



# INTERIM REPORT

FOURTH QUARTER 2021



**RANA  
GRUBER**

## CEO Gunnar Moe comments: **LEADING THE WAY FOR DECARBONISATION OF THE GLOBAL STEEL INDUSTRY**

The past three months have been exciting for Rana Gruber. We have moved forward with our plans of removing all carbon emission from the production, and we are firming up our strategy to reach our ambition by the end of 2025 together with Cargill. We are of course very proud of the recognition given by Energy Norway through the Renewables Award for November.

The fourth quarter of 2021 was marked by a stabilised market for iron ore concentrates, continued operational improvement enabling an increase in production, and extensive work on lifting the company to the main list at the Oslo Stock Exchange.

I strongly believe that we are now financially and operationally rigged to get as much as possible out of our valuable natural resources, at lower cost, but most importantly, to bring our carbon footprint down to 0 and lead the way for the entire steel industry.



# HIGHLIGHTS AND KEY FIGURES

## FOURTH QUARTER HIGHLIGHTS

- Revenues came in at NOK 253.5 million (Q4 2020 at NOK 469.8m). For the year in total, revenues amounted to NOK 1 618.7 million – up 21 per cent compared to FY20 (based on NGAAP\*).
- Market prices for iron ore concentrates trended somewhat lower in Q4 2021 vs Q4 2020. At the end of 2021, iron ore prices stabilised at levels around USD 120/mt, providing a solid foundation for 2022.
- Production of iron ore concentrate increased to 435' metric tons (mt), and the company ends the year with considerable amounts of iron ore concentrate in stock. This production is ten per cent higher compared to that of Q4 2020. For 2021 in total, the production of iron ore concentrates amounted to 1 653' mt (1 559' mt in 2020).
- Cash cost per mt produced was reduced compared to both Q4 2020 and the preceding quarters of the year. Reduction in cash cost per mt was achieved despite higher energy costs and continued increased activity in the open pit mine.
- Net profit came in at NOK 100.4 million (NOK 142.1 million). The board of directors proposed a quarterly dividend for Q4 2021 of NOK 1.51/share, implying a pay-out ratio of 70 percent (including share buy-backs amounting to NOK 14 million by the end of Q1 2022).
- The board of directors decided to distribute an extraordinary cash dividend of NOK 2.50/share to the company's shareholders during the quarter. The company has distributed a total of NOK 11.05/share in 2021, including dividends paid out prior to listing (excluding the proposed dividend for Q4 2021).
- The company paid down all long-term debt to financial institutions.

## EVENTS AFTER THE QUARTER-END

- Rana Gruber applied for transfer from Euronext Growth Oslo to the main list at the Oslo Stock Exchange. The transfer is expected to be concluded during the first quarter of 2022.
- The company has secured forward contracts under which Rana Gruber will sell 120 000 mt in Q3 2022 and Q4 2022 at an average price of USD 130.3/mt. Furthermore, the company has agreed to sell a total of 90 000 mt in Q1 2023 at an average price of USD 129.9/mt.
- Rana Gruber has decided to initiate a share buyback program for a total value of up to NOK 14 million by the end of Q1 2022.
- The company has confirmed to participate in the funding of the new airport in Mo i Rana with NOK 15 million. The investment will be completed in Q1 2022 and the airport will improve the region's accessibility, and enhance recruitment and business activity. Rana Gruber is already shareholder in the airport's holding company.

## KEY FIGURES (NGAAP)

Amounts in NOK million, except where indicated otherwise. Quarterly figures are unaudited.

	Q4 2021	Q4 2020	Change (%)	FY 2021	FY 2020	Change (%)
Revenues	<b>253.5</b>	469.8	(46%)	1 618.7	1 333.6	21%
EBITDA	<b>72.9</b>	256.2	(72%)	885.2	666.2	33%
EBITDA margin (%)	<b>29%</b>	55%	-26pp	55%	50%	5pp
Net profit	<b>100.4</b>	142.1	(29%)	516.9	273.0	89%
Cash cost	<b>207.4</b>	196.5	6%	777.7	675.3	15%
Cash cost per mt produced (NOK)	<b>477.2</b>	498.1	(4%)	470.6	433.2	9%
EPS	<b>2.69</b>	3.80	(29%)	13.8	7.3	90%
DPS	<b>1.51</b>	-		11.05	N/A	
Share buyback	<b>14.00</b>					
Equity ratio	<b>50.0%</b>	47.6%	2.4pp	50.0%	47.56%	2.4pp

# FOURTH QUARTER 2021

## OPERATIONAL REVIEW

### PRODUCTION

Rana Gruber operates both open pit and underground iron ore mines, as well as a processing plant producing iron ore concentrates for the steel and chemical industries.

<i>In thousand metric tons</i>	<b>Q4 2021</b>	Q4 2020	Change (%)	FY 2021	FY 2020	Change (%)
<b>Production Concentrate</b>	<b>434.6</b>	394.5	10%	1 652	1 559	6%
Production hematite	<b>406.3</b>	366.3	11%	1 545	1 453	6%
Production magnetite	<b>28.7</b>	28.1	2%	108	106	1%
<b>Production Colorana</b>	<b>1.3</b>	1.4	(6%)	5.3	5	7%
<b>Production ore</b>	<b>1 423.0</b>	1 369.9	4%	5 150	5 178	(1%)
Production underground (ore)	<b>740.5</b>	789.5	(6%)	2 767	3 097	(11%)
Production open pit (ore)	<b>682.4</b>	580.5	18%	2 383	2 081	15%
Production open pit (waste rock)	<b>1 350.4</b>	1 276.4	6%	4 909	4 494	9%

For the fourth quarter of 2021, production totalled 434.6' mt of iron ore concentrate, which corresponds to an increase of ten per cent compared to the same period in 2020. The positive production trend is a result of continued operational improvements.

Most of the produced volume is hematite concentrate of 406.3' mt, which corresponds to an increase of 11 per cent from Q4 2020. In addition, 28.7' mt of magnetite concentrate were produced in Q4 2020, which corresponds to an increase of 2 per cent compared to Q4 2020.

Total production of ore increased 4 per cent in Q4 2021 compared to Q4 2020. The production trend with higher share of open

pit production continued as in the previous quarter, while the underground production was somewhat lower. Favourable weather conditions for open pit production, the shift from one mining level to another, and planned build-up of inventory are reasons for the increased production of ore, especially in the open pit mine.

### MARKET

Iron ore prices ticked up to levels around USD 120/mt at the end of the year, after a temporary dip in November. Prices in Q4 2021 trended somewhat lower than the comparable quarter the previous year. However, prices have trended upwards in the beginning of 2022.

### PRODUCT AREAS

	Hematite		Magnetite		Colorana, special products	
	<b>Q4 2021</b>	Q4 2020	<b>Q4 2021</b>	Q4 2020	<b>Q4 2021</b>	Q4 2020
Revenue, NOK million	<b>203</b>	437	<b>32</b>	24	<b>9</b>	6
Volume sold, mt	<b>366 666</b>	431 026	<b>28 599</b>	19 887	<b>1 130</b>	818
Revenue per mt, NOK	<b>555</b>	1 014	<b>1 112</b>	1 187	<b>8 070</b>	7 698
Cash cost per mt produced, NOK*	<b>459</b>	476	<b>459</b>	476	<b>6 438</b>	6 869
Cash margin per mt, NOK	<b>96</b>	538	<b>653</b>	711	<b>1 632</b>	830
Margin per mt, %	<b>17%</b>	53%	<b>59%</b>	60%	<b>20%</b>	11%
Production, mt	<b>406 334</b>	366 310	<b>28 657</b>	28 141	<b>1 292</b>	1 371

\* For hematite and magnetite concentrates, the cash cost is not separated. The processing is done in the combined processing plant, using a closed slurry setup.

For the fourth quarter, the hematite production yielded a margin of 17 per cent, compared to 53 per cent one year earlier. The reduction is mainly a result of lower prices for iron ore concentrates. The cash cost per mt was reduced by NOK 16/mt compared to Q4 2020, although it was impacted by higher energy costs and increased open pit activity. The margin for the magnetite production was as high as 59 per cent, which, although being slightly lower than for the fourth quarter of 2020, is a result of the continued strong performance of the magnetite market.

## DEVELOPMENT PROJECTS

The company has defined three strategic development projects for the next 3–5 years.

The first project (Fe-65) aims to increase the average iron (Fe) content of the hematite products from ~63 per cent to ~65 percent. This will enable the product to be linked to a premium grade price index rendering increased price for the hematite products, in addition to a contribution to decrease the carbon emissions of the steel mills (less input needed to maintain equal production).

The second project aims to increase the magnetite M40 volumes. This project is motivated by the opportunity to exploit the current situation in which the global demand exceeds the supply.

The third project aims to eliminate all carbon emissions from the company's operations by 2025. This will be achieved by electrification of fossil energy powered mining equipment and machines, in addition to more carbon efficient rail transport.

## HSE

There were no injuries in Q4 2021, which represents a continuation of the positive trend from the previous quarters. However, the prevalence of sick leave has increased due to the precaution taken with symptoms associated with Covid-19.

The Covid-19 pandemic has not had any significant impact on production in Q4 2021. Please see our annual report for 2021 at [www.ranagruber.no](http://www.ranagruber.no) for our reporting on environmental, social and governance matters.

## FINANCIAL REVIEW

Amounts in NOK million, except where indicated otherwise. Quarterly figures are unaudited

	Q4 2021	Q4 2020	Change (%)	FY 2021	FY 2020	Change (%)
Revenues	<b>253.5</b>	469.8	(46%)	1 618.7	1 333.6	21%
COGS	<b>(97.3)</b>	(95.4)	2%	(364.8)	(347.3)	5%
Amortization of development drifts	<b>10.9</b>	10.3	6%	37.2	40.0	(7%)
Other costs	<b>(121.0)</b>	(111.3)	9%	(450.1)	(368.1)	22%
Change in inventory	<b>26.8</b>	(17.1)	(257%)	44.2	8.0	455%
EBITDA	<b>72.9</b>	256.2	(72%)	885.2	666.2	33%
Depreciation	<b>(34.0)</b>	(28.5)	19%	(131.3)	(107.1)	23%
Amortization of development drifts	<b>(10.9)</b>	(10.3)	6%	(37.2)	(40.0)	(7%)
EBIT	<b>28.0</b>	217.5	(87%)	716.7	519.0	38%
Hedging iron ore gain/(loss)	<b>103.3</b>	(40.5)	(355%)	(62.5)	(134.0)	(53%)
Other net financials	<b>(2.5)</b>	5.2	(149%)	(35.4)	(214.2)	(83%)
Pre tax profit	<b>128.8</b>	182.2	(29%)	618.9	170.8	262%
Tax	<b>(28.3)</b>	(40.1)	(29%)	146.3	77.0	90%
Net profit	<b>100.4</b>	142.1	(29%)	516.9	273.0	89%
EPS (NOK)	<b>2.69</b>	3.80	(29%)	13.85	7.30	90%
DPS (NOK)	<b>1.51</b>	-	-	11.05	-	-
Share buyback (MNOK)	<b>14.00</b>	-	-	-	-	-
Payout ratio	<b>70%</b>	0%	-	80%	0%	-

## PROFIT AND LOSS

Information in parentheses refers to the corresponding periods the previous year.

Total revenues for the fourth quarter came in at NOK 253.5 million, compared to NOK 469.8 million in the same period last year. As illustrated below, revenues declined because of lower prices of

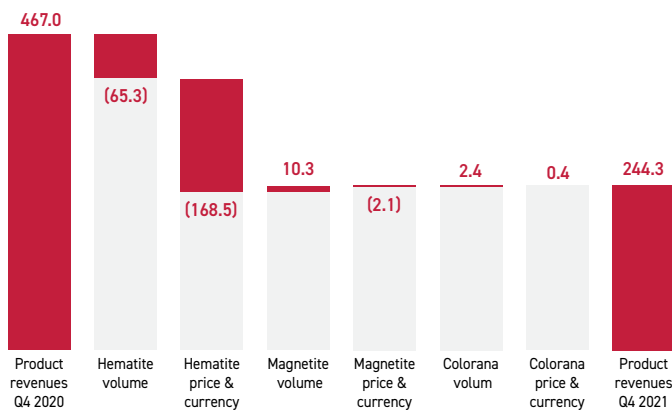
iron ore and intra-quarter shipments of iron ore concentrates from Mo i Rana. However, prices increased somewhat at the end of the quarter and continued to increase into 2022. Simultaneously, there was an increase in volumes produced and a reduction in volumes sold compared to Q4 2020. Lower sales volumes than produced have had two material effects: lower revenues for the quarter

and higher inventories entering the first quarter of 2022. Also, Q4 revenues were impacted by the transition from the previous freight cost model based on fixed freight rates to a spot market exposure for freight.

Hedging positions entered in 2021 have secured significant profits for the quarter amounting to NOK 103.3. Entering 2022, Rana Gruber has hedging positions securing volumes towards Q1 2023. Please see below for our portfolio of hedging instruments.

A strengthening of the Norwegian currency (NOK) had a slight negative translation effect on reported revenues in the fourth quarter of 2021 compared with the same period of 2020. All hematite products are sold in USD, whereas magnetite products are mainly sold in EUR.

**Figure 1: Revenues from products Q4 2021 vs Q4 2020**



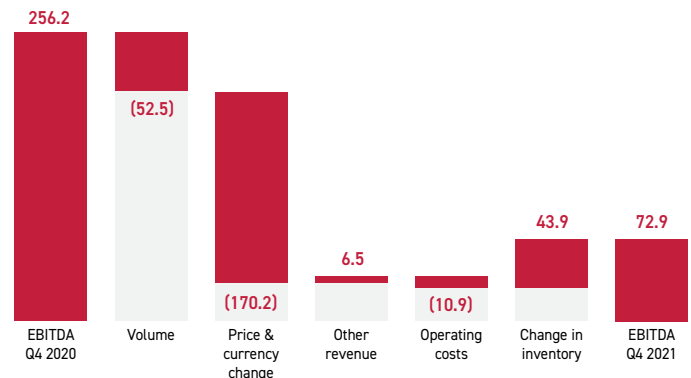
\* Revenues are based on realised market prices subtracted freight costs.

The cash cost per mt produced was lowered in the quarter compared to the fourth quarter of 2020. The reduction was achieved despite the increased activity in the open-pit-mine and the recent surge in energy prices lifting prices for fuel and power consumption.

The open pit is operated by third-party providers contracted on a cost/tonne basis. Increased corporate activity related to the key strategic initiatives and the company's transfer to the main list at the Oslo Stock Exchange required more human resource capacity in the quarter. The company is still assessing what workstreams to insource from external providers, both relating to corporate matters and work in the mine.

EBITDA came in at NOK 72.9 million in the quarter (NOK 256.2 million). The lower operating results follow lower revenues due to lower marked prices, lower volumes sold (which give a negative timing effect), in addition to increased costs.

**Figure 2: EBITDA Q4 2021 vs Q4 2020**



\*Price and currency are based on realised market prices subtracted freight costs.

Net financial items in the period mainly consist of gains related to the hedging of iron ore established in forward contracts entered into in 2020 and 2021, as well as interest and gains from currency hedges.

At the end of the fourth quarter, Rana Gruber have agreements to sell 240 000 mt in Q2 2022 at an average price of USD 136/mt, 30 000mt in Q3 2022 at an average price of USD 157/mt, and 30 000mt in Q4 2022 at an average price of USD 157/mt. In total, 33 per cent of the hematite production (510 000 mt) for 2022 have been secured in total at an average of USD 136/mt.

The management continuously assesses the company's portfolio of hedging positions, based on dialogue and input from customers, partners, industry experts, and analysts. The hedging positions shall contribute to a stable and solid cash flow, enabling future investments and a predictable and attractive pay-out strategy. As stated in the company's hedging policy, hedging positions can comprise a maximum of 50 per cent of the annual production volumes, and can be divided into positions for a duration of two years.

At 31 December, the company has multiple flexible currency hedging positions. Please see note 7 for further information about the hedging portfolio.

In sum, this resulted in a net profit for the fourth quarter of NOK 100.4 million, compared with NOK 142.1 million in the same period last year. This corresponds to earnings per share (EPS) of NOK 2.69, compared to NOK 3.80 one year earlier.

## FINANCIAL POSITION AND LIQUIDITY

Except for leasing obligations, the company's debt towards financial institutions consists of an unused credit facility of NOK

100 million. Due to the strong financial position of Rana Gruber, the company repaid the entire USD loan of NOK 50 million in the fourth quarter of 2021.

Amounts in NOK million, except where indicated otherwise. Quarterly figures are unaudited

	Q4 2021	Q3 2021	Change (%)	FY 2021	FY 2020	Change (%)
Total assets	<b>1 128</b>	1 168	(3%)	1 128	1 033	9%
Total equity	<b>564</b>	614	(8%)	564	491	15%
Equity ratio (%)	<b>50.0%</b>	52.5%	-2 pp	50.0%	47.6%	-2.9 pp
Cash and cash equivalents	<b>264</b>	427	(38%)	264	25	958%
Interest bearing debt	<b>72</b>	116	(38%)	72	269	(73%)

At 31 December 2021, the company's equity ratio is 50.0 per cent (52.5 per cent at the end of Q3 2021) after provisions for dividend payments for the fourth quarter.

maintenance of mining equipment, machines, and buildings. Of financing activities, NOK 132.5 million (NOK 2.5 million) was pay-out of dividends, while NOK 50 million was repayment of existing non-current debt.

## CONSOLIDATED CASH FLOW

Total cash flow from operations amounted to NOK 30.4 million (NOK 79.5 million). Investment activities were related to the capex in the mine. NOK 15 million of total capex is classified under fixed assets in the company's balance sheet. The entire amount covered

Hence, total cash flow for the fourth quarter was negative by NOK 162.9 million (NOK 18.4 million) and cash holdings by the end of the fourth quarter were NOK 264 million.

## RISK AND UNCERTAINTIES

Rana Gruber is subject to several risks, which may affect the company's operations, performance, finances and share price. These risks are monitored by the corporate management and reported to the board on a regular basis. For a more detailed

description of the risk factors, such as decreases in iron ore prices, which have material adverse effects on the business relating to results, profitability, and financial position, please see an overview in the annual report for 2021.

## SHARE INFORMATION

Rana Gruber has been listed on Euronext Growth Oslo (ticker: Rana) since 26 February 2021. The company has applied for a listing at the main list at the Oslo Stock Exchange during the first quarter of 2022.

under the buyback program is acquired, (ii) the maximum amount for repurchases under the buyback program is used, and (iii) we have reached 25 February.

On 31 December 2021, the company had 4 886 shareholders. The 20 largest shareholders held a total of 65 per cent of the shares.

The company holds 57 267 treasury shares.

Pursuant to the company's adjusted dividend policy, applicable from the Q1 2022 dividends scheduled to be paid from Q2 2022, the company will aim to distribute 50–70 percent of the adjusted net profit as quarterly dividends. The board can decide that up to 30 per cent of the allocated dividend amount can be applied for acquisition of own shares. Adjusted net profit shall for the purpose of the dividend policy constitute the IFRS based net profit after tax, adjusted for unrealised gains and losses from the company's portfolio of hedging positions related to iron ore, USD, and freight, which does not impact the shipments concluded in the quarter. The board can also adjust for larger specific events that the board does not consider to be of relevance for normal business.

During the fourth quarter 2021, the share traded between NOK 34.85 and 52.26 per share, with a closing price of NOK 47.63 per share on 31 December 2021.

The company has initiated a share buyback program for a total value of up to NOK 14 million. The program will commence on 14 February 2022 and end when one of the following three events occurs: (i) the maximum number of shares to be purchased

The board shall however have flexibility to utilise approximately 30 percent of estimated dividend payments to repurchase own shares for subsequent redemption and reduce the dividend payments correspondingly. Any buyback programs to achieve the same purpose for future quarters will be announced separately.

The board has proposed that a dividend of NOK 1.51 per share will be paid for the fourth quarter 2021. The dividend will be paid out at or around 22 February. The share will be listed ex-dividend on 15 February. Please see below for the quarterly dividends distributed throughout 2021.

### DIVIDEND HISTORY AFTER LISTING AT EURONEXT GROWTH OSLO:

Ex. date	Dividend (NOK/share)
18 May 2021	2.90
30 August 2021	3.86
12 November 2021	1.05
09 December 2021	2.50
15 February 2022	1.51

## TRANSITION TO IFRS - KEY TOPICS FOR CHANGE

Following the intention to list on the main list at the Oslo Stock Exchange, Rana Gruber has decided to implement the IFRS (International Financial Reporting Standards) as the basis for its preparation of annual and interim financial reporting. The following paragraphs will give a short overview of the most significant changes from the accounting principles of the NGAAP compared to those of the IFRS.

### REVENUES AND TRADE RECEIVABLES

- **NGAAP principle:** Revenue booked based on last known monthly average
- **IFRS principle:** Revenue booked based on last known forward prices for the corresponding month when shipments will be finally settled

### DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

- **NGAAP principle:** Value of derivative positions included in the accounting corresponds to the shipments with the same final settlement month as the derivatives
- **IFRS principle:** Derivative positions will be measured at fair value, changes in the portfolio value will be included in the P&L under financials

### LEASES

- **NGAAP principle:** Operational leases accounted under OPEX, not affecting depreciations. This mainly consists of mining equipment, vehicles, office premises and other equipment

- **IFRS principle:** Leasing will in total be accounted as financial leasing, affecting depreciations in the P&L

### OTHER CHANGES

- Other changes will apply for depreciation principles of mining property, pensions and the opening balance for the transition from NGAAP to IFRS

For a comprehensive description of the transition effects and relevant financial reporting principles in the IFRS, we kindly refer to the 2021 consolidated annual financial statements of Rana Gruber.

This Q4 2021 report is based on the Norwegian accounting standard (NGAAP), while the annual report for 2021 and all future reporting will be based on the IFRS accounting principles.

Booking of revenues differ between the two accounting standards. The lag effect remains (three months settlement), while booking of non-settled shipments under IFRS will be based on forward prices. In sum, the accounting will be similar, with a transition from the average of the last month in the quarter to forward prices for specific shipments.

Please see below for an illustration of booking of hematite revenues at Rana Gruber under the IFRS accounting principles (the illustration assumes evenly distribution of shipments throughout the quarter):



## TRANSITION TO IFRS ACCOUNTING

Booking of revenues will be based on forward prices for shipments with future settlement.

Q4 2021			Q1 2022			Q4 report 11 February
October	November	December	January	February	March	
Shipment 1	→		→			New: Booked on forward prices for January at December 31 (Platts) Settled on January average (Impact Q1 2021)
Shipment 2	→		→			New: Booked on forward prices for January at December 31 (Platts) Settled on January average (Impact Q1 2021)
	Shipment 3	→		→		New: Booked at February forward prices (at end of December) Settled on February average (Impact Q1 2021)
	Shipment 4	→		→		New: Booked at February forward prices (at end of December) Settled on February average (Impact Q1 2021)
		Shipment 5	→		→	New: Booked at March forward prices (at end December) Settled on March average (Impact Q1)
		Shipment 6	→		→	New: Booked at March forward prices (at end December) Settled on March average (Impact Q1)

## OUTLOOK

On a global level, market fundamentals for iron ore remain strong. Increased governmental spending on infrastructure projects globally continues to be a positive demand driver for Rana Gruber's products.

2021 was impacted by volatile markets for minerals, from historically high prices of iron ore in the first half of the year to a more normalised level following a period of increased volatility after the summer. At the entry of a new year, stable iron ore prices at the current levels provide a solid foundation for our performance also in 2022. Prices at levels around USD 120/mt are evidently high in a historic context.

Production in 2021 was slightly higher than in 2020, delivering on our promise to deliver stable production over time. The switch

to a new mining level during 2021 provides a good foundation for continued stable production. Our production outlook for the new year is promising and we expect to continue production at the same level as in 2021.

Long-term strategic projects have been initiated, which will increase product margins, in addition to represent a production with less emissions leading the way for our industry. Increased activity will for some time involve increased cash costs. However, the company now has the capacity to insource some workstreams previously handled by external providers.

Operational improvements securing continued strong production, combined with a stabilised market for our products, imply that Rana Gruber enters 2022 on a positive note.

# CONDENSED INTERIM FINANCIAL STATEMENTS

## CONDENSED CONSOLIDATED STATEMENT OF INCOME <sup>1)</sup>

<i>Amounts in NOK thousand</i>	<b>Q4 2021</b>	Q4 2020	<b>FY 2021</b>	FY 2020
<b>Revenue</b>				
Sales income	<b>247 703</b>	464 225	<b>1 607 355</b>	1 321 093
Other operating income	<b>5 775</b>	5 530	<b>11 318</b>	12 469
<b>Total revenue</b>	<b>253 478</b>	469 755	<b>1 618 673</b>	1 333 561
<b>Operating expenses</b>				
Cost of goods sold	<b>97 256</b>	95 437	<b>364 788</b>	347 281
Change in stock of products	<b>(26 831)</b>	17 067	<b>(44 190)</b>	(7 959)
Personell expenses	<b>70 345</b>	61 543	<b>258 559</b>	213 638
Depreciation	<b>34 008</b>	28 501	<b>131 260</b>	107 148
Other operating expenses	<b>50 699</b>	49 754	<b>191 536</b>	154 426
<b>Total operating expenses</b>	<b>225 478</b>	252 303	<b>901 954</b>	814 534
<b>Operating profit</b>	<b>28 000</b>	217 452	<b>716 719</b>	519 027
<b>Financial items</b>				
Other financial income	<b>(625)</b>	10 038	<b>19 852</b>	6 317
Financial income (expenses)	<b>101 400</b>	(45 338)	<b>(73 310)</b>	(175 748)
Net financial items	<b>100 775</b>	(35 300)	<b>(53 457)</b>	(169 431)
<b>Profit/loss before tax</b>	<b>128 776</b>	182 504	<b>663 261</b>	349 947
Income tax expense	<b>28 751</b>	40 151	<b>146 338</b>	76 988
<b>Net profit</b>	<b>100 024</b>	142 353	<b>516 923</b>	272 959
Earnings per share	<b>2.69</b>	3.80	<b>13.85</b>	7.30

<sup>1)</sup> Quarterly figures are unaudited.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION <sup>1)</sup>**

<i>Amounts in NOK thousand</i>	<i>Note</i>	30 September 2021	31 December 2021	31 December 2020
<b>ASSETS</b>				
Mines	2	228 897	<b>202 222</b>	238 856
Land, buildings and other real estate	2	33 689	<b>46 747</b>	16 802
Machinery and equipment	2	182 240	<b>176 782</b>	190 814
Operating equipment and office furniture	2	6 888	<b>6 613</b>	7 044
<b>Total property, plant and equipment</b>		451 714	<b>432 364</b>	453 517
Investments in other shares and businesses		2 903	<b>2 698</b>	2 097
Loan to group companies		-	-	133 939
Other subordinated loans		1 500	<b>1 500</b>	1 500
Other long term receivables		21 546	<b>20 683</b>	13 574
<b>Total financial non-current assets</b>		25 950	<b>24 881</b>	151 110
<b>Total fixed assets</b>		477 664	<b>457 245</b>	604 627
Stock		210 337	<b>253 957</b>	211 683
Trade accounts receivable		33 089	<b>126 618</b>	152 074
Other current receivables		19 844	<b>25 854</b>	39 634
<b>Total current receivables</b>		52 933	<b>152 472</b>	191 708
Bank deposits and other liquid assets		427 227	<b>264 363</b>	24 994
<b>Total current assets</b>		690 498	<b>670 792</b>	428 385
<b>Total assets</b>		1 168 162	<b>1 128 037</b>	1 033 012
<b>EQUITY AND LIABILITIES</b>				
Share capital	4	9 348	<b>9 348</b>	9 348
Share premium	4	92 783	<b>92 783</b>	92 783
Own shares	4	(14)	<b>(14)</b>	-
<b>Total paid-in equity</b>		102 117	<b>102 117</b>	102 131
Other equity	4	514 281	<b>464 656</b>	389 132
Own shares - market value	4	(2 762)	<b>(2 820)</b>	-
<b>Total retained earnings</b>		511 519	<b>461 836</b>	389 132
<b>Total equity</b>	4	613 636	<b>563 953</b>	491 263
Deferred tax		54 455	<b>54 586</b>	54 455
Financial leasing liabilities	3	65 730	<b>71 530</b>	75 526
Long term debt to financial institutions	3	49 875	<b>(0)</b>	193 295
Other non-current liabilities	3	4 656	<b>3 053</b>	4 656
<b>Total non-current liabilities</b>		174 716	<b>129 169</b>	327 931
Income tax payable		33 265	<b>145 653</b>	33 265
Short term debt to financial institutions		-	-	-
Trade accounts payable		68 819	<b>112 541</b>	111 225
Public duties payable		8 654	<b>12 601</b>	14 233
Other current liabilities		112 283	<b>107 810</b>	27 595
Income tax payable of this year's profit		117 587	-	-
Dividend		39 201	<b>56 312</b>	27 500
<b>Total current liabilities</b>		379 810	<b>434 917</b>	213 818
<b>Total liabilities</b>		554 525	<b>564 086</b>	541 749
<b>Total equity and liabilities</b>		1 168 162	<b>1 128 038</b>	1 033 012

<sup>1)</sup> Quarterly figures are unaudited.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>1</sup>**

<i>Amounts in NOK thousand</i>	<b>Q4 2021</b>	Q4 2020	<b>FY 2021</b>	FY 2020
<b>Operating activities</b>				
Profit before tax	<b>128 777</b>	182 504	<b>663 263</b>	349 947
Tax	<b>(33 265)</b>	-	<b>(33 265)</b>	-
Proceeds from Norwegian tax incentive scheme	<b>(554)</b>	1 608	<b>(554)</b>	1 608
Gain on sale of fixed assets	-	904	-	(2 627)
Depreciation	<b>34 368</b>	28 502	<b>131 620</b>	107 148
Change in stock, mine tunnel	<b>(6 486)</b>	(61 909)	<b>11 835</b>	(80 846)
Change in stock, other	<b>(37 134)</b>	11 774	<b>(54 109)</b>	(7 674)
Change in trade accounts receivable and payable	<b>(49 807)</b>	(113 702)	<b>26 772</b>	46 236
Change in other accruals	<b>(5 529)</b>	29 779	<b>84 650</b>	(10 794)
<b>Net Cash flow from operations</b>	<b>30 370</b>	79 460	<b>830 212</b>	402 998
<b>Investing activities</b>				
Proceeds from sale of fixed assets	-	(919)	-	2 627
Investment in fixed assets	<b>(15 017)</b>	19 800	<b>(110 467)</b>	(87 045)
Proceeds from sale of shares	-	344	-	-
Investments in ass. Companies and other shares	-	(420)	-	(420)
Change in other investments	-	883	-	(2 098)
<b>Net cash flows used in investing activities</b>	<b>(15 017)</b>	19 688	<b>(110 467)</b>	(86 936)
<b>Financing activities</b>				
Repayment of non-currents liabilities and fin. Leasing	<b>(52 027)</b>	(42 968)	<b>(273 594)</b>	(99 020)
New long-term debt and financial leasing	<b>9 340</b>	10 500	<b>74 700</b>	23 185
Exchange rate adjustments long term debt	<b>(2 993)</b>	(15 728)	-	-
Change in current liabilities (bank overdraft)	-	(7 058)	-	(177 089)
Change in liabilities and intercompany balances	-	(22 951)	<b>133 939</b>	68 348
Dividends (paid)	<b>(132 538)</b>	(2 500)	<b>(412 587)</b>	(116 500)
Purchase of own shares	-	-	<b>(2 834)</b>	-
<b>Net cash flows used in financing activities</b>	<b>(178 217)</b>	(80 705)	<b>(480 376)</b>	(301 076)
<b>Total cash flows (change in liquid assets)</b>	<b>(162 864)</b>	18 443	<b>239 369</b>	14 986
Bank deposit and cast at start of period	<b>427 227</b>	427 227	<b>24 994</b>	9 648
Bank deposit and cast at end of period	<b>264 363</b>	264 363	<b>264 363</b>	24 634
+ ordinary limit bank overdraft	<b>100 000</b>	100 000	<b>100 000</b>	100 000
Bank overdraft not utilised and deposits	-	-	-	-

<sup>1)</sup> Quarterly figures are unaudited.

## PRINCIPLES AND NOTES TO THE INTERIM FINANCIAL STATEMENTS <sup>1</sup>

### NOTE 1: GENERAL INFORMATION

Reference is made to the accounting principles in the group accounts 2020. This interim report for the fourth quarter of 2021 has been prepared in consistency with the accounting policies of the annual financial statements for the year ended December 2020.

This interim report was approved at 10 February 2022. The presentation currency is Norwegian kroner. The interim report is prepared in accordance with the Norwegian Accounting Act and good accounting practice in Norway. The interim report is unaudited.

### NOTE 2: TANGIBLE FIXED ASSETS

<i>Amounts in NOK thousand</i>	Mine	Land and buildings	Machinery and plats	Operating equipment etc.	Total
<b>Rana Gruber AS Group</b>					
Cost at 31 December 2020	734 156	53 168	756 282	55 379	<b>1 598 985</b>
Additions	40 137	34 014	32 670	2 701	<b>109 522</b>
Disposals	-	-	-	-	-
<b>Cost at 31 December 2021</b>	<b>774 293</b>	<b>87 182</b>	<b>788 952</b>	<b>58 080</b>	<b>1 708 508</b>
Accumulated depreciation at 31 December 2020	494 961	36 342	566 423	49 413	<b>1 147 139</b>
Depreciation in 2021	77 110	4 093	47 487	2 079	<b>130 769</b>
Accumulated depreciation at 31 December 2021	572 071	40 435	613 910	51 492	<b>1 277 908</b>
<b>Carrying amounts at 31 December 2021</b>	<b>202 222</b>	<b>46 747</b>	<b>175 042</b>	<b>6 588</b>	<b>430 600</b>
<b>Leasing costs for the year of fixed assets not carried in the balance sheet</b>			<b>24 363</b>	<b>714</b>	<b>25 077</b>

<i>Amounts in NOK thousand</i>	Mine	Land and buildings	Machinery and plats	Operating equipment etc.	Total
<b>Rana Gruber AS Group</b>					
Cost at 30.09.21	770 318	75 269	791 634	57 214	<b>1 694 435</b>
Additions	3 975	11 913	(2 682)	866	<b>14 073</b>
Disposals	-	-	-	-	-
<b>Cost at 31 December 2021</b>	<b>774 293</b>	<b>87 182</b>	<b>788 952</b>	<b>58 080</b>	<b>1 708 508</b>
Accumulated depreciation at 30 September 2021	541 421	41 580	609 394	50 326	<b>1 242 721</b>
Depreciation for Q4 <sup>2</sup>	30 989	(1 122)	3 561	88	<b>33 516</b>
Accumulated depreciation at 31 December 2021	572 410	40 458	612 955	50 414	<b>1 276 237</b>
<b>Carrying amounts at 31 December 2021</b>	<b>201 883</b>	<b>46 724</b>	<b>175 997</b>	<b>7 666</b>	<b>432 271</b>
<b>Leasing costs for the quarter of fixed assets not carried in the balance sheet</b>			<b>5 850</b>	<b>526</b>	<b>6 376</b>

Both the parent company and the group apply straight-line depreciation for all fixed assets.

The economic lives have been calculated to:                      3-10 years                      7-10 years                      5-10 years                      5 years

<sup>1)</sup> Quarterly figures are unaudited.

<sup>2)</sup> Depreciation for Q4 has been impacted by reclassification of selected items related to land and buildings.

**NOTE 3: NON-CURRENT LIABILITIES TO FINANCIAL INSTITUTIONS AND FINANCIAL LEASING DEBT**

<i>Amounts in NOK thousand</i>	Q4 2021		YTD 2021		FY 2020	
	Non-current liabilities	Leasing debt	Non-current liabilities	Leasing debt	Non-current liabilities	Leasing debt
<b>Rana Gruber AS group</b>						
<b>Interest-bearing debt start of period</b>	<b>49 875</b>	<b>65 730</b>	193 295	75 526	281 146	63 510
New loans and financial leasing agreements	-	<b>9 341</b>	65 360	9 341	-	23 185
Foreign currency regulation currency loans	<b>596</b>	-	1 308	-	1 332	-
Ordinary loan and leasing instalments	<b>(8 265)</b>	<b>(3 541)</b>	(27 177)	(13 337)	(60 067)	(11 169)
Extraordinary loan instalments	<b>(42 206)</b>	-	(232 786)	-	(29 116)	-
<b>Interest-bearing debt end of period</b>	<b>-</b>	<b>71 530</b>	-	71 530	193 295	75 526

**NOTE 4: EQUITY**
**Change in equity 2021**

<i>Amounts in NOK thousand</i>	Share capital	Own shares	Share premium	Other equity	<b>Total</b>
<b>Rana Gruber AS group</b>					
<b>Equity at 31 December 2020</b>	9 348	-	92 783	389 132	<b>491 263</b>
Result Q1 2021	-	-	-	155 025	<b>155 025</b>
Result Q2 2021	-	-	-	205 653	<b>205 653</b>
Result Q3 2021	-	-	-	56 222	<b>56 222</b>
Result Q4 2021	-	-	-	100 024	<b>100 024</b>
Dividend Q1 2021	-	-	-	(108 437)	<b>(108 437)</b>
Dividend Q2 2021	-	-	-	(144 112)	<b>(144 112)</b>
Dividend Q3 2021	-	-	-	(39 201)	<b>(39 201)</b>
Extraordinary dividend	-	-	-	(93 337)	<b>(93 337)</b>
Dividend Q4 2021	-	-	-	(56 312)	<b>(56 312)</b>
Buyback own shares (related to the admission to trading on Euronext Growth)	-	(14)	-	(2 820)	<b>(2 834)</b>
<b>Equity at 30 September 2021</b>	9 348	(14)	92 783	461 836	<b>563 953</b>

**NOTE 5: REVENUES**

<i>Amounts in NOK thousand</i>	Q4 2021	Q4 2020	FY 2021	FY 2020
<b>Rana Gruber AS group</b>				
<b>Sales income per business area</b>				
Iron ore concentrate	<b>247 703</b>	464 225	1 321 093	1 321 093
Other sales income	<b>5 775</b>	524	7 462	7 462
<b>Total revenues</b>	<b>253 478</b>	464 749	1 328 555	1 328 555
Including: export (iron ore and iron oxides mainly in the EU area)	<b>248 593</b>	463 860	1 320 014	1 320 014
Including: domestic sales	<b>4 885</b>	889	8 541	8 541

**NOTE 6: TAX**

The P&L tax is calculated to 22 per cent. Final payable tax will be subject to permanent and temporary differences. Please see the annual report for final taxation figures.

## NOTE 7: FOREIGN CURRENCIES AND MARKET RISK

Fluctuations in international iron ore prices implies the risk for future sales prices on Rana Gruber's products. The prices are very volatile and therefore constitute significant profit risk for the company and the group.

The risk related to the sales prices on iron concentrates is managed by a combination of physical fixed price agreements with customers and financial swap agreements, whereby iron ore is sold in advance

at a fixed price. The swap agreements are part of a hedge portfolio, with fixed limits for the size of expected production to be sold in advance, in excess of the volumes hedged through fixed price agreements directly with customers.

As at 31 December 2021, the company has the following financial hedge positions on iron ore:

### Forward contracts\*

Amounts in USD	Amount	Monthly maturity	Average price	Unrealised gain/(loss)
Forward contracts for hedging future sales	240 000 metric tons	Q2 2022	136 USD	4 198
Forward contracts for hedging future sales	30 000 metric tons	Q3 2022	157 USD	1 255
Forward contracts for hedging future sales	30 000 metric tons	Q4 2022	157 USD	1 348

\* Contracts entered after 31. December 2021 is not included.

### Currency risk

Rana Gruber is exposed for fluctuations in the currencies EUR/NOK, USD/NOK and GBP/NOK, as revenues from the sale of the company's products is priced in these foreign currencies. The euro income is of such a volume that it matches the costs for power trading incurred by the group, also priced in euros. Hedging of EUR/NOK is therefore carried out only for individual transactions of significant importance. Revenues in GBP/NOK presently constitute such a low volume that no hedging is carried out for these currencies.

All sales of iron ore concentrate to the steel industry are priced in USD. The main currency exposure is therefore related to USD/NOK. In order to mitigate the result effect of fluctuations in this currency, the company is selling parts of expected USD income in advance. All currency forward contracts and structured derivatives are included in a hedge portfolio approved by the Board.

As of 31 December, the company has the following financial hedge positions on USD/NOK:

### Structure on USDNOK, guaranteed floor of 8.22 with increasing barrier over time:

Expiration date	Guaranteed rate		Barrier		Amount	
	USD/NOK	up to USD/NOK	Valid from	Valid to	USD	NOK
27.01.2022	8.22	8.89	31.12.2021	27.01.2022	1 000 000	8 220 000
24.02.2022	8.22	8.92	28.01.2022	24.02.2022	1 000 000	8 220 000
29.03.2022	8.22	8.95	25.02.2022	29.03.2022	1 000 000	8 220 000
27.04.2022	8.22	8.98	30.03.2022	27.04.2022	1 000 000	8 220 000
27.05.2022	8.22	9.01	28.04.2022	27.05.2022	1 000 000	8 220 000
28.06.2022	8.22	9.04	30.05.2022	28.06.2022	1 000 000	8 220 000
27.07.2022	8.22	9.07	29.06.2022	27.07.2022	1 000 000	8 220 000
29.08.2022	8.22	9.10	28.07.2022	29.08.2022	1 000 000	8 220 000
28.09.2022	8.22	9.13	30.08.2022	28.09.2022	1 000 000	8 220 000
27.10.2022	8.22	9.16	29.09.2022	27.10.2022	1 000 000	8 220 000
28.11.2022	8.22	9.19	28.10.2022	28.11.2022	1 000 000	8 220 000
28.12.2022	8.22	9.22	29.11.2022	28.12.2022	1 000 000	8 220 000

**Structure on USDNOK, guaranteed floor of 8.56 with increasing barrier over time:**

Expiration date	Guaranteed rate		Barrier		Amount	
	USD/NOK	up to USD/NOK	Valid from	Valid to	USD	NOK
27.01.2022	8.56	9.20	30.12.2021	27.01.2022	2 000 000	17 120 000
24.02.2022	8.56	9.23	28.01.2022	24.02.2022	2 000 000	17 120 000
29.03.2022	8.56	9.26	25.02.2022	29.03.2022	2 000 000	17 120 000
27.04.2022	8.56	9.29	30.03.2022	27.04.2022	2 000 000	17 120 000
27.05.2022	8.56	9.32	28.04.2022	27.05.2022	2 000 000	17 120 000
28.06.2022	8.56	9.35	30.05.2022	28.06.2022	2 000 000	17 120 000

**Structure on USDNOK, guaranteed floor of 8.57 with increasing barrier over time:**

Expiration date	Guaranteed rate		Barrier		Amount	
	USD/NOK	up to USD/NOK	Valid from	Valid to	USD	NOK
27.01.2022	8.57	9.20	30.12.2021	27.01.2022	1 000 000	857 000
24.02.2022	8.57	9.23	28.01.2022	24.02.2022	1 000 000	857 000
29.03.2022	8.57	9.26	25.02.2022	29.03.2022	1 000 000	857 000
27.04.2022	8.57	9.29	30.03.2022	27.04.2022	1 000 000	857 000
27.05.2022	8.57	9.32	28.04.2022	27.05.2022	1 000 000	857 000
28.06.2022	8.57	9.35	30.05.2022	28.06.2022	1 000 000	857 000

**Structure on USDNOK, guaranteed floor of 8.74 with increasing barrier over time:**

Expiration date	Guaranteed rate		Barrier		Amount	
	USD/NOK	up to USD/NOK	Valid from	Valid to	USD	NOK
27.01.2022	8.74	9.46	30.12.2021	27.01.2022	5 000 000	43 700 000
24.02.2022	8.74	9.51	28.01.2022	24.02.2022	5 000 000	43 700 000
29.03.2022	8.74	9.56	25.02.2022	29.03.2022	5 000 000	43 700 000
27.04.2022	8.74	9.61	30.03.2022	27.04.2022	5 000 000	43 700 000
27.05.2022	8.74	9.66	28.04.2022	27.05.2022	5 000 000	43 700 000
28.06.2022	8.74	9.71	30.05.2022	28.06.2022	5 000 000	43 700 000

**Structure on USDNOK, guaranteed floor of 8.82 with increasing barrier over time:**

Expiration date	Guaranteed rate		Barrier		Amount	
	USD/NOK	up to USD/NOK	Valid from	Valid to	USD	NOK
27.01.2022	8.82	9.41	27.12.2021	27.01.2022	3 000 000	26 460 000
24.02.2022	8.82	9.46	28.01.2022	24.02.2022	3 000 000	26 460 000
29.03.2022	8.82	9.51	25.02.2022	29.03.2022	3 000 000	26 460 000
27.04.2022	8.82	9.56	30.03.2022	27.04.2022	1 000 000	8 820 000
27.05.2022	8.82	9.61	28.04.2022	27.05.2022	1 000 000	8 820 000
28.06.2022	8.82	9.66	30.05.2022	28.06.2022	1 000 000	8 820 000
27.07.2022	8.82	9.71	29.06.2022	27.07.2022	1 000 000	8 820 000
29.08.2022	8.82	9.76	28.07.2022	29.08.2022	1 000 000	8 820 000
28.09.2022	8.82	9.81	30.08.2022	28.09.2022	1 000 000	8 820 000
27.10.2022	8.82	9.86	29.09.2022	27.10.2022	1 000 000	8 820 000
28.11.2022	8.82	9.91	28.10.2022	28.11.2022	1 000 000	8 820 000
28.12.2022	8.82	9.96	29.11.2022	28.12.2022	1 000 000	8 820 000





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