



*Picture: Rendered schematic of Ludvika mines surface infrastructure*

# NORDIC IRON ORE AB (PUBL)

COMPANY PRESENTATION

APRIL 2024

Nordic  
**Iron Ore**™

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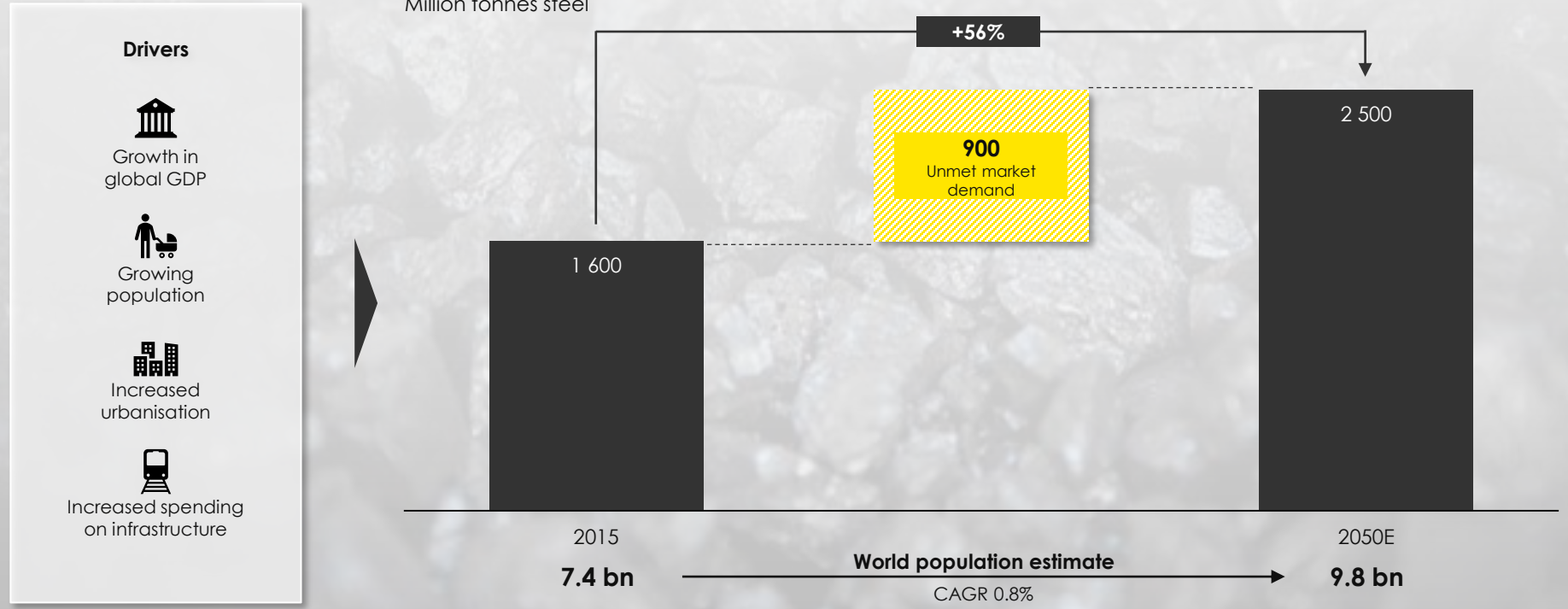
**Definitions:** Million tonnes ("**mt**"), Dry Metric Tonne Unit ("**dmtu**"), Life of mine ("**LoM**"), Iron ("**Fe**"), Net present value ("**NPV**"), Direct reduced iron ("**DRI**"), Väsman mine, Håksberg mine and Blötberget mine ("**Ludvika mines**")

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# THE GLOBAL STEEL MARKET IS STEADILY GROWING ON THE BACK OF WORLDWIDE DRIVERS

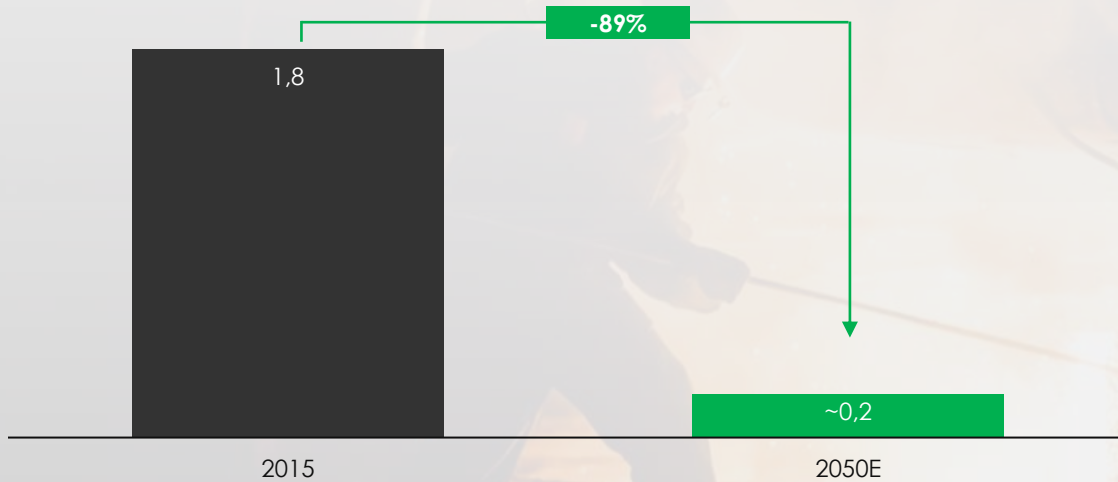
Steel demand expected to increase with more than 56% between 2015-2050



# GREEN STEEL PLAYS AN IMPORTANT ROLE IN REACHING GLOBAL CO<sub>2</sub> TARGETS

Required change in steel production carbon intensity in line with the Paris agreement

Tonnes CO<sub>2</sub> per tonne steel produced





**~90% lower carbon intensity in steel production required**



**New metallurgy is needed – incremental improvements is not enough**



**Several technical solutions are explored by the steel industry**

**European green steel initiatives**

  
Arvedi

  
H2green steel

  
TATA STEEL

  
ArcelorMittal

  
BLASTR Green Steel

  
LKAB HYBRIT

  
thyssenkrupp

  
voestalpine

  
LIBERTY STEEL

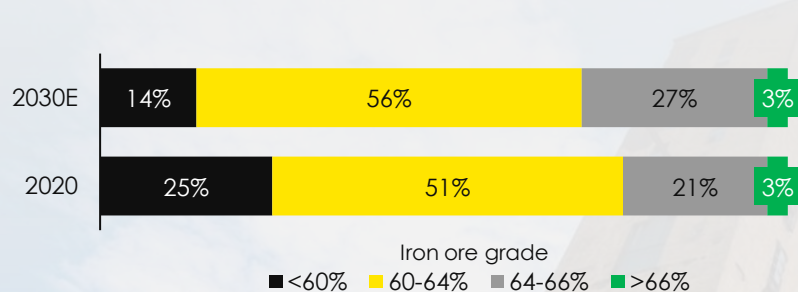
  
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# HIGHER IRON GRADE LEADS TO LESS CO<sub>2</sub> EMISSIONS AND A PREMIUM VALUATION

Nordic Iron Ore offers ultra high-grade iron ore concentrate, qualifying in the top 3% seaborne market

Changing market conditions increase demand for seaborne high grade iron ore and green mining<sup>1)</sup>



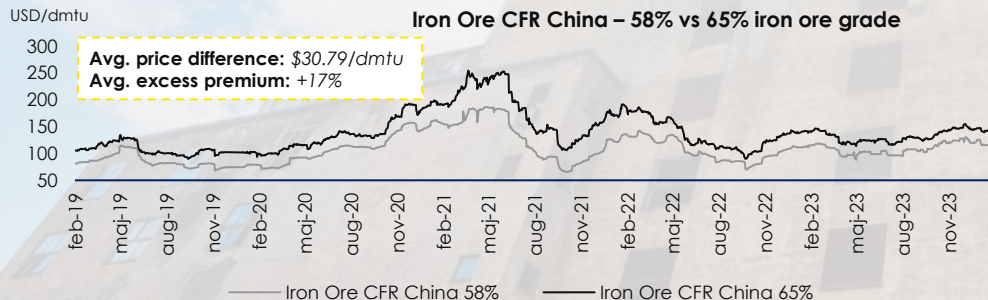
- ✓ Only 3% of the global iron ore supply is above 66%
- ✓ High grade iron ore is vital in the transition to low CO<sub>2</sub> direct reduction ironmaking processes<sup>2)</sup>
- ✓ Nordic Iron Ore's iron ore grade exceeds 68%, making it part of the 3% of global iron ore supply that meets the requirements for direct reduced iron

**>66%**  
Iron ore grade required in green steel production

**>68%**  
NIO iron ore grade

**NIO suitable for green steel production**

## Higher iron grade commands premium valuation



High iron ore grade

**+17% average excess premium**

Iron Ore CFR China index 58% vs 65%

**Green premium**

Supported by EU initiatives in a green transition

Hets räknar med ännu högre premier på sitt stal: "Detalvdjån gör upp"

De senaste åren har priserna på järn och stål ökat kraftigt. Detta beror på att efterfrågan på råvaror för grön stålproduktion ökar. Detta innebär att priserna på järn och stål kommer att fortsätta att öka.

Även om priserna på järn och stål ökar, så är det viktigt att se till att priserna på järn och stål inte ökar för mycket. Detta beror på att priserna på järn och stål inte ökar för mycket.



Source: Company material, Factset, Tillväxtanalys, United States Geological Survey

Note: 1) Institute for Energy Economics and Financial Analysis (IEEFA) - Iron Ore Quality a Potential Headwind to Green Steelmaking, June 2022. 2) Example of producers with iron ore products with Fe grade > 66% as part of their total product iron ore offering include: Vale, LKAB and Rio Tinto (Source: S&P Global Commodity Insights)

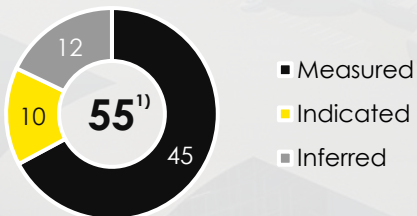
# NORDIC IRON ORE HAS SECURED SEK 35BN OFFTAKE AGREEMENT

Secured permissions and qualified iron ore deposit

## Blötberget overview



Mine assets (mt)



Secured logistics, infrastructure, permits and partners gives a short lead-time to come on stream



## Cargill commitments



### Offtake agreement

**25mt**  
Iron ore concentrate

**35bn**  
Total sales, SEK

**~15y**  
Estimated mining period

### Funding<sup>2)</sup>

**60m**  
Initial investment, SEK

**~307m**  
Total potential investment, SEK

## Blötberget – Preliminary timeline



Source: Company information 1) Includes measured and indicated 2) Funding involving SEK 60m and USD 23m, assuming exchange rate USD/SEK 10.75

# CARGILL – LONG-TERM PARTNERSHIP

Milestone offtake agreement signed in July 2023

- Offtake agreement regarding 25mt high grade iron ore concentrates (~15 years of mining)
- Funding commitment letter with investments of ~SEK 307m<sup>1)</sup> in total and with initial investment of SEK 60m in direct share issue
- Cargill undertakes to, a.o invest its pro-rata portion of the capital required, less the senior debt part, for the construction of Blötberget mine up to ~SEK 247<sup>1)</sup>m
- Cargill supports NIO team throughout the various phases of the project development and bring expertise when relevant



Major global industry leading supplier of commodities and several other business operations, with +160k employees and USD 177bn revenue 2023

**~50 million tonnes**

Yearly metal iron ore trade volume

## Partnership rationale



European leadership in the green steel transition positioning Europe as a forefront figure and highly attractive investment opportunity



Strive towards European iron self-sufficiency from geopolitical landscape, implying the need for actors to establish position and secure market share



High environmental requirements and labour standards contributing to investor comfort in European actors



# BLÖTBERGET HAS STRATEGIC LOCATION WITH SEVERAL IMPORTANT CONNECTIONS

Roads and railroads connecting Ludvika to the rest of Sweden



Blötberget is strategically located next to highways part of the Swedish national road system



With a population of ~26,000, Ludvika can provide local labour force and minimise the need for accommodations



Direct access to 52kV powerlines guarantees operational reliability and efficiency



Approved technical solution from the traffic authority (*Trafikverket*) for direct railway connection, enabling train transportation of iron ore to harbour in Oxelösund



## KEY COMPANY HIGHLIGHTS

Secured with offtake agreement, logistics and high-grade iron ore concentrates - short lead-time to production



**Strong global demand for high grade iron ore concentrates**



**Highly attractive ESG profile**



**Offtake agreement ensuring cash flow and long-term partnership**



**Attractive business case with strong expansion potential**



**Proven logistics chain and all necessary permits in place**

# MARKET OUTLOOK WITH EVIDENT NEED OF GREEN STEEL

Changing market conditions

## The landscape

Environmental concerns and customer pressure



### Research: Consumers' Sustainability Demands Are Rising

by Ashley Reichheld, John Peto, and Cory Rittthaler

September 18, 2023



Trillion-dollar shift urgently needed to align global finance with climate and development goals

Eight years after the Paris Agreement, finance for fossil fuels continues unabated at trillions of dollars annually



Shortage of green steel supply for the foreseeable future



### S&P Global

Lack of high-quality iron ore supply threatens steel's green push



### Bloomberg

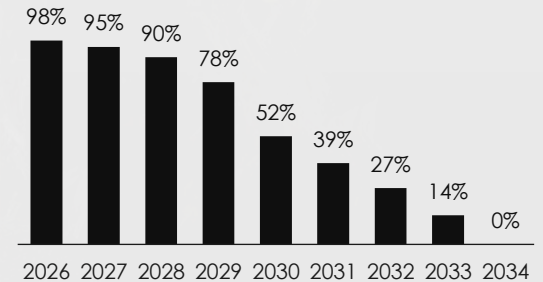


Green Steel Demand is Rising Faster Than Production Can Ramp Up

Regulations and fierce competition for available emission rights makes traditional steelmaking unprofitable

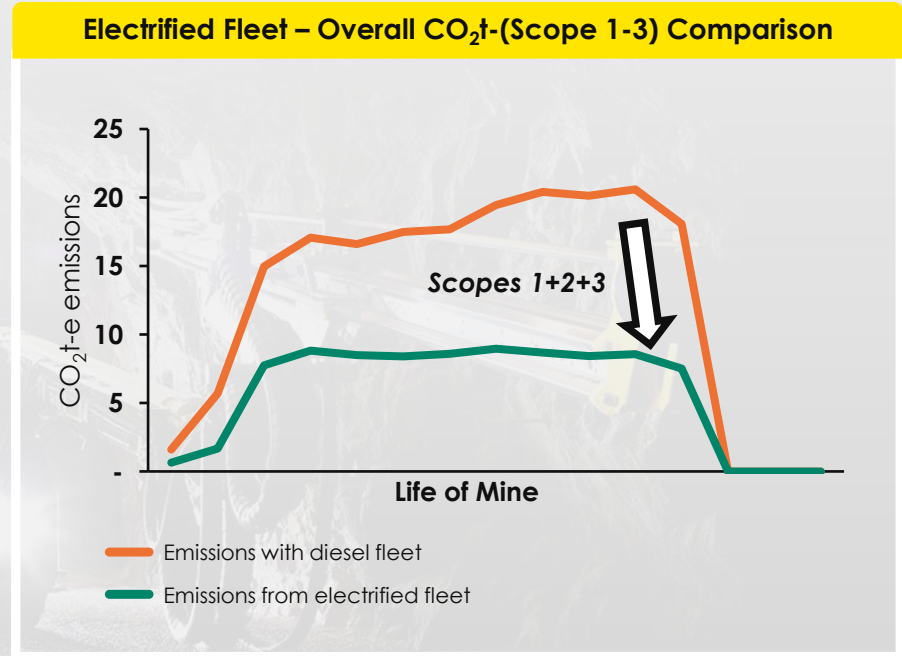
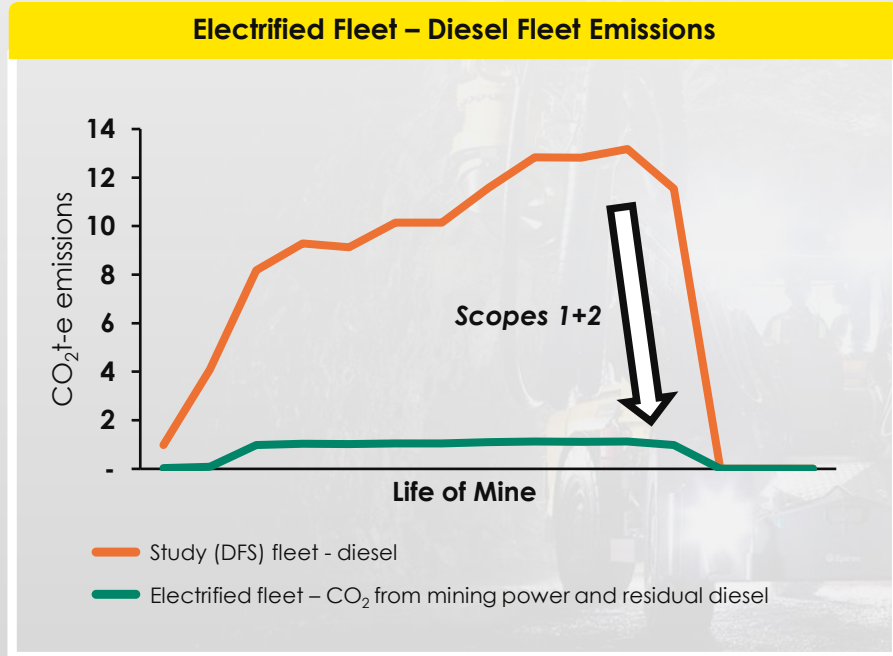


Available ETS allocation, % of benchmark



# NORDIC IRON ORE ELECTRIFIED FLEET IN COMPARISON WITH TRADITIONAL DIESEL FLEET

An electrified fleet demonstrates significantly reduced emissions



# NET PRESENT VALUE OF BLÖTBERGET USD ~450M

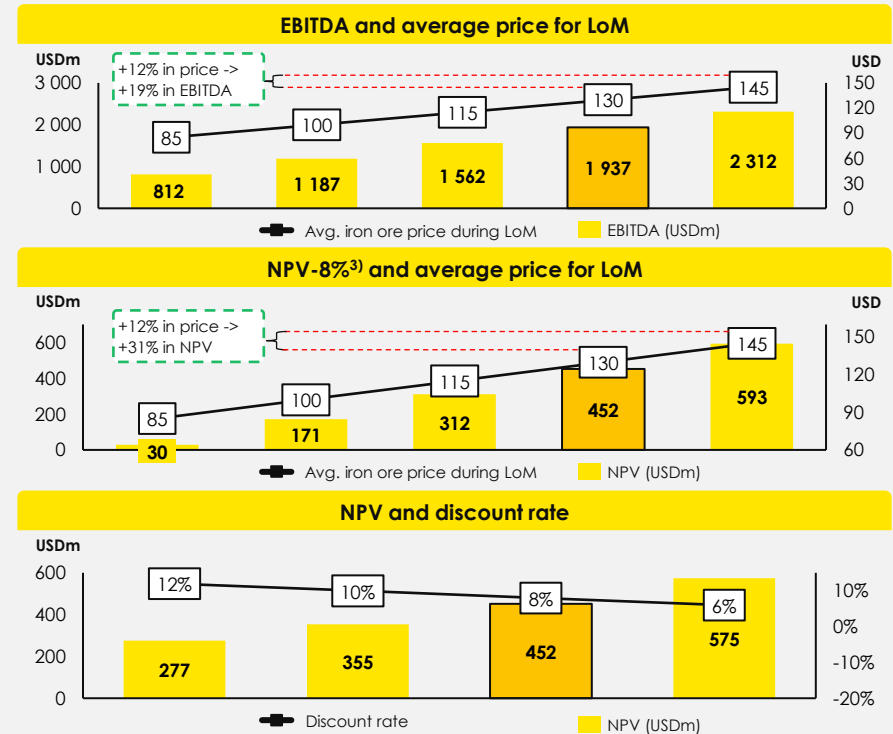
Financial evaluation summary – Company estimates<sup>1)</sup>

KPI		
Mining period		>15 years
Average Fe grades		>36.3 %
Total iron ore concentrate production during the mining period		25mt
Average iron ore concentrate price per tonne during the mining period		USD 130
<hr/>		
<b>Total revenue</b>		<b>USD 3,250m</b>
Initial Capex		USD 315m
Total Capex		USD 414m
Total Opex <sup>2)</sup>		USD 1,500m
<b>Total EBITDA</b>		<b>USD 1,937m</b>
EBITDA margin		60%
<hr/>		
NPV (Post-tax)	4% discount rate	USD 731m
NPV (Post-tax)	6% discount rate	USD 575m
<b>NPV (Post-tax)</b>	<b>8% discount rate</b>	<b>USD 452m</b>



Only revenue is affected by iron ore price volatility (Capex and Opex is unaffected), i.e., price increases adds directly to NPV

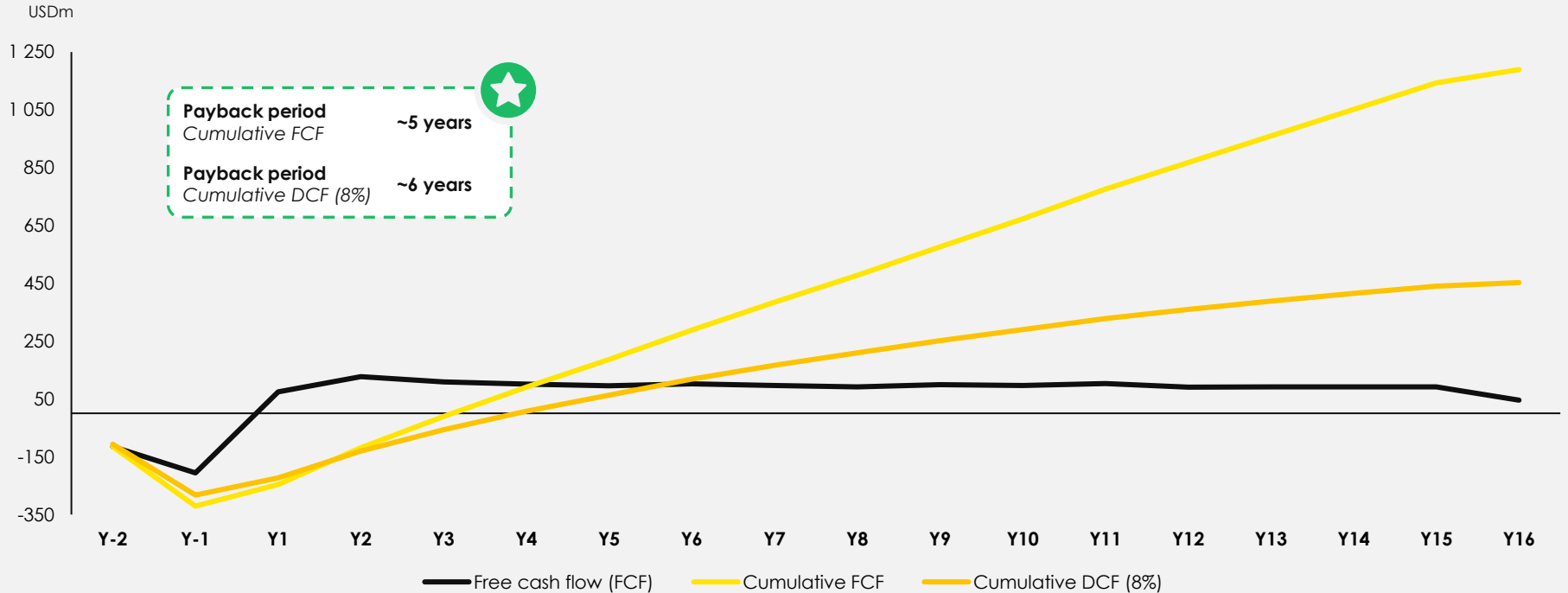
Sensitivity analysis at different long-term sales prices



Note: Assuming exchange rate USD/SEK 10.75 1) Based on assumptions from Golder's Blötberget Feasibility study (2019) and agreed terms from the offtake agreement with Cargill 2) Opex estimates have not been inflation-adjusted 3) NPV -8% refers to 8% discount factor

# FREE CASH FLOW AND PAYBACK PERIOD OF BLÖTBERGET<sup>1)</sup>

Free cash flow and discounted cash flow



Note: 1) Based on assumptions from Golder's Blötberget Feasibility study (2019) and agreed terms from the offtake agreement with Cargill

# BLÖTBERGET AND BEYOND



**Blötberget mine**

- Mineable reserve: 34mt according to DFS 2019
- Production start end of 2028, enabling mining until at least 2043
- Resource open to the depth and laterally

**Mine assets<sup>1)</sup>**

45mt 10mt 12mt

- Measured
- Indicated
- Inferred



**55mt mineral resources with all necessary permits in place**



**Väsman mine**

- NIO performed a confirmation drilling program in 2012
- Mining concession granted 2017
- New low level magnetics survey in 2018, 2020 and 2022
- Mining under lakes is common practice

**Mine assets<sup>2)</sup>**

7mt 86mt

- Indicated
- Inferred



**A long known very large expansion potential**



**Håksberg mine**

- Mining concession 2011
- Environmental permit 2014
- Resource open to depth
- Historical "cut-off grade" ~30 percent (much left to mine)

**Mine assets<sup>2)</sup>**

25mt 12mt

- Indicated
- Inferred



**Abandoned mining facility with iron ore left to mine**

Notes: 1) Mineral resources according to JORC 2012 2) Mineral resources according to JORC

# BEYOND IRON ORE CONCENTRATES

Initial focus on iron ore concentrates but opportunity to explore new products



- Future growth opportunities through new product development, increased sales, and improved margins
- Expanding market reach and customer base through diversification of product offerings



## Iron ore concentrate (DR)

- CAGR<sup>1)</sup> - 3.4 percent
- Price Mar 2024 – USD 122/mt<sup>5)</sup>
- Mine to market - low CO<sub>2</sub><sup>3)</sup>

Grab the market opportunity



## Pellet premium (DR)

- CAGR<sup>2)</sup> - 3.7 percent
- Premium price
- Steelmakers introduces more direct reduced iron processes
- Few sources of DR iron ores<sup>3)</sup>

Increased margins/IRR%



## Direct reduced iron (DRI)

- CAGR<sup>3)</sup> - 8.2 percent
- Price – expected to be aligned close to iron scrap
- Greater demand for carbon reduction – growth potential<sup>4)</sup>

Local (EUR) market penetration



# EXECUTIVE MANAGEMENT

## Management



### Ronne Hamerslag

CEO since July 2022

Long experience from international operations and business leadership within mining and other industries

- Former Head of Supply Management at Boliden
- Various international leadership roles at Ericsson for ~10 years
- M.Sc. in Metallurgy and Materials Technology from the Royal Institute of Technology (KTH)

Holdings in Nordic Iron Ore: -



### Ulf Kasshag

CFO since March 2024

Extensive experience as auditor, controller, internal auditor and CFO

- Experience from companies like Price Waterhouse, Learning Tree International, Borland International, EDS, StreamServe, Snow Software and Findify
- Bachelor of Science in business administration, University of Stockholm

Holdings in Nordic Iron Ore: -

## Advisors



### Paul Marsden

Technical Sales and Marketing Advisor

Holdings in Nordic Iron Ore: 17,740 shares

Over 40 years of experience in iron ore mine and steel industry developments

- British Steel & Corus Consulting
- Northland Resources
- Kogi Iron



### Lennart Eliasson

Senior Financial Advisor (former CEO/CFO)

Holdings in Nordic Iron Ore: 50,000 shares

Over 30 years of experience in financial advisory before joining Nordic iron ore

- CEO of Nordic Iron ORE 2018 – July 2022
- CFO of Nordic Iron Ore 2011 – 2018
- KPMG
- Swedbank Corporate Finance



### Hans Thorshag

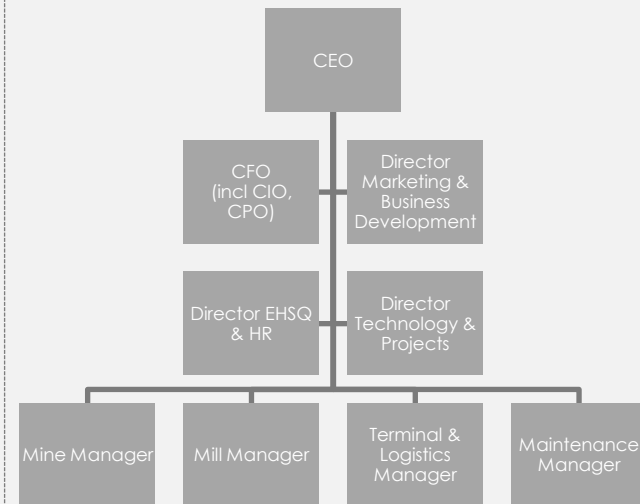
Technical Project Advisor

Holdings in Nordic Iron Ore: 14,000 shares

Over 35 years of experience in mine development and operations including

- LKAB, Boliden, Midroc Gold, Lunding Mining
- Qualified Person according to SveMin's regulations

## Organisation at production



The restart of iron ore production in Blötberget is expected to generate significant economic benefits, including the creation of ~300 new jobs for the local community<sup>1)</sup>

# BOARD OF DIRECTORS – NEW CARGILL DIRECTOR TO BE APPOINTED



**Bengt Nilsson**

*Chairman of the board*

30 years of experience as manager and leader in the Swedish steel industry

- Previous CEO of Åkers Group, Managing Director of SSAB Oxelösund, CEO of Edsbyn Senab, which operates in the furniture and interior design industry
- Holdings in Nordic Iron Ore: -



**Tomas Olofsson**

*Board member*

Entrepreneur with 20 years of experience in the engineering industry

- CEO in Lemont AB
- Owner, Partner and Board Member in; Ludvika Holding AB, Grytänge Invest AB, Fastighets AB Morgårdshammar AB, Datorama AB, Badhusudden AB, A.Rentall AB and Mecapto AB and Svanströms Lackeringer AB, Rondic Invest AB
- Holdings in Nordic Iron Ore: 4,453,483 shares<sup>1)</sup>



**Jonas Bengtsson**

*Board member*

Over 15 years of experience from the financial industry and development of small and medium-sized industrial and real estate companies

- Partner at BTAB Invest
- Board member of Bengtssons Tidnings AB with subsidiaries, Zensum AB, Jonas Bengtsson Invest AB with subsidiaries, and Svenska Nyttobostäder AB with subsidiaries
- Holdings in Nordic Iron Ore: 8,323,343 shares<sup>2)</sup>



**Gösta Bergman**

*Board member*

Business lawyer since 1978 with experience from several major companies such as Ericsson, Unisys, Ovako Steel and Chairman of the Board of Grängesberg Iron AB

- Owner of Advokatfirman Bergman & Partners AB, Chairman of the Board of OptiMobile AB
- Holdings in Nordic Iron Ore: -



**Tobias Hansson**

*Board Member*

Over 20 years of experience from various positions within ABB and Country Manager & CEO for Hitachi Energy Sweden AB

- Previously Senior Vice President, Power Transformers in Europe at ABB
- Board member of, a.o Hitachi Energy Sweden, Teknikföretagen and Luleå's Technical University
- Holdings in Nordic Iron Ore: -

# SHAREHOLDERS & THE SHARE

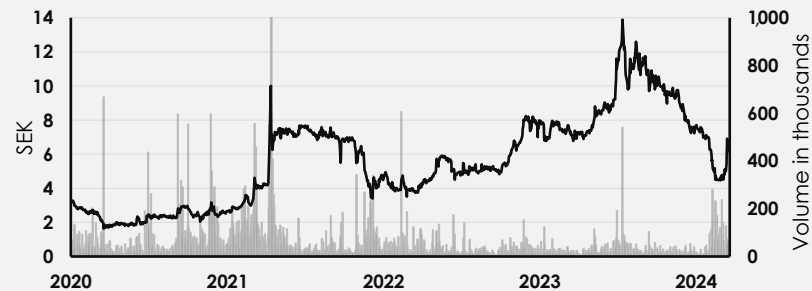
## Top 10 largest shareholders<sup>1)</sup>

Shareholder	Comment	% of capital & votes
Bengtssons Tidnings AB	Jonas Bengtsson, board member	21.00%
Ludvika Holding AB	Tomas Olofsson, board member	11.99%
Kopparinvest AB		7.00%
Rotcod AB		2.98%
Björn Israelsson		2.83%
Johan Flink		2.02%
Per Einarsson		1.59%
Avanza Pension		1.44%
Jonas Bengtsson		1.41%
Swedbank Försäkring		1.12%
<b>10 largest shareholders</b>		<b>53.40%</b>
Others		46.60%
<b>Total</b>		<b>100%</b>
<b>Management and the board of directors</b>		<b>34.49%</b>

## Key Data<sup>2)</sup>

Sector	Basic Materials
Ticker	NIO
Market	Nasdaq First North Growth Market
Price	~SEK 6.2
Market Cap	~SEK 230m
Number of shares outstanding	37,135,055

## Share Price and volume – Since 2020<sup>2)</sup>



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# Appendix

# COMPANY HISTORY

With the Cargill deal in 2023, new management and all permits in place, NIO is now ready for production end of 2028

## 2008–2020: Regulatory, organisational and DFS

### Applications / Permits

- 2008 - Nordic Iron Ore was founded and received 12 exploration permits<sup>1)</sup>
- 2010-2012 – Application for mining permit<sup>2)</sup> (2010) and environmental permits<sup>3)</sup> (2012)
- 2014 - All permits in place and pilot scale process tests proving ability to produce high grade iron ore
  - ✓ Exploration permit<sup>1)</sup>, Mining permit<sup>2)</sup>, Environmental permit<sup>3)</sup> and Zoning permit<sup>4)</sup>
- 2015 – Interim technical report by DMT and mining permit application for Väsman
- 2015-2017 – Reduced organization, pace of development and revisions of operational plans due to the downturn of the iron ore market
- 2016-2017 - Application for extended mining area in Blötberget and pilot scale enrichment proved positive results (2016). Application for mining permit approved for the adjacent area north-east of Blötberget (2017)

### Feasibility studies

- 2018 – Listing on Nasdaq First North
- 2019 – The outcome of the feasibility study for Blötberget was made public
- 2020 – New feasibility and optimization study shows good (improved) commercial potential. Effective logistics solution secured

## 2021-2023: Milestone deal securing 15-year cash flow

### 2021-2022

- Secured electricity supply
- Cooperation agreements signed with Epiroc and ABB
- Veidekke Sweden is hired to design the ramp between the mine and the industrial area
- Paterson & Cooke is hired for a study on the handling of tailing
- The board starts recruitment of the new CEO

- ★ ✓ Ronne Hamerslag appointed as new CEO (prev. Head of Supply Management at Boliden and various international leadership roles at Ericsson for ~10 years)
- ★ ✓ Discussions with Cargill initiated
- ★ ✓ Initiated participation in valuable EU-funded project to improve exploration technology and knowledge of local mineral resources to NIO's sites

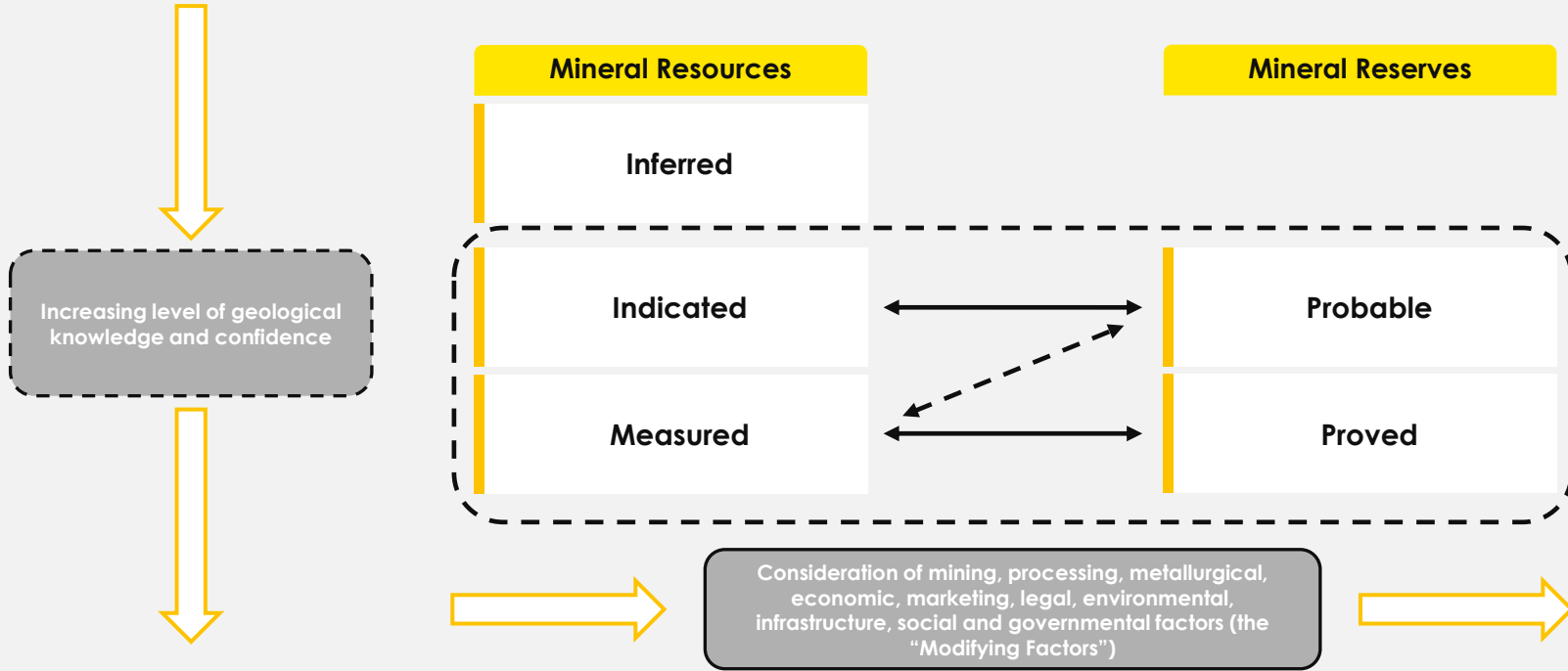
### 2023

Milestone offtake and equity investment agreement signed with Cargill

- ✓ In July 2023, NIO and Cargill entered into a binding long-term offtake agreement securing ~15-year cash flow to the Company
- ✓ Cargill commits to invest SEK 60m and support NIO as owners and through the offtake agreement with focus on securing profitable cash flow

# EXPLORATION RESULTS

The characteristics of mineral resources and mineral reserves



# INCOME STATEMENT

SEKm	2019	2020	2021	2022	2023
<b>Net sales</b>	-	-	-	-	-
Other external expenses	-5.0	-4.3	-4.6	-6.5	-6.8
Personnel costs	-3.7	-3.2	-3.4	-2.1	-4.1
Depreciation and write - downs of tangible and intangible assets	-0.8	-0.8	-0.4	-0.8	-0.2
<b>EBIT</b>	<b>-9.5</b>	<b>-8.3</b>	<b>-8.2</b>	<b>-9.4</b>	<b>-11.1</b>
Financial income	0.0	0.0	0.0	0.0	2.0
Financial expenses	-1.6	-0.7	-0.6	-1.1	-1.9
<b>Net Profit</b>	<b>-11.1</b>	<b>-9.0</b>	<b>-8.8</b>	<b>-10.5</b>	<b>-12.9</b>



# BALANCE SHEET

SEKm	2019	2020	2021	2022	2023
Intangible assets	149.4	156.7	160.4	164.9	166.9
Tangible fixed assets	3.2	2.4	2.0	1.8	1.7
Financial fixed assets	0.0	0.0	0.0	0.0	0.0
Other current assets	0.8	0.5	0.5	0.5	1.0
Cash and cash equivalents	13.0	5.2	2.8	2.7	0.9
<b>Total assets</b>	<b>166.4</b>	<b>164.9</b>	<b>165.7</b>	<b>170.0</b>	<b>170.5</b>
<b>Total equity</b>	<b>147.8</b>	<b>153.7</b>	<b>155.5</b>	<b>145.1</b>	<b>132.1</b>
Long-term liabilities	2.6	2.2	2.1	2.0	1.8
Short-term liabilities	16.0	9.0	8.1	22.9	36.5
<b>Total equity and liabilities</b>	<b>166.4</b>	<b>164.9</b>	<b>165.7</b>	<b>170.0</b>	<b>170.5</b>

## KEY HISTORICAL FINANCIALS

SEKm	2019	2020	2021	2022	2023
EBIT	-9.5	-8.3	-8.2	-9.4	-11.1
Net result	-11.2	-9.0	-8.8	-10.5	-12.9
Outstanding shares	29,969,470	33,582,993	37,135,055	37,135,055	37,135,055
FTEs	4	3	3	3	3
New share issue	25.6	6.9	10.7	0.0	0.0
Cash balance	13.0	5.2	2.8	2.7	0.9

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