971	-9 020 848
OTHER COMPREHENSIVE INCOME		-	-	-	-	-
Total comprehensive income for the period		-1 985 356	-2 371 321	-6 888 394	-6 923 971	-9 020 848
Attributable to:						
Parent company shareholders		-1 985 356	-2 371 321	-6 888 394	-6 923 971	-9 020 848
TOTAL		-1 985 356	-2 371 321	-6 888 394	-6 923 971	-9 020 848
Number of shares						
Number of shares at year-end		33 582 993	31 255 304	33 582 993	31 255 304	19 909 775
Average no. of shares (before dilution)		33 582 993	31 255 304	33 582 993	30 711 125	15 238 299
Average no. of shares (after dilution)		33 582 993	31 255 304	33 582 993	30 711 125	15 238 299
Earnings per share						
Earnings per share, weighted average before dilution, SEK		-0.06	-0.08	-0.21	-0.23	-0.29
Earnings per share, weighted average after dilution, SEK		-0.06	-0.08	-0.21	-0.23	-0.29

Consolidated statement of financial position - summary

<i>Amounts in SEK</i>	<i>Note</i>	30/09/2021	30/09/2020	31/12/2020
Assets				
Non-current assets				
Intangible assets		160 224 940	151 721 065	156 722 776
Property, plant and equipment		2 104 171	2 627 870	2 421 112
Financial assets		30 898	30 898	30 898
Current assets				
Other current assets		613 327	376 316	540 202
Cash and cash equivalents		2 037 045	8 086 320	5 195 326
Total assets		165 010 381	162 842 469	164 910 314
Equity and liabilities				
Equity		146 856 649	149 859 759	153 745 043
Non-current liabilities		2 211 438	2 590 447	2 211 438
Current liabilities	1	15 942 294	10 392 263	8 953 833
Total Equity and liabilities		165 010 381	162 842 469	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 01/01/2020		51 974 081	211 146 388	-115 293 543	147 826 926
Comprehensive income for the period				-6 923 971	-6 923 971
New share issued		2 229 937	6 756 779		8 986 716
Transaction costs			-29 912		-29 912
CLOSING EQUITY 30/9/2020		54 204 018	217 873 255	-122 217 514	149 859 759
Opening equity 01/01/2021		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
Opening equity 01/01/2021		58 240 776	219 818 659	-124 314 391	153 745 044
Comprehensive income for the period				-6 888 394	-6 888 394
CLOSING EQUITY 30/09/2021		58 240 776	219 818 659	-131 202 785	146 856 650

Consolidated cash flow statement – summary

		2021	2020	2021	2020	2020
<i>Amounts in SEK</i>	Note	July - Sep	July - Sep	Jan - Sep	Jan - Sep	Jan - Dec
Operating activities						
Profit/loss for the period		-1 985 356	-2 371 321	-6 888 394	-6 923 971	-9 020 848
Adjustments for items not included in the cash flow		-1 896	206 758	-3 812	620 274	-67 531
Cash flow from operating activities before changes in working capital		-1 987 252	-2 164 563	-6 892 206	-6 303 697	-9 088 379
Cash flow from changes in working capital						
Change in working capital		-10 743	-7 245	-73 125	400 306	236 421
Change in operating liabilities		-613 818	968 730	550 946	-1 617 382	-2 665 022
Cash flow from operating activities		-2 611 813	-1 203 078	-6 414 385	-7 520 773	-11 516 980
Cash flow from investment activities		-738 022	-1 540 685	-1 743 896	-2 356 661	-1 251 447
Cash flow from financing activities		-	5 000 000	5 000 000	5 000 000	5 000 000
Cash flow for the year		-3 349 835	2 256 237	-3 158 281	-4 877 434	-7 768 426
Opening cash and cash equivalents		5 386 880	5 830 083	5 195 326	12 963 754	12 963 753
CLOSING CASH AND CASH EQUIVALENTS		2 037 045	8 086 320	2 037 045	8 086 320	5 195 327

Parent Company Income statement - summary

		2021	2020	2021	2020	2020
<i>Amounts in SEK</i>	Note	July - Sep	July - Sep	Jan - Sep	Jan - Sep	Jan - Dec
Net revenue		0	0	0	0	0
Other operating income		0	0	120 596	0	0
Total operating income		0	0	120 596	0	0
Other external costs		-1 045 654	-1 214 747	-4 126 273	-3 942 925	-5 219 222
Personnel expenses		-765 250	-804 003	-2 436 917	-2 418 724	-3 183 527
Depreciation of property, plant and equipment and intangible fixed assets		0	0	0	0	0
Operating profit/loss		-1 810 904	-2 018 750	-6 442 594	-6 361 649	-8 402 749
Other interest income and similar profit/loss items		0	0	0	0	0
Interest expense and similar profit/loss items		-176 348	-266 865	-449 612	-489 311	-685 630
PROFIT/LOSS FOR THE PERIOD		-1 987 252	-2 285 615	-6 892 206	-6 850 960	-9 088 379
PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME						
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period		-1 987 252	-2 285 615	-6 892 206	-6 850 960	-9 088 379
Attributable to:						
Parent Company shareholders		-1 987 252	-2 285 615	-6 892 206	-6 850 960	-9 088 379
TOTAL		-1 987 252	-2 285 615	-6 892 206	-6 850 960	-9 088 379

Parent Company Balance sheet - summary

<i>Amounts in SEK</i>	<i>Note</i>	30/09/2021	30/09/2020	31/12/2020
Assets				
Non-current assets				
Intangible assets		159 901 585	151 552 396	156 437 689
Property, plant and equipment		0	0	0
Financial assets		30 898	30 898	30 898
Shares in subsidiaries		50 000	50 000	50 000
Current assets				
Other current assets		613 327	411 147	540 202
Cash and cash equivalents		1 993 807	8 043 082	5 152 089
Total assets		162 589 617	160 087 523	162 210 878
Equity and liabilities				
Equity		146 743 850	149 891 315	153 636 057
Current liabilities		15 845 767	10 196 208	8 574 821
Total Equity and liabilities		162 589 617	160 087 523	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.

Note 2 Key ratios (Group)

<i>Amount in SEK</i>	2021 July -Sep	2020 July -Sep	2021 Jan - Sep	2020 Jan - Sep	2020 Jan - Dec
Equity ratio (%)	89.00%	92.03%	89.00%	92.03%	93.23%
Earnings per share	-0.06	-0.08	-0.21	-0.23	-0.29
Equity per share	4.37	4.80	4.37	4.80	4.58
Quick ratio (%)	16.62%	81.43%	16.62%	81.43%	64.06%
No. of shares	33 582 993	31 255 304	33 582 993	31 255 304	33 582 993
Weighted average no. of shares before dilution	33 582 993	31 255 304	33 582 993	30 711 125	30 930 590
Weighted average no. of shares after dilution	33 582 993	31 255 304	33 582 993	30 711 125	30 930 590

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 November 2021 at 08.00.

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