

# Q3



## Interim Report January – September 2022

### Significant events during the third quarter 2022

- Outstanding loans of SEK 15.5 million have been extended to the end of the year

### Third quarter, 1 July – 30 September 2022

- Income amounted to SEK 0 million (0)
- Earnings after tax amounted to SEK –2.8 million (–1.9)
- Investments in the period July–September totalled SEK 0.3 million (0.7)
- Basic earnings per share were SEK –0.10 (–0.06)

### Interim period, 1 January – 30 September 2022

- Income amounted to SEK 0 million (0)
- Earnings after tax amounted to SEK –7.7 million (–6.8)
- Investments in the period January–September totalled SEK 4.6 million (1.7)
- Basic earnings per share were SEK –0.21 (–0.21)
- Cash and cash equivalents on 30 September 2022 amounted to SEK 1.8million (2.0)

### Significant events after the end of the period

- The Company has applied for an additional exploration permit at Blötberget
- Outstanding loans of SEK 15.5 million have been extended to 31 March 2023
- Additional loans of SEK 3 million have been granted until 31 March 2023

### Key ratios (Group)

	2022 July - Sep	2021 July - Sep	20202 Jan - Sep	2021 Jan - Sep	2021 Jan - Dec
Equity ratio (%)	87,46%	89,00%	87,46%	89,00%	93,83%
Earnings per share	-0,10	-0,06	-0,21	-0,21	-0,26
Equity per share	3,98	4,37	3,98	4,37	4,19
Quick ratio (%)	13,37%	16,62%	13,37%	16,62%	40,60%
No. of shares	37 135 055	33 582 993	37 135 055	33 582 993	37 135 055
Weighted average no. of shares before dilution	37 135 055	33 582 993	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 Chief Executive Officer

## Continued negotiations with Cargill and increased pace of preparations

The work in the company has during the quarter has largely been characterized by the ongoing negotiations with Cargill, a work which has been intensified after the holiday period. Our ambition is to conclude the negotiations as quickly as possible, but as a matter of fact this is a multi-faceted negotiation regarding, for example, offtake, investment and strategic cooperation, and it takes its time. As soon as we have an outcome from the negotiations, the outcome will be communicated to the market.

In addition to the negotiations with Cargill, renewed and repeated contacts have been made with potential suppliers in order partly to obtain updated tenders and quotations, partly to validate previous assumptions. The information also constitutes valid basis from which we can proceed in the next phase when we start to establish mining operations in Blötberget.

Blötberget, when the re-establishment is completed, will produce approximately 1,600,000 tons of iron ore concentrate per year with an average iron content close to 69%, one of the highest on the market. We get strong signals that such a product, characterized by its high quality, the proportion of magnetite and the low concentration of harmful elements, would be well received by the steel industry. This is due to that the product will be very suitable for reducing the CO<sub>2</sub> intensity throughout the steel supply chain.

In addition to the more practical work with the negotiations and preparations for the launch of the project, we have worked to strengthen our market communication through participation in various forums aimed at investors in the mining sector. In addition, we have had initial discussions with investors and lending institutions for future financing of the project up to operation. The feeling is that there is initial interest and that long-term financing of the business up to operation and own positive cash flow should be possible after signing an offtake agreement with Cargill, another corresponding party or with a steel manufacturer.

Although plans for a new organizational structure for both the project and future mining operations have become clearer, we have chosen to proceed with caution. We have not yet started active recruitment, all in order not to risk to increase the cost level before it is necessary. In the short term, the company's operations continue to be financed through the bridge loans provided by major shareholders. There is a continuous monitoring of the liquidity situation in the company and dialogue with the lenders so that the company has access to the liquidity required to run the business.

The iron ore market has been pressured by the continued war in Ukraine and the high rate of inflation, which has meant that several

central banks around the world have raised their respective policy rates. This, in turn, has contributed to an increased fear of a global recession. The demand for steel has decreased both in China and elsewhere in the world, and thus the demand for iron ore has also decreased. Although the climate transition in the steel industry is proceeding at a rapid pace, this has not yet fully taken effect in terms of the demand for high-quality iron ores. In the short term, this is mainly because a lower steel production reduces the total carbon dioxide emissions, even if lower quality iron ores are used. This is likely to be a temporary situation and the demand for high-quality iron ore products is expected to recover. Another explanation is that the large ongoing investments to implement the technology shift to green steel production are not yet in production on a large scale.

It is worth noting that despite the depressed iron ore market, the average price during the quarter was above the price used in our profitability studies, i.e. despite the current negative market climate, the calculations continue to show a profitable operation for Blötberget.

**Ronne Hamerslag**  
*Chief Executive Officer*  
*Nordic Iron Ore AB (publ)*

# Operations

## Significant events during the period

During the period, outstanding loans of SEK 15.5 million have been extended to year-end. The facility is fully utilized at the end of the period.

## Share and ownership structure

At the end of the period the share capital amounted to SEK 64 400 883 divided between 37 135 055 shares with a quota value of SEK 1.734 per share. The number of shareholders totalled 8 065.

## Financial position

On the balance sheet date, the Group had a liquidity of SEK 1.8 million. The equity/assets ratio was 87.46%. The Group's equity amounted to SEK 147.9 million, corresponding to SEK 3.98 per share.

During the period outstanding loans of SEK 15.5 million were prolonged and after the period the loan facility was extended by a further SEK 3 million to a total of SEK 18.5 million. The short-term loans are due for payment on March 31, 2023.

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 Board works actively with financing as an essential part of the company's strategy.

## Investments

During the period January – June investments totalled MSEK 4.3. The entire amount relates to prospecting resources and investigation work for the planned resumption of mining operations in Blötberget.

## Employees

On average, 3 (2) people were employed by the Company during the period and 4 (4) were engaged part time on a consultancy basis.

## Financial calendar

Year-End Report 2022: 23 February 2023

Interim Report first quarter 2023 and Annual General Meeting (AGM): 25 May 2023

Interim Report second quarter 2023: 24 August 2023

Interim Report third quarter 2023: 23 November 2023

## 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.

## Significant events after the end of the period

The Company has submitted an application to the The Mining Inspectorate of Sweden (Bergsstaten) for an additional exploration permit in connection with the Blötberget mine. The background is the interesting indications obtained from the Smart Exploration research project. Which makes this area very interesting for exploration and, in the case of successful exploration, a possible expansion of Nordic Iron Ore's mineral resources.

Outstanding loans of SEK 15.5 million have been prolonged to 31 March 2023.

Additional loans of SEK 3 million has been granted by the company's two largest shareholders, Bengtssons Tidnings AB and Ludvika Holding AB, on the same terms as previous loans and to run until March 31, 2023.

## Annual report and financial reports

The Company's press releases and financial reports are distributed via Cisionwire and are available at [www.nordicironore.se](http://www.nordicironore.se)

# Operations

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Stockholm, 21, October 2022

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

Jonas Bengtsson

Gösta Bergman

Timo Lindberg

Tomas Olofsson  
Chairman

Ronne Hamerslag  
CEO

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, mineral process engineering and membership of the IMMM.

For further information, please contact:

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# Consolidated statement of comprehensive income - summary

Amounts in TSEK	Note	2022	2021	2022	2021	2021
		July - Sep	July - Sep	Jan - Sep	Jan - Sep	Jan - Dec
Net revenue		-	-	-	-	-
Other operating income		-	-	-	121	120
Total operating income		0	0	0	121	120
Other external costs		-1 717	-920	-5 250	-3 750	-4 565
Personnel expenses		-744	-765	-1 072	-2 437	-3 375
Depreciation/amortization and impairment of property, plant and equipment and intangible assets		-42	-106	-719	-317	-422
Operation profit/loss		-2 504	-1 791	-7 041	-6 383	-8 242
Financial income		-	-	-	2	5
Financial expenses		-294	-194	-610	-507	-601
Net financial income/expense		-294	-194	-610	-505	-596
Profit/loss after financial income and expense		-2 797	-1 985	-7 651	-6 888	-8 838
PROFIT/LOSS FOR THE PERIOD		-2 797	-1 985	-7 651	-6 888	-8 838
OTHER COMPREHENSIVE INCOME		-	-	-	-	-
Total comprehensive income for the period		-2 797	-1 985	-7 651	-6 888	-8 838
Attributable to:						
Parent company shareholders		-2 797	-1 985	-7 651	-6 888	-8 838
<b>TOTAL</b>		<b>-2 797</b>	<b>-1 985</b>	<b>-7 651</b>	<b>-6 888</b>	<b>-8 838</b>
Number of shares						
Number of shares at year-end		37 135 055	33 582 993	37 135 055	33 582 993	37 135 055
Average no. of shares (before dilution)		37 135 055	33 582 993	37 135 055	33 582 993	34 380 990
Average no. of shares (after dilution)		37 135 055	33 582 993	37 135 055	33 582 993	34 380 990
Earnings per share						
Earnings per share, weighted average before dilution, SEK		-0,10	-0,06	-0,21	-0,21	-0,26
Earnings per share, weighted average after dilution, SEK		-0,10	-0,06	-0,21	-0,21	-0,26

# Consolidated statement of financial position - summary

Amounts in TSEK	Note	30/09/2022	30/09/2021	31/12/2021
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets		164 643	160 225	160 440
Property, plant and equipment		1 874	2 104	1 999
Financial assets		31	31	31
<b>Current assets</b>				
Other current assets		754	613	489
Cash and cash equivalents		1 802	2 037	2 812
<b>Total assets</b>		<b>169 104</b>	<b>165 010</b>	<b>165 771</b>
<b>Equity and liabilities</b>				
<b>Equity</b>		<b>147 893</b>	<b>146 857</b>	<b>155 543</b>
Non-current liabilities		2 097	2 211	2 097
Current liabilities	1	19 114	15 942	8 130
<b>Total Equity and liabilities</b>		<b>169 104</b>	<b>165 010</b>	<b>165 771</b>

# Consolidated statement of change in equity

Amounts in TSEK	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				-6 888	-6 888
<b>CLOSING EQUITY 30/9/2021</b>		<b>58 241</b>	<b>219 819</b>	<b>-131 203</b>	<b>146 857</b>
Opening equity 01/01/2021		58 241	219 819	-124 314	153 746
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 31/12/2021</b>		<b>64 401</b>	<b>224 295</b>	<b>-133 152</b>	<b>155 544</b>
Opening equity 01/01/2022		64 401	224 295	-133 152	155 544
Comprehensive income for the period				-7 651	-7 651
<b>CLOSING EQUITY 31/12/2022</b>		<b>64 401</b>	<b>224 295</b>	<b>-140 803</b>	<b>147 893</b>

# Consolidated cash flow statement - summary

		2022	2021	2022	2021	2021
Amounts in TSEK	Note	July - Sep	July - Sep	Jan - Sep	Jan - Sep	Jan - Dec
<b>Operating activities</b>						
Profit/loss for the period		-2 797	-1 985	-7 651	-6 888	-8 838
Adjustments for items not included in the cash flow		-40	-2	467	-4	-26
<b>Cash flow from operating activities before changes in working capital</b>		<b>-2 837</b>	<b>-1 987</b>	<b>-7 184</b>	<b>-6 892</b>	<b>-8 864</b>
<b>Cash flow from changes in working capital</b>						
Change in working capital		2	-11	-432	-73	51
Change in operating liabilities		676	-614	985	551	-292
<b>Cash flow from operating activities</b>		<b>-2 159</b>	<b>-2 612</b>	<b>-6 630</b>	<b>-6 414</b>	<b>-9 105</b>
<b>Cash flow from investment activities</b>		<b>-299</b>	<b>-738</b>	<b>-4 630</b>	<b>-1 744</b>	<b>-3 528</b>
<b>Cash flow from financing activities</b>		<b>-</b>	<b>-</b>	<b>10 250</b>	<b>5 000</b>	<b>10 250</b>
<b>Cash flow for the year</b>		<b>-2 458</b>	<b>-3 350</b>	<b>-1 010</b>	<b>-3 158</b>	<b>-2 383</b>
Opening cash and cash equivalents		4 260	5 387	2 812	5 195	5 195
<b>CLOSING CASH AND CASH EQUIVALENTS</b>		<b>1 802</b>	<b>2 037</b>	<b>1 802</b>	<b>2 037</b>	<b>2 812</b>



## Parent Company Income statement - summary

		2022	2021	2022	2021	2021
Amounts in TSEK	Note	July - Sep	July - Sep	Jan - Sep	Jan - Sep	Jan - Dec
Net revenue		-	-	-	-	-
Other operating income		-	-	-	121	120
<b>Total operating income</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>120,596</b>	<b>120</b>
Other external costs		-1 773	-1 046	-5 417	-4 126	-5 066
Personnel expenses		-744	-765	-1 072	-2 437	-3 375
Depreciation of property, plant and equipment and intangible fixed assets		-	-	-594	-	-
<b>Operating profit/loss</b>		<b>-2 518</b>	<b>-1 811</b>	<b>-7 083</b>	<b>-6 443</b>	<b>-8 321</b>
Other interest income and similar profit/loss items		-	-	-	-	5
Interest expense and similar profit/loss items		-319	-176	-695	-450	-548
<b>PROFIT/LOSS FOR THE PERIOD</b>		<b>-2 837</b>	<b>-1 987</b>	<b>-7 778</b>	<b>-6 892</b>	<b>-8 865</b>
<b>PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME</b>						
Other comprehensive income		-	-	-	-	-
<b>Total comprehensive income for the period</b>		<b>-2 837</b>	<b>-1 987</b>	<b>-7 778</b>	<b>-6 892</b>	<b>-8 865</b>
<b>Attributable to:</b>						
Parent Company shareholders		-2 837	-1 987	-7 778	-6 892	-8 865
<b>TOTAL</b>		<b>-2 837</b>	<b>-1 987</b>	<b>-7 778</b>	<b>-6 892</b>	<b>-8 865</b>

# Parent Company Balance sheet - summary

Amounts in TSEK	Note	30/09/2022	30/09/2021	31/12/2021
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets		164 122	159 902	160 086
Property, plant and equipment		-	-	-
Financial assets		31	31	31
Shares in subsidiaries		50	50	50
<b>Current assets</b>				
Other current assets		754	613	489
Cash and cash equivalents		1 759	1 994	2 769
<b>Total assets</b>		<b>166 716</b>	<b>162 590</b>	<b>163 425</b>
<b>Equity and liabilities</b>				
<b>Equity</b>		<b>147 631</b>	<b>146 744</b>	<b>155 409</b>
Current liabilities		19 085	15 846	8 016
<b>Total Equity and liabilities</b>		<b>166 716</b>	<b>162 590</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 2021.

# 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 September 30, 2022.

## Note 2 Key ratios (Group)

	2022 July -Sep	2021 July -Sep	20202 Jan - Sep	2021 Jan - Sep	2021 Jan - Dec
Equity ratio (%)	87,46%	89,00%	87,46%	89,00%	93,83%
Earnings per share	-0,10	-0,06	-0,21	-0,21	-0,26
Equity per share	3,98	4,37	3,98	4,37	4,19
Quick ratio (%)	13,37%	16,62%	13,37%	16,62%	40,60%
No. of shares	37 135 055	33 582 993	37 135 055	33 582 993	37 135 055
Weighted average no. of shares before dilution	37 135 055	33 582 993	37 135 055	33 582 993	34 380 990
Weighted average no. of shares after dilution	37 135 055	33 582 993	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 21<sup>st</sup> October 2022 at 17.00.

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.