

A sustainable mineral producer

12 October 2022

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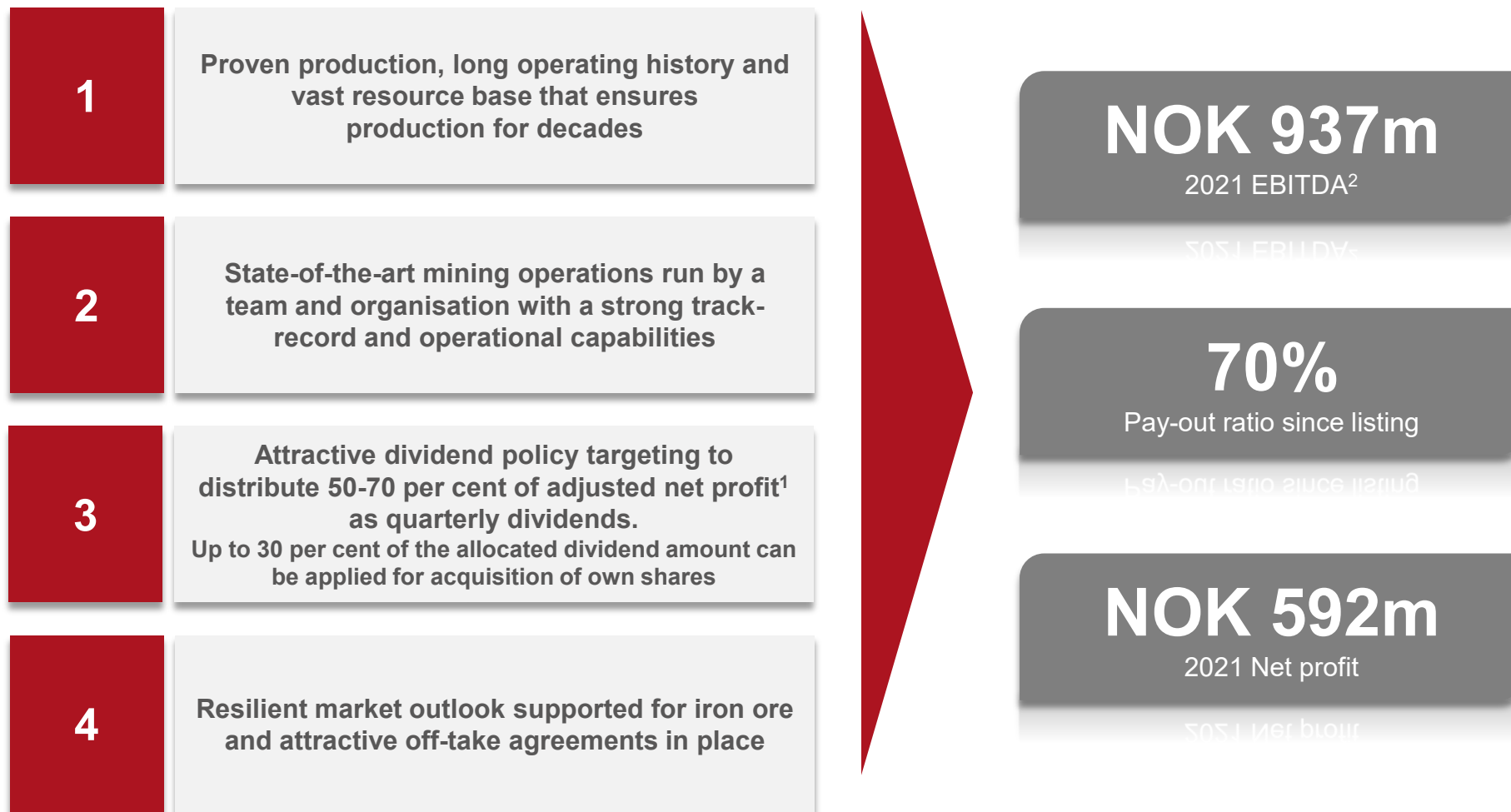
2 Strategy and markets

3 Resources and operations

4 Key takeaways



Key operational and financial highlights



¹ 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 of directors can also adjust for larger specific events that it does not consider to be of relevance for normal business.

² EBITDA = profit/(loss) for the year before net financial income (expenses), income tax expense, depreciation and amortisation.

Ensuring sustainable and carbon-free supply of a critical global commodity



Advantageous location



Safe and efficient operations



Supplying a critical material



- ✓ Region with abundant hydropower generated electricity
- ✓ Strong sustainability focus in local industry cluster – large hub for battery, hydrogen and other new future-proof solutions
- ✓ Very close proximity between mine, processing and port

- ✓ State-of-the-art infrastructure and 100% electrification of equipment
- ✓ No use of chemicals in processing
- ✓ Maximising value of ore – minimal waste
- ✓ Strict focus on safety in operations

- ✓ Critical material for global economic growth and infrastructure
- ✓ High-end materials to a range of industries, end markets include e.g. buildings, infrastructure, cars and more

Clear decarbonisation strategy and well on track to achieve target of zero emissions by the end of 2025

Introduction to Rana Gruber



Norwegian mining company

Rana Gruber supplies iron ores with main activities in mining and intermediate processing



Annual production capacity of 1.8mt

Mine production capacity of iron ore up to 5.0mt with a mining factor of 2.8x



State of the art operations

Mining operations are fully invested with associated state of the art infrastructure ready to be utilised



Metallurgical and chemical use-cases

Rana Gruber refines products applicable to numerous use-cases in multiple industries



Specialty product COLORANA®

Rana Gruber manufactures and markets speciality products without use of chemicals/heavy metals in tailing



Zero CO2 emissions by 2025

Rana Gruber aims to be the world's first carbon free iron ore mine by the end of 2025

Key figures

NOK 1 668m

Revenues 2021

NOK 937m

EBITDA 2021

70%

Target dividend pay-out of net income¹

~1.8mt

Production capacity

94mt

Reserves

444mt

Resources available

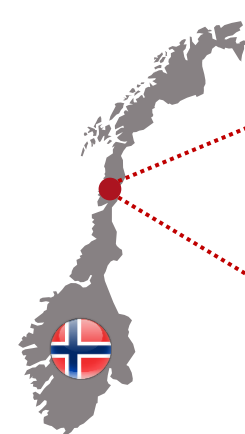
33.5%

Average iron content²

2.8x

Mining factor

Attractively located in Mo i Rana, Norway



¹ Dividend policy 50%-70%

² Average grade of iron content in reserves

Source: Company information

Off-take on entire hematite production volume by Cargill until 2030

AAA counterpart guarantees off-take minimising Rana Gruber's financial risk

- **Cargill is one of the largest commodity traders in the world**
 - 155,000 employees in 70 countries
 - Over 155 years of operations and USD 134.4 billion in annual revenue
 - Strong technical expert to optimise product mix and further drive net value
 - Very strong counterpart that mitigates financial risk
 - The Cargill brand and connections improve Rana Gruber's standing in third-party negotiations and relationships with international parties
 - Experienced partner facilitating improved port solutions for increased shipping efficiency
- **Entire annual hematite production volume is sold based on off-take agreement with Cargill**
 - Hematite is the most important product produced and accounts for the largest share of revenue
 - Estimated 85% of hematite revenue from European steel mills
 - Access to the global Cargill commercial organisation (including access to China)
 - All concentrate targeted for short seaborne transportation for European steel manufactures, avoid long pollutive transportation
- **Very attractive payment mechanism**
 - Guaranteed 100% off-take at market price at any time ensures payment to Rana Gruber
 - 90% of expected final price is paid as the ore is loaded onboard resulting in a very positive effect on the working capital
 - Remaining 10% held back as margin payment for final price at arrival and net paid at delivery of cargo
 - Improved working capital has enabled paydown of RCF
 - Provides the Rana Gruber management capacity to focus on the operation



Management team



Gunnar Moe
Chief Executive Officer (CEO)



Erlend Høyen
Chief Financial Officer (CFO)



Anita Brattaas Mikalsen
HR Director



Stein Tore Liljenström
Chief Operation Officer (COO)

Rana Gruber is research-driven evinced by its ability to attract and retain a skilled workforce that collectively reduce the environmental footprint

Board of directors



Morten Støver
Chair of the board since 2020 and member of the audit committee 2021



Ragnhild Wiborg
Director since 2021 (independent)



Kristian A. Adolfsen
Director since 2017 (independent)



Hilde Rolandsen
Director and Chair of the audit committee since 2021 (independent)



Frode Nilsen
Director since 2008 (independent)



Johan Hovind
Club leader and worker director since 2020 (independent)



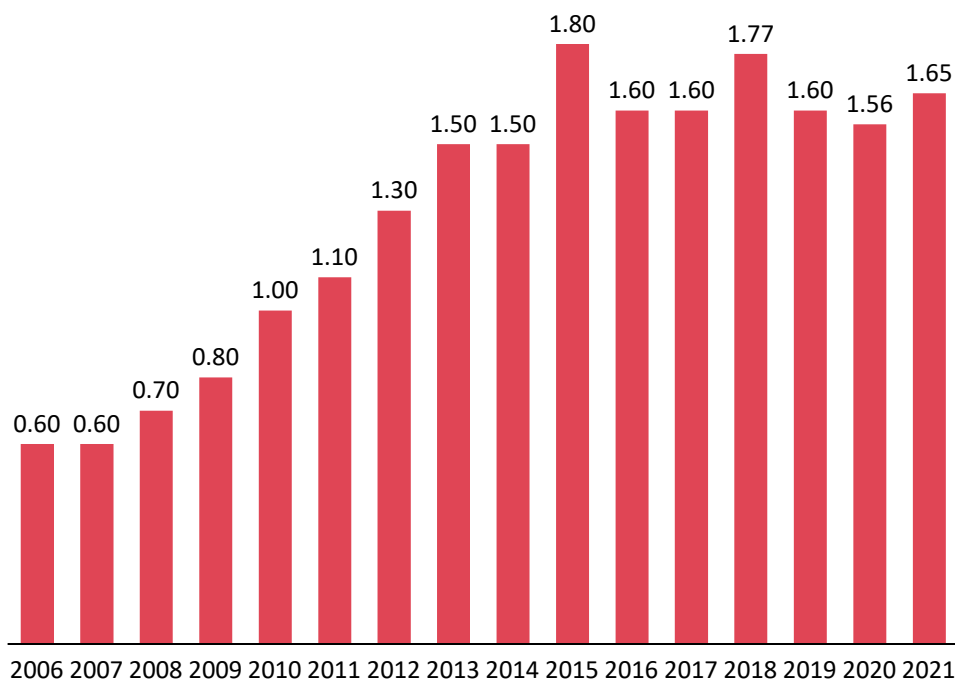
Lasse Orlando Strøm
Operator since 2013, deputy club leader, and worker director since 2020 (independent)



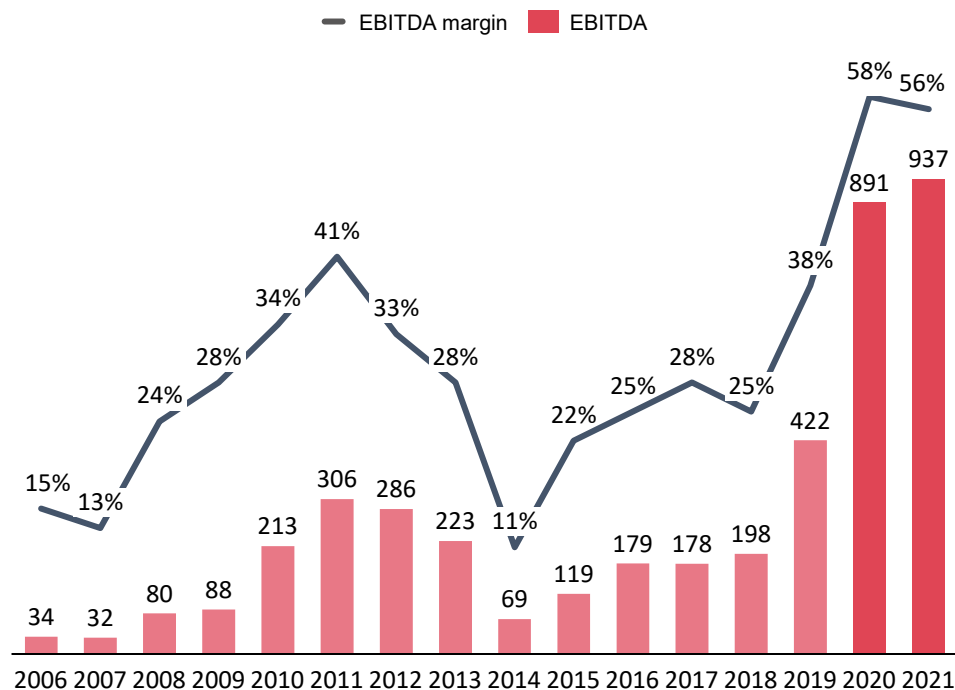
Thomas Hammer
Logistics manager since 2011, Rana Gruber representative at the Norwegian Engineers and Managers Association, and worker director since 2020 (independent)

Strong track record of cash generating performance

Historical production of iron ore concentrate (mt)



Annual EBITDA and margin (NOKm)^{1, 2}



¹ EBITDA = profit/(loss) for the year before net financial income (expenses), income tax expense, depreciation and amortisation.

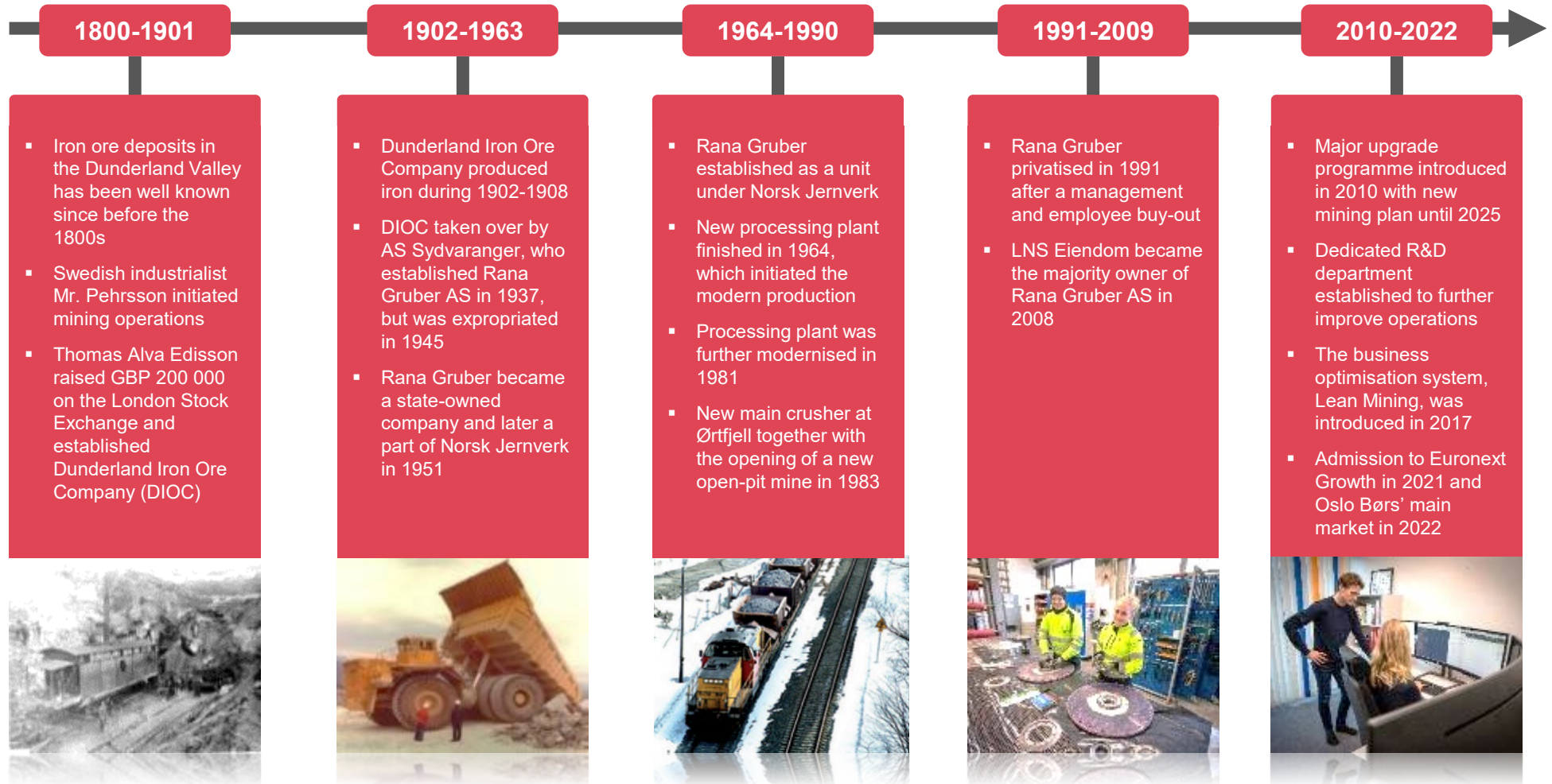
² The company transitioned from NGAAP to IFRS as from the reporting year 2021, and figures for 2020 have been restated accordingly. Historic numbers for 2006-2019 are reported using NGAAP.

Source: Company information

Rana Gruber operates in the beginning of the value chain...



...and has more than 200 years of mining experience



Source: Company information

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Sustainable mining operations is a key priority for Rana Gruber



Environmental

Diligent emphasis on avoiding emissions leaving minimal environmental impact

- ✓ The group's operations are located close to the city of Mo i Rana, Norway, which implies stricter compliance of environmental requirements
- ✓ The group aims to eliminate fossil fuel transportation used in its operations
- ✓ According to the International Energy Agency, the location-based energy is based on 95 per cent renewable sources
- ✓ High utilisation of ore yields more environmentally friendly products
- ✓ Residual mineral sand with eco-friendly composition is disposed into the Rana fjord, in a monitored sea deposit
- ✓ There are no heavy metals in the iron ore and no chemicals are used in the beneficiation process
- ✓ Sustainable mining certification is currently in progress liaising with Norsk Bergindustri

Aim to become the world's first iron-ore producer with zero CO2 emissions by the end of 2025.

Even at present, Rana Gruber is one of the iron ore producers with the lowest CO2 emissions across all geographies



Social

Long heritage of safe operations with minimal harm, leaks or injuries occurred

- ✓ Emphasis on accident-free work environment based on proper and thorough training modules
- ✓ Established efforts and procedures to identify workplace hazards
- ✓ Best-in-class protective clothing and equipment
- ✓ Culture of reporting abnormal situations or incidents
- ✓ Company handbook delivered to all employees detailing safety routines
- ✓ Annual job environment survey and appraisal interviews
- ✓ Lunched and supported initiatives such as science centre in cooperation with NTNU, Sintef, etc.
- ✓ No serious injuries for the last 10 years
- ✓ The group has low turnover of employees
- ✓ The group supports sports, culture and local community



No serious injuries last ten years



Low turnover



Supporting sports, culture and local community



Governance

Strong focus on operating in the interest of all stakeholders associated with Rana Gruber

- ✓ Part of an industrial cluster with a strong emphasis on sustainability and future-proof solutions
- ✓ High standards of governance and business conduct
- ✓ Focus on ethics and anti-corruption. The group has clearly defined anti-corruption policies for the company and its subsidiaries
- ✓ Strong cooperation with unions, neighbors and local industry to preserve stakeholder incentives
- ✓ Several certifications granted with regards to quality management
- ✓ Close cooperation with Direktoratet for Mineralforvaltning (The Directorate of Mining) and Miljødirektoratet (Norwegian Environment Agency). The group reports to both these agencies on an annual basis.
- ✓ ISO9001 and ISO 140001 compliant



Clearly defined anti-corruption policies for all Rana Gruber group companies



ISO9001 and ISO 14001 compliant



Annual reporting to Dirmin and Mildir

Strategic project to increase grade and reduce costs

Hematite Fe65



- R&D efforts and use of new technology will enable Rana to increase iron ore content in Hematite products without substantial loss
- Expected to enable Rana to increase its Hematite grade from 62% to 65%
- Will enable the product to be linked to a premium grade price index

Increased Magnetite production



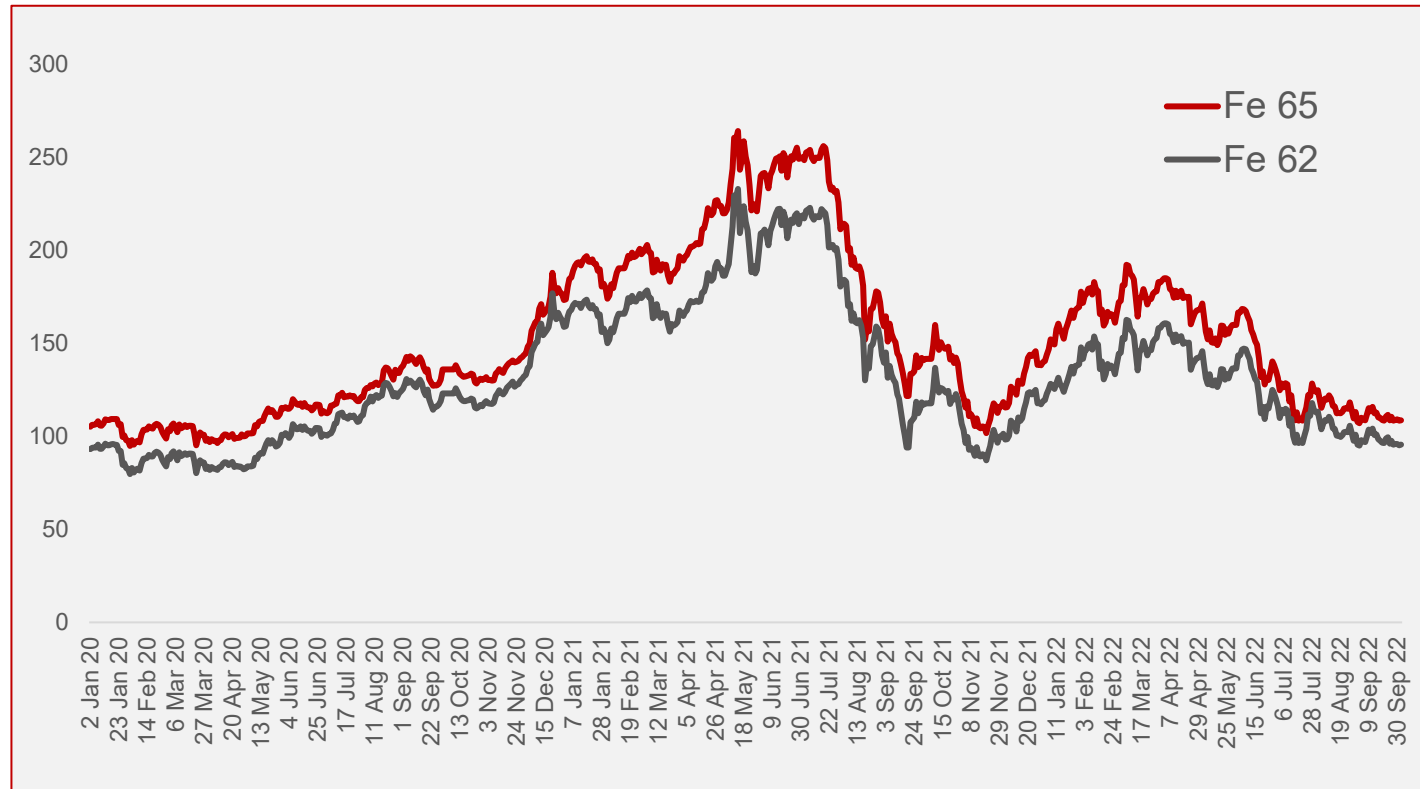
- Expansion of existing magnetite processing capacity to handle higher magnetite ore blends
- Will enable Rana to increase production of high-quality magnetite that is in high demand

Electrification of machinery and transport



- Substitution of conventional diesel-powered mining equipment with new and more eco-friendly electrical alternatives
- Substantial reduction of CO2 in an already low emission operation
- Will enable replacement of 5 million litre diesel annually
- Evaluating potential for government support schemes, including grants from Enova

A sustained price premium for Fe65



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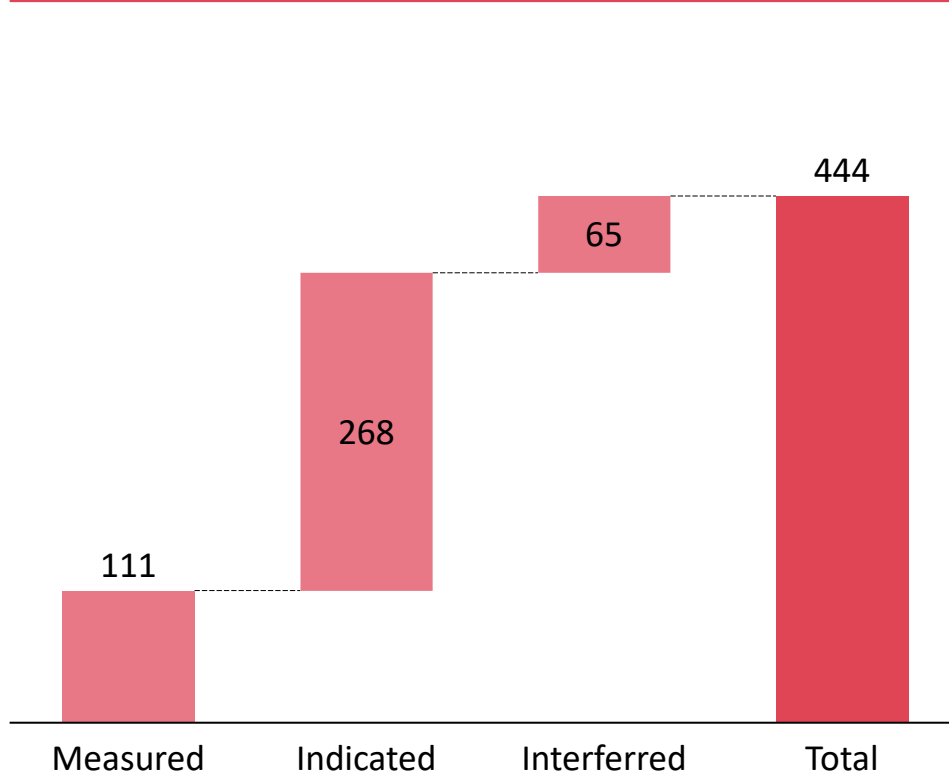
A world-class iron ore producer and supplier with superior ESG profile



Attractive location and resource base coupled with highly efficient mining operations run by a team and organisation with a strong track-record and operational capabilities

Vast resource base totalling ~444mt is expected to ensure production for several decades

Resources (mt)¹



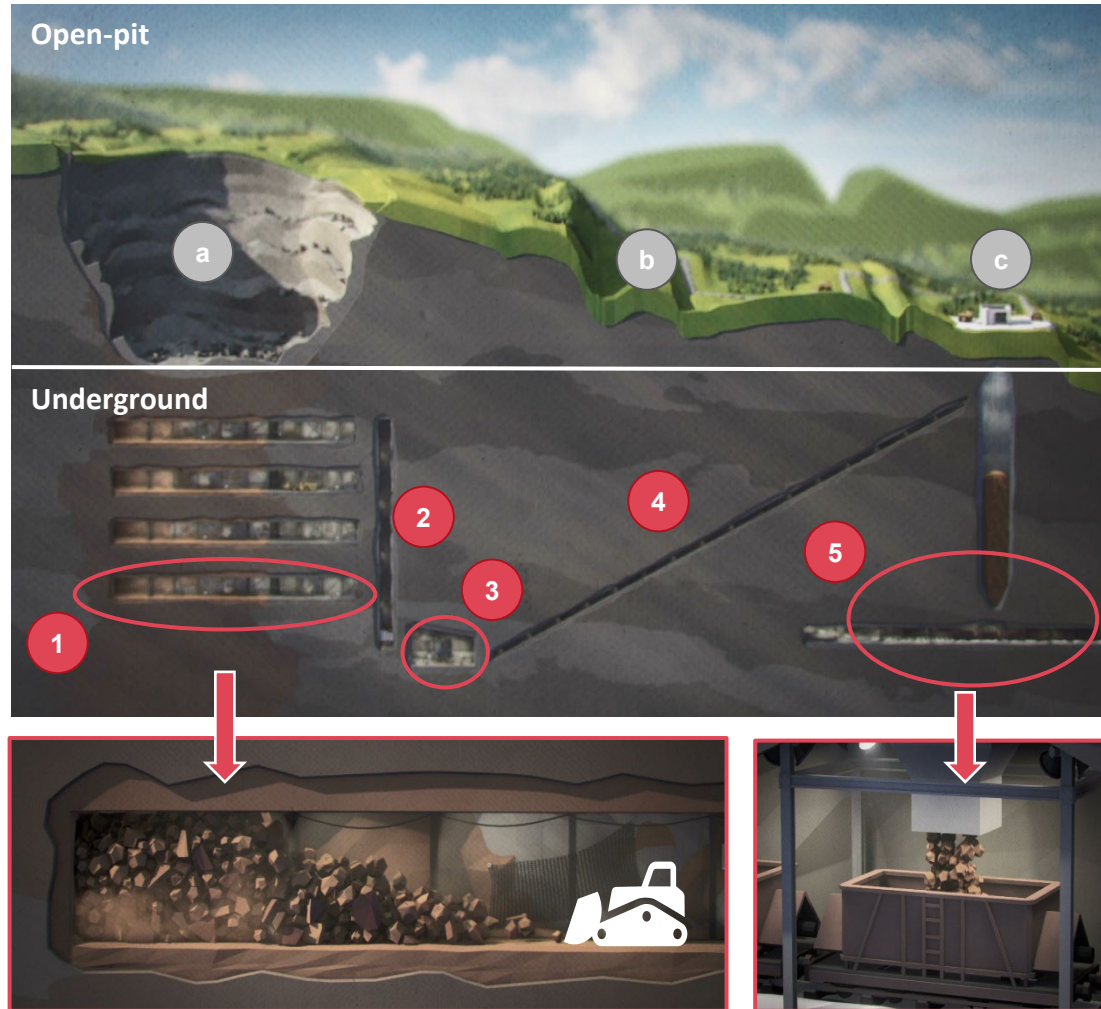
Overview of deposits (mt)



Location	Measured	Indicated	Inferred
1 Finnkåteng	-	6.6	6.0
2 Stensundtjern	-	35.9	0.2
3 Ørtvann	-	28.8	31.5
4 Ørtfjell	111.3	196.9	11.5
5 Dunderland	-	-	15.6
Total	111.3	268.2	64.8

¹ Definitions are based on the Mineral Resources reported in accordance with the Canadian CIM code (NI 43-101) by Baker Geological Services – (Howard Baker)
Source: Company information

Illustrative overview of Rana Gruber's state-of-the-art mining operations and processing capabilities



Open-pit – all operations carried out by LNS Group¹

- a Open-pit mine:** Excavated using one or more horizontal benches
- b Transportation to crusher:** Ore transported by truck
- c Crushing:** Station above the underground silo

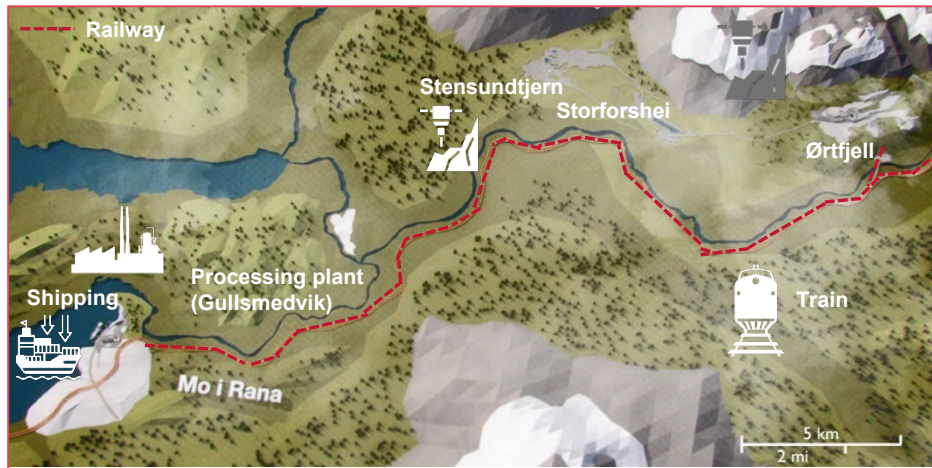
Underground – all operations operated in-house by Rana

- 1 Sublevel cave:** Ore mined from sublevel rings and transported by truck to the ore pass
- 2 Ore passes:** Ore loaded to crushing station
- 3 Underground crushing station**
- 4 Conveyor belts:** Loading the ore from the crushing station to the underground silos
- 5 Underground silo:** Where the ore is mixed and loaded directly from the silo to rail wagons for further transport

¹ Rana Gruber is responsible for planning of the open-pit mining, but all operations are outsourced to the LNS Group on a fixed cost per tonne basis. Contract established in 2018 on arm-length principle
Source: Company information

Highly efficient logistics from mines to processing plant in Gullsmedvik

Transportation logistics



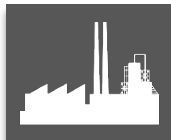
Ore loaded directly from silo to rail wagons

Unique and efficient process using gravity to load ore directly from underground silos to rail wagons. Requires significantly less manpower



Railway connected to BaneNor

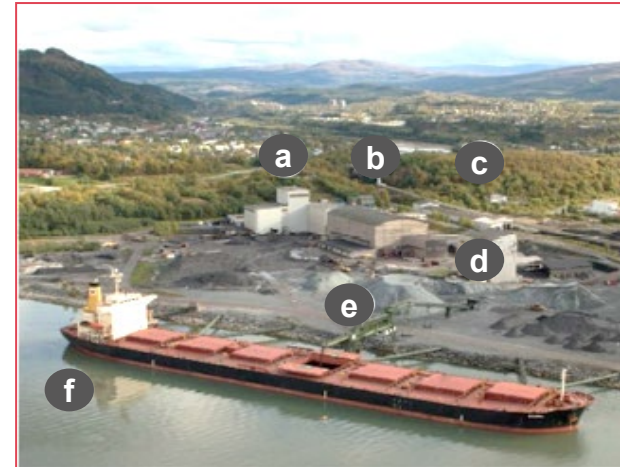
Fully loaded rail wagons connect directly to Nordlandsbanen and descent to the processing plant, which reduced energy consumption significantly. Railway maintenance covered by BaneNor



Very short distance to processing plant

Very short transport distances as the processing plant is located only ~35 km from mines

Illustration of the processing plant



- a Mining plant
- b Concentrator plant
- c De-watering plant
- d Storage area
- e Ship loader
- f Panamax vessel



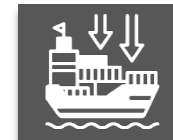
Processing

Integrated processing plant at the shipping location. Highly cost-efficient operations



Loading

Products loaded on vessels at Rana Gruber's own ice-free port terminal. Most products are sold to customers free on board



Shipping and transport

2- 3 Panamax vessels loaded every month. The iron oxide pigments from Colorana® are packed into bags and placed on pallets for dispatch via truck or a combination of truck and railway transport to the final customer

World-class mineral processing plant that maximises value out of ore

Mineral processing



High-quality iron ore from mine

Very high-quality hematite and magnetite resource from mine



Clean processing

All electricity used in mineral processing plant from CO2 free hydro electric power stations



No use of chemicals

As opposed to industry standards, Rana Gruber has a total chemical free mineral extraction process



Maximising value out of ore

Maximising value by utilising output that are otherwise discarded as waste in the industry standard

Products

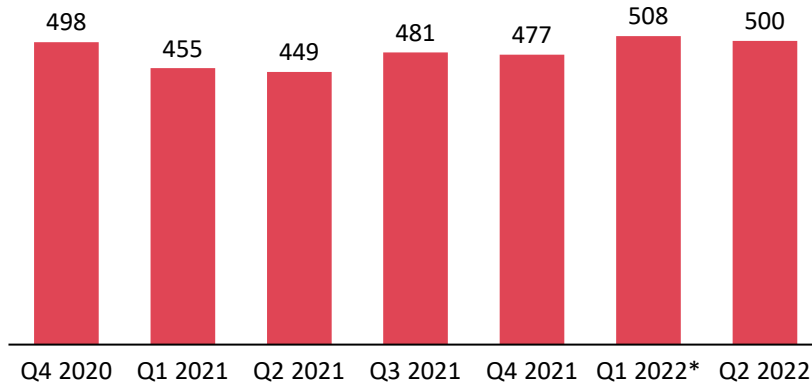
- **Low carbon footprint Hematite** for automotive and construction industries
- **Chemical-free and clean Magnetite** sold to demanding special product applications
- **Fine particle tale** used for high value products – industry standard is to discard this to waste
- **Fine grain particles of Magnetite** used in drinking water purification plants
- **Nano scale Colorana Products** used for pigments and a range of special applications
- Historically, Rana Gruber tailings has expanded areas for industrial and residential area



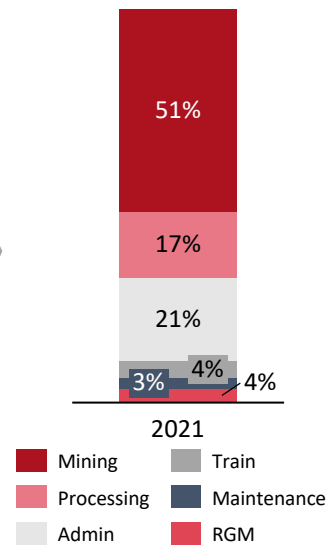
Illustration of a large area in Mo i Rana where Rana Gruber's tailings are actively utilised to develop land for buildings, housing and natural areas

Strong focus on cost-efficient solutions through 60 years of operation

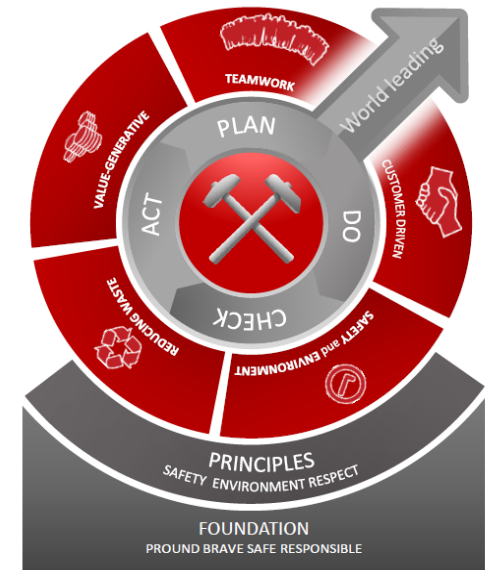
Cash cost per ton of iron ore concentrate produced



OPEX breakdown (%)

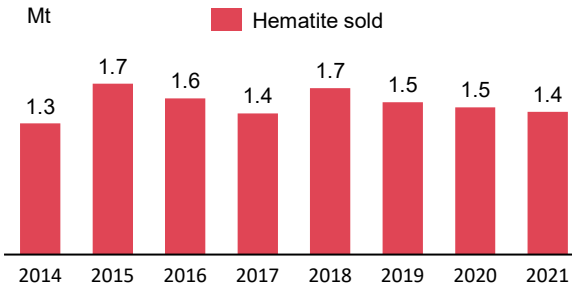


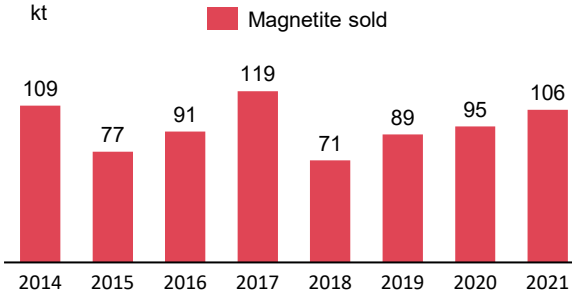


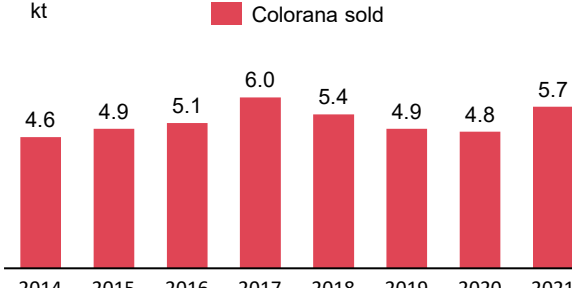




The lean mill



* Adjusted for larger one-off costs.

Rana Gruber produces predominantly hematite and magnetite concentrate

Product	Description	Products sold	Applications																		
Hematite	<ul style="list-style-type: none">Hematite is concentrated to iron ore bulk products formulated for metallurgical applicationsThe end markets are processed steel to primarily buildings, infrastructure and automotive industryKey costumers are large steel manufacturersOff-take agreement with Cargill	<p>Mt</p> <p>Hematite sold</p>  <table><thead><tr><th>Year</th><th>2014</th><th>2015</th><th>2016</th><th>2017</th><th>2018</th><th>2019</th><th>2020</th><th>2021</th></tr></thead><tbody><tr><td>Hematite sold (Mt)</td><td>1.3</td><td>1.7</td><td>1.6</td><td>1.4</td><td>1.7</td><td>1.5</td><td>1.5</td><td>1.4</td></tr></tbody></table>	Year	2014	2015	2016	2017	2018	2019	2020	2021	Hematite sold (Mt)	1.3	1.7	1.6	1.4	1.7	1.5	1.5	1.4	 
Year	2014	2015	2016	2017	2018	2019	2020	2021													
Hematite sold (Mt)	1.3	1.7	1.6	1.4	1.7	1.5	1.5	1.4													
Magnetite	<ul style="list-style-type: none">Chemical-free Magnetite iron oxide concentrates used in a variety of products such as pellet feed, water purification and cosmeticsKey customers are the chemical industry yielding premium prices compared to the steel industryPotential increase in production	<p>kt</p> <p>Magnetite sold</p>  <table><thead><tr><th>Year</th><th>2014</th><th>2015</th><th>2016</th><th>2017</th><th>2018</th><th>2019</th><th>2020</th><th>2021</th></tr></thead><tbody><tr><td>Magnetite sold (kt)</td><td>109</td><td>77</td><td>91</td><td>119</td><td>71</td><td>89</td><td>95</td><td>106</td></tr></tbody></table>	Year	2014	2015	2016	2017	2018	2019	2020	2021	Magnetite sold (kt)	109	77	91	119	71	89	95	106	 
Year	2014	2015	2016	2017	2018	2019	2020	2021													
Magnetite sold (kt)	109	77	91	119	71	89	95	106													
Colorana®	<ul style="list-style-type: none">Based on two types of magnetite concentrateUsed for both colorants and highly advanced products such as brake linings, magnetic stripes and chemical processesCustomers are fragmented all over the world	<p>kt</p> <p>Colorana sold</p>  <table><thead><tr><th>Year</th><th>2014</th><th>2015</th><th>2016</th><th>2017</th><th>2018</th><th>2019</th><th>2020</th><th>2021</th></tr></thead><tbody><tr><td>Colorana sold (kt)</td><td>4.6</td><td>4.9</td><td>5.1</td><td>6.0</td><td>5.4</td><td>4.9</td><td>4.8</td><td>5.7</td></tr></tbody></table>	Year	2014	2015	2016	2017	2018	2019	2020	2021	Colorana sold (kt)	4.6	4.9	5.1	6.0	5.4	4.9	4.8	5.7	 
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Key financial highlights



1 Attractive dividend policy and strong balance sheet

- Attractive dividend policy targeting to distribute 50-70 per cent of adjusted net profit¹ as quarterly dividends.
- Up to 30 per cent of the allocated dividend amount can be applied for acquisition of own shares
- Undrawn revolving credit facility of NOK 100 million

2 Solid financial performance

- Rana Gruber has consistently delivered strong EBITDA margins throughout market cycles
- Offtake agreement with Cargill mitigates financial risk and provides certainty of payment for the produced concentrate
- Best-in-class on environmental metrics support the business case on a long-term basis

3 Strong cash generation

- NOK 937 million in 2021 EBITDA from NOK 1 668 million in revenue represents a 56% EBITDA margin
- Strong underlying market fundamentals support future cash generation

¹ 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 of directors can also adjust for larger specific events that it does not consider to be of relevance for normal business.

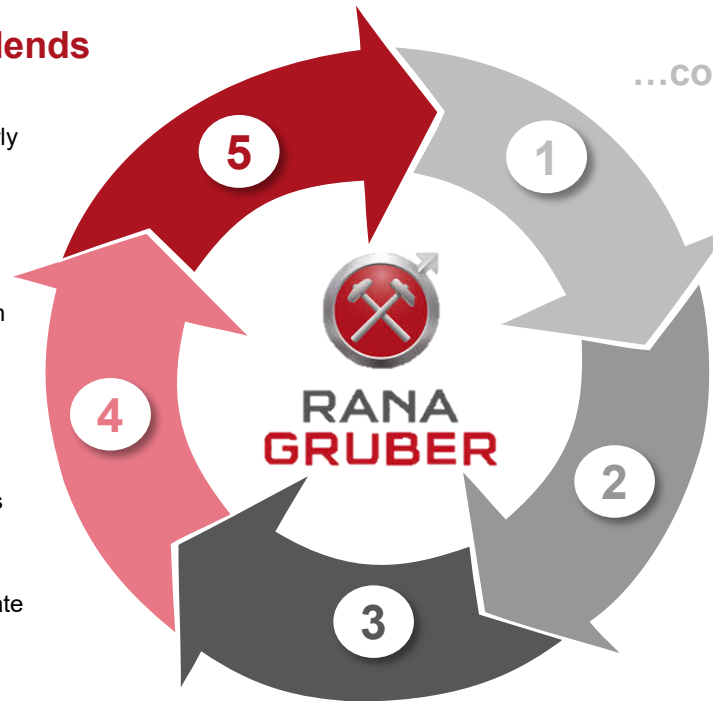
Summary of financial targets and strategy for value-creation

... and support significant dividends

- Attractive dividend policy targeting to distribute 50-70 per cent of adjusted net profit¹ as quarterly dividends.
- Up to 30 per cent of the allocated dividend amount can be applied for acquisition of own shares
- No excess cash build-up in company, other than as required to meet capex commitments

... to fully fund capex...

- Long-term planning and gradual investments will ensure that operational cash flows fund future capex
- Significant discretionary flexibility to accelerate or delay pending market environments and other factors, if deemed attractive



...continued focus on efficient operations

- Cash costs are ultimately the key parameter under the company's control – need to be resilient in a range of price scenarios

... and low financial leverage...

- Solid balance sheet
- Undrawn RCF to provide flexibility
- Low leverage will be maintained

... will result in strong cash flow generation..

- Strong operational cash flow generation in a range of price scenarios
- Low leverage and costs also gives substantial downside resilience and high upside through operational leverage in a continued strong market
- Offers exposure to iron ore market which is deemed attractive in the long run, with hedging only being applied partially or selectively when offering a good risk/reward



Safe – Responsible – Proud – Brave

