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Rana Gruber AS: Contemplated secondary sale and listing on Euronext Growth Oslo

Mo i Rana, 11 February 2021.

Rana Gruber AS ("**Rana Gruber**" or the "**Company**"), one of the largest mining and iron ore beneficiation companies in Norway, has engaged Clarksons Platou Securities AS, DNB Markets, a part of DNB Bank ASA, and SpareBank 1 Markets AS (the "**Managers**") to advise on and effect a contemplated secondary sale of up to NOK 925 million in existing shares in the Company (the "**Offering**").

"We have a leading position with more than 200 years of mining experience, a vast resource base and ambitions to become the first CO2-free iron ore producer by 2025. I'm proud of all my colleagues and the job we are doing every day, providing customers in various industries with iron ore for use in cars, buildings, and other consumer goods. A listing of the shares will enhance access to a diverse capital base, while at the same time maintaining a strong backbone of northern Norwegian capital with LNS Mining as the main owner," says Gunnar Moe, CEO of Rana Gruber.

"The planned listing on Euronext Growth Oslo will create an opportunity for new investors to take part in Rana Gruber's development and value creation together with existing owners. The company's fully invested infrastructure allows for strong cash generation and an attractive dividend policy. The listing also facilitates a more efficient capital structure for both Rana Gruber and its current owner," says Morten Støver, Chairman of the Board of Rana Gruber and Chairman of the Board of LNS Mining AS.

The Offering

The price per share in the Offering has been set to NOK 49.50 (the "**Offer Price**"), equivalent to a pre-money equity value of the Company of NOK 1,850 million based on the 37,392,000 shares outstanding in the Company, each of par value NOK 0.25.

The Offering will consist of (i) a secondary offering of up to 16,826,400 existing shares (the "Sale Shares") currently held by the Company's sole shareholder LNS Mining AS ("**LNSM**"), and (ii) an over-allotment option (the "Over-Allotment Option") of an additional 1,869,600 existing shares (the "Additional Shares" and, together with the Sale Shares, the "Offer Shares"), comprising up to 11% of the total number of Sale Shares sold in the Offering. The total number of Offer Shares offered in the Offering is 18,696,000, equating to NOK 925 million.

Five cornerstone investors (the "**Cornerstone Investors**") have, subject to certain terms and conditions, undertaken to apply for and be allocated Offer Shares at the Offer Price for total of NOK 440 million. The Cornerstone Investors are: (i) Handelsbanken Fonder AB (NOK 100 million), (ii) Nordea Asset Management (NOK 90 million), (iii) Datum Opportunity AS (NOK 100 million), (iv) Tycoon Industrier AS (NOK 100 million) and (v) Songa Capital AS (NOK 50 million).

The application period in the Offering will commence today, 11 February 2021 at 09:00 CET and close on 12 February 2021 at 16:30 CET. The Managers and the Company may, however, at any time resolve to close or extend the application period. If the application period is shortened or extended, any other dates referred to herein may be amended accordingly.

Rana Gruber AS has resolved to apply for, and will, subject to successful completion of the Offering and the necessary approvals from the Oslo Stock Exchange, list the shares of the Company on Euronext Growth Oslo (the "**Listing**"). The first day of trading is expected to be shortly after completion of the Offering, and is currently expected to be on or about [26] February 2021.

LNSM is expected to grant the Joint Global Coordinators an option to borrow a number of shares equal to the number of Additional Shares. Pursuant to the Over-Allotment Option, LNSM is expected to grant the Managers, an option to purchase, at the Offer Price, a number of shares equal to up to the number of Additional Shares to cover short positions resulting from any over-allotments made in connection with the

Offering. The Over-Allotment Option is exercisable, in whole or in part, within a 30-day period commencing at the time trading in the shares commences on Euronext Growth Oslo.

The Company, LNSM, and members of the Company's management, to the extent they apply for shares, will enter into customary lock-up arrangements with the Managers that will restrict, subject to certain exceptions, their ability to, without the prior written consent of the Managers, issue, sell or dispose of shares, as applicable, for a period of 12 months after the commencement of trading in the shares on Euronext Growth Oslo. LNSM may however distribute shares in the Company to its ultimate shareholders conditional upon similar lock-up arrangements being undertaken by such recipients.

The Offering will be directed towards Norwegian and international investors (a) outside the United States, subject to applicable exemptions from any prospectus and registration requirements and in reliance on Regulation S under the U.S. Securities Act, and (b) to investors in the United States who are QIBs as defined in, and in reliance on, Rule 144A under the U.S. Securities Act, in each case subject to an exemption being available from offer prospectus requirements and any other filing or registration requirements in the applicable jurisdictions and subject to other selling restrictions. The minimum application and allocation amount has been set to the NOK equivalent of EUR 100,000 per investor. The Company may, however, at its sole discretion, allocate an amount below EUR 100,000 to the extent applicable exemptions from the prospectus requirement pursuant to the Norwegian Securities Trading Act and ancillary regulations are available. Further selling restrictions and transaction terms will apply. In parallel with the Offering employees of Rana Gruber will also be offered to purchase shares in Rana Gruber.

Completion of the Offering is subject to: (i) all necessary corporate resolutions for admission to trading on Euronext Growth Oslo being validly made by the Company (ii) the necessary corporate resolutions, including the resolution by LNSM to consummate the Offering and to sell the Offer Shares; and (iii) LNSM having delivered the Offer Shares free and clear of any encumbrances to the Managers. Each of the Company and LNSM reserves the right, at any time and for any reason, to cancel, and/or modify the terms of, the Offering. Neither the Company, LNSM nor the Managers will be liable for any losses incurred by applicants if the Offering is cancelled, irrespective of the reason for such cancellation.

Rana Gruber in brief:

Rana Gruber is a Norwegian sustainable iron ore producer and supplier established in 1964, with operations based on more than 200 years of mining experience.

The company refines products applicable to numerous use cases in multiple industries. The products are based on our own natural mineral resources which are upgraded and tailored for applications and exported to its customers worldwide.

Rana Gruber produces and sells iron ore concentrate, primarily serving steel producers and participants in the chemical industry. The subsidiary Rana Gruber Mineral AS produces and sells micronized iron oxides and other dissemination of iron ore, and primarily serves paint manufactures and participants in the building- and automotive industries.

Rana Gruber operates own mines with iron ore deposits. The mines are located approximately 35 kilometers north east from the city Mo i Rana in Norway, in Storforshei and Ørtfjell, an area called the Dunderland Valley. The iron ore production takes place at the group's iron ore deposits at Ørtfjell as open pit production and underground operation. Rana Gruber's processing plant is also located near Mo i Rana, more precisely in Gullsmedvik, with direct access to the Group's own port and railway connection.

Rana Gruber has 276 employees and a production capacity of 1.8 million tons of iron ore concentrates (hematite and magnetite) and specialty products. The headquarter is located in Mo i Rana, Norway.

LNSM in brief:

LNSM is a holding company for Rana Gruber. The Company is also the majority owner of another mining company with operations in Greenland, Greenland Ruby. The shareholders of LNSM have decided to cause

LNSM to sell up to 50 % of its shares in the Company during the Offering. The proceeds from the Offering will be used for repayment of debt to Rana Gruber, which in turn will repay debt under its current bank facility. In addition LNSM will provide Greenland Ruby with funds for repayment of bank debt and future investments and surplus cash in LNSM will be used for general corporate purposes including dividend distribution to shareholders.

Advisors:

Clarksons Platou Securities AS, DNB Markets, a part of DNB Bank ASA, and SpareBank 1 Markets AS are acting as Joint Global Coordinators and Joint Bookrunners in connection with the Offering and Listing. Advokatfirmaet Wiersholm AS is acting as legal advisor to LNS Mining AS and Rana Gruber AS, while Wikborg Rein Advokatfirma AS is acting as legal advisor to the Managers. First House AS is acting as communication and IR advisor to Rana Gruber AS.

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Neither the Managers nor any of their affiliates makes any representation as to the accuracy or completeness of this announcement and none of them accepts any responsibility for the contents of this announcement or any matters referred to herein.

The Offering and the contemplated admission to trading on Euronext Growth Oslo may be influenced by a range of circumstances, such as market conditions, and there is no guarantee that the Offering will proceed and that the admission to trading on Euronext Growth Oslo will occur.

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