

Q4

Year-end Report January – December 2021

Significant events during the fourth quarter 2021

- The decided set-off issue increases the number of shares by 3,552,062.
- The short-term loan facility is extended until the end of the first half of 2022.
- The Board begins to seek successors to the CEO
- The project director leaves his assignment

Fourth quarter, 1 October – 31 December 2021

- Net income amounted to SEK 0 million (0)
- Earnings after tax amounted to SEK -1.9 million (-2.1)
- Investments during the period October – December totalled SEK 1.8 million (4.9)
- Basic earnings per share were SEK -0.05 (-0.07)

The whole year, 1 January – 31 December 2021

- Net income amounted to SEK 0 million (0)
- Earnings after tax amounted to SEK -8.8 million (-9.0)
- Investments during the period January – December totalled SEK 3.5 million (7.3)
- Basic earnings per share were SEK -0.26 (-0.29)
- Cash and cash equivalents on 31 December 2021 amounted to SEK 2.8 million (5.2)

Significant events after the end of the period

- The company signs a letter of intent regarding further development of the project with Cargill International Trading.
- The company's outgoing CEO was contracted to continue on a consulting basis as interim CEO.

Key ratios (Group)

Amount in SEK	2021 Oct - Dec	2020 Oct - Dec	2021 Jan - Dec	2020 Jan - Dec
Equity ratio (%)	93.83%	93.23%	93.83%	93.23%
Earnings per share	-0.53	-0.07	-0.26	-0.29
Equity per share	4.19	4.58	4.19	4.58
Quick ratio (%)	40.60%	64.06%	40.60%	64.06%
No. of shares at end of period	37 135 055	33 582 993	37 135 055	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 and to develop the intermediate Väsman iron field. The Company has all the necessary permits in place for the mine in Blötberget and will be able to produce iron ore of extremely high quality from significant mineral resources

Comments from the Managing Director

A turning point

In Q3 I said goodbye, but so, I had the honor of succeeding myself, albeit as an interim consultant. This hopefully means that I get to be involved when the project takes off.

The most important event was that at the end of the year we resumed discussions from earlier in the year. We have relatively recently been able to publish the results. We have signed an important memorandum of understanding with Cargill, one of the global players in the commodity trading industry, who will help us develop the project, both as an investor and as principal for the sale of our products. However, there are a couple of conditions that must be met before the deal is completed; Cargill must review our project and, we must ensure that we can match their investment with at least the corresponding amount. If we succeed in this, we will receive a capital injection in the order of at least SEK 100 million. It is a proof of quality of our project that such a player as Cargill is interested in joining as a partner already at this stage before the construction work has begun.

The market

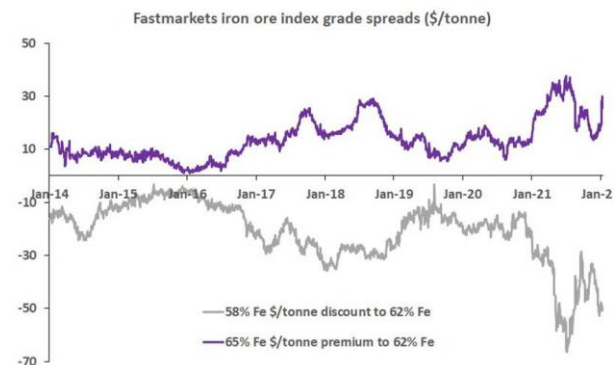
As reported during the third quarter of 2021, iron ore prices were hit by something of a collapse from the previous surprising highs. This was partly due to a “bursting bubble” and policy changes in China to limit steel production. But, as predicted, this was an overreaction, largely driven by a negative market sentiment that caused base prices of iron ore to temporarily fall below \$ 100 / t.



As can be seen from the Fastmarkets chart above, the uncertainty in the market, partly driven by the spread of the new covid variant, helped the downward spiral of the iron ore price. But as can also be seen, the markets in the last weeks of Q4 became more

resilient and as the supply chain / logistics issues continued, ore prices began to recover. In mid-February, the price was again around 145 USD per tonne.

Most importantly for NIO, the premiums for higher-quality iron ore began to recover during the end of the fourth quarter of 2021 and the beginning of 2022. See graph below which shows the price difference for 65% and 58% iron respectively compared to the price for 62%.



This is largely due to China's continued efforts to improve air quality ahead of the Winter Olympics, and rather than just continue to reduce steel production, is looking to achieve this by improving the raw material for the steelmaking process. In addition, there is the continued development towards a fossil-free future in the steel industry, and the realization that for most steel companies (and countries) an easily accessible way to make a noticeable reduction in carbon dioxide emissions is to use iron ore / scrap of higher quality. In Europe, the cost of emission allowance is increasing, which drives the desire to reduce emissions. These trends will help to push iron ore premiums ever higher, and the differences between the qualities will continue to ensure that NIO has one of the most desirable high-quality products to offer the market and at premium prices.

Overall, I can state that Nordic Iron Ore is developing in the right direction. The collaboration with Cargill is very important and will probably open new doors and lead to the project taking a real step forward in the relatively near future.

Lennart Eliasson

Managing Director, Nordic Iron Ore AB (publ)

Operations

Significant events during the period

General

The Board began work on recruiting successors to the CEO, whose agreement expired at the turn of the year.

The project director, who worked on a consulting basis, left his assignment at his own request.

The Board explored some alternatives to previously discussed solutions for financing the next step in the development of the project.

Financing

A private placement was carried out to set off overdue loan liabilities, which increases the number of shares by 3,552,062.

To strengthen the company's liquidity, a short-term loan facility of SEK 10.5 million was extended until the end of the first half of 2022. At the turn of the year, half the amount had not yet been paid to the company.

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. The company is evaluating various alternatives for financing the construction work. Extensive project financing will be required. Before this can be secured, however, detailed studies before the start of construction, including updating of existing calculations with sharp quotations, must be carried out. The work necessary to complete specification and design for construction will require the company to raise further capital.

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 8 181.

Financial position

On the balance sheet date, the Group had a liquidity of SEK 2.8 million. The equity/assets ratio was 93.83 %. The Group's equity amounted to SEK 155.5 million, corresponding to SEK 4.19 per share.

Investments

During the period January – December 2021 investments totalled MSEK 3.5. 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 18 May 2022.

Interim report January – March 2022: 18 May 2022

Interim report January – June 2022: 18 August 2022

Interim report January – September 2022: 18 November 2022

Year-end report for the 2022 financial year: February 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.

Events after the end of the period

The company's outgoing CEO was contracted to continue on a consulting basis as interim CEO.

The company signs a letter of intent regarding further development of the project with Cargill International Trading.

Annual report and financial reports

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

The Annual Report for 2020 will be published in week 16.

Dividend

The Board of Directors recommends to the Annual General Meeting that no dividend be paid for the 2020 financial year.

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 February 2022

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:

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Consolidated statement of comprehensive income – summary

	2021	2020	2021	2020
Amounts in SEK	Oct - Dec	Oct - Dec	Jan - Dec	Jan - Dec
Net revenue	0	0	0	0
Other operating income	0	0	120 596	0
Total operating income	0	0	120 596	0
Other external costs	-814 634	-1 045 416	-4 564 782	-4 295 694
Personnel expenses	-938 201	-764 803	-3 375 118	-3 183 527
Depreciation/amortization and impairment of property, plant and equipment and intangible assets	-105 647	-206 758	-422 588	-827 032
Operation profit/loss	-1 858 482	-2 016 977	-8 121 296	-8 306 253
Financial income	2 910	0	4 871	0
Financial expenses	-94 274	-79 901	-601 219	-714 595
Net financial income/expense	-91 364	-79 901	-596 348	-714 595
Profit/loss after financial income and expense	-1 949 846	-2 096 878	-8 717 644	-9 020 848
PROFIT/LOSS FOR THE PERIOD	-1 949 846	-2 096 878	-8 717 644	-9 020 848
OTHER COMPREHENSIVE INCOME	-	-	-	-
Total comprehensive income for the period	-1 949 846	-2 096 878	-8 717 644	-9 020 848
Attributable to:				
Parent company shareholders	-1 949 846	-2 096 878	-8 838 240	-9 020 848
TOTAL	-1 949 846	-2 096 878	-8 838 240	-9 020 848
Number of shares				
Number of shares at year-end	37 135 055	33 582 993	37 135 055	33 582 993
Average no. of shares (before dilution)	36 748 961	31 609 518	34 380 990	30 930 590
Average no. of shares (after dilution)	36 748 961	31 609 518	34 380 990	30 930 590
Earnings per share				
Earnings per share, weighted average before dilution, SEK	-0.05	-0.07	-0.26	-0.29
Earnings per share, weighted average after dilution, SEK	-0.05	-0.07	-0.26	-0.29

Consolidated statement of financial position - summary

<i>Amounts in SEK</i>	<i>Note</i>	31/12/2021	31/12/2020
Assets			
Non-current assets			
Intangible assets		160 440 206	156 722 776
Property, plant and equipment		1 998 524	2 421 112
Financial assets		30 898	30 898
Current assets			
Other current assets		488 985	540 202
Cash and cash equivalents		2 812 295	5 195 326
Total assets		165 770 908	164 910 314
Equity and liabilities			
Equity		155 543 420	153 745 043
Non-current liabilities		2 097 033	2 211 438
Current liabilities	1	8 130 455	8 953 833
Total Equity and liabilities		165 770 908	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				-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				-8 838 240	-8 838 240
New share issued		6 160 107	4 496 079		10 656 186
Transaction costs			-19 570		-19 570
CLOSING EQUITY 31/12/2021		64 400 883	224 295 168	-133 152 631	155 543 420

Consolidated cash flow statement - summary

	2021	2020	2021	2020
<i>Amounts in SEK</i>	Oct - Dec	Oct - Dec	Jan - Dec	Jan - Dec
Operating activities				
Profit/loss for the period	-1 949 846	-2 096 877	-8 838 240	-9 020 848
Adjustments for items not included in the cash flow	-22 120	-148 888	-25 932	-67 531
Cash flow from operating activities before changes in working capital	-1 971 966	-2 245 765	-8 864 172	-9 088 379
Cash flow from changes in working capital				
Change in working capital	124 342	-163 886	51 217	236 421
Change in operating liabilities	-843 102	-208 212	-292 157	-2 665 022
Cash flow from operating activities	-2 690 726	-2 617 863	-9 105 112	-11 516 980
Cash flow from investment activities	-1 784 024	-273 131	-3 527 919	-1 251 447
Cash flow from financing activities	5 250 000	0	10 250 000	5 000 000
Cash flow for the year	775 250	-2 890 994	-2 383 031	-7 768 427
Opening cash and cash equivalents	2 037 045	8 086 320	5 195 326	12 963 753
CLOSING CASH AND CASH EQUIVALENTS	2 812 295	5 195 326	2 812 295	5 195 326

Parent Company Income statement - summary

	2021	2020	2021	2020
	Oct - Dec	Oct - Dec	Jan - Dec	Jan - Dec
<i>Amounts in SEK</i>				
Net revenue	0	0	0	0
Other operating income	0	0	120 596	0
Total operating income	0	0	120 596	0
Other external costs	-940 009	-1 276 298	-5 066 282	-5 219 222
Personnel expenses	-938 201	-764 803	-3 375 118	-3 183 527
Depreciation of property, plant and equipment and intangible fixed assets	0	0	0	0
Operating profit/loss	-1 878 210	-2 041 101	-8 320 804	-8 402 749
Other interest income and similar profit/loss items	2 910	0	4 871	0
Interest expense and similar profit/loss items	-96 666	-196 320	-548 239	-685 630
PROFIT/LOSS FOR THE PERIOD	-1 971 966	-2 237 421	-8 864 172	-9 088 379
PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME				
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-1 971 966	-2 237 421	-8 864 172	-9 088 379

Parent Company Balance sheet - summary

<i>Amounts in SEK</i>	31/12/2021	31/12/2020
Assets		
Non-current assets		
Intangible assets	160 085 609	156 437 689
Property, plant and equipment	0	0
Financial assets	30 898	30 898
Shares in subsidiaries	50 000	50 000
Current assets		
Other current assets	488 985	540 202
Cash and cash equivalents	2 769 057	5 152 089
Total assets	163 424 549	162 210 878
Equity and liabilities		
Equity	155 408 502	153 636 057
Non-current liabilities	0	0
Current liabilities	8 016 048	8 574 821
Total Equity and liabilities	163 424 550	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 Ore had no liability to related parties as of 31 December 2021.

Note 2 Key ratios (Group)

<i>Amount in SEK</i>	2021 Oct - Dec	2020 Oct - Dec	2021 Jan - Dec	2020 Jan - Dec
Equity ratio (%)	93.83%	93.23%	93.83%	93.23%
Earnings per share	-0.53	-0.07	-0.26	-0.29
Equity per share	4.19	4.58	4.19	4.58
Quick ratio (%)	40.60%	64.06%	40.60%	64.06%
No. of shares at end of period	37 135 055	33 582 993	37 135 055	33 582 993
Weighted average no. of shares before dilution	36 748 961	31 609 518	34 380 990	30 930 590
Weighted average no. of shares after dilution	36 748 961	31 609 518	34 380 990	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 February 2022 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.