ANNUAL REPORT 2022

RANA GRUBER IN BRIEF

Rana Gruber is an iron ore producer located in the north of Norway. The company has one of the industry's lowest carbon emissions per tonne produced, and aims to become the world's first carbon free iron ore producer by the end of 2025.

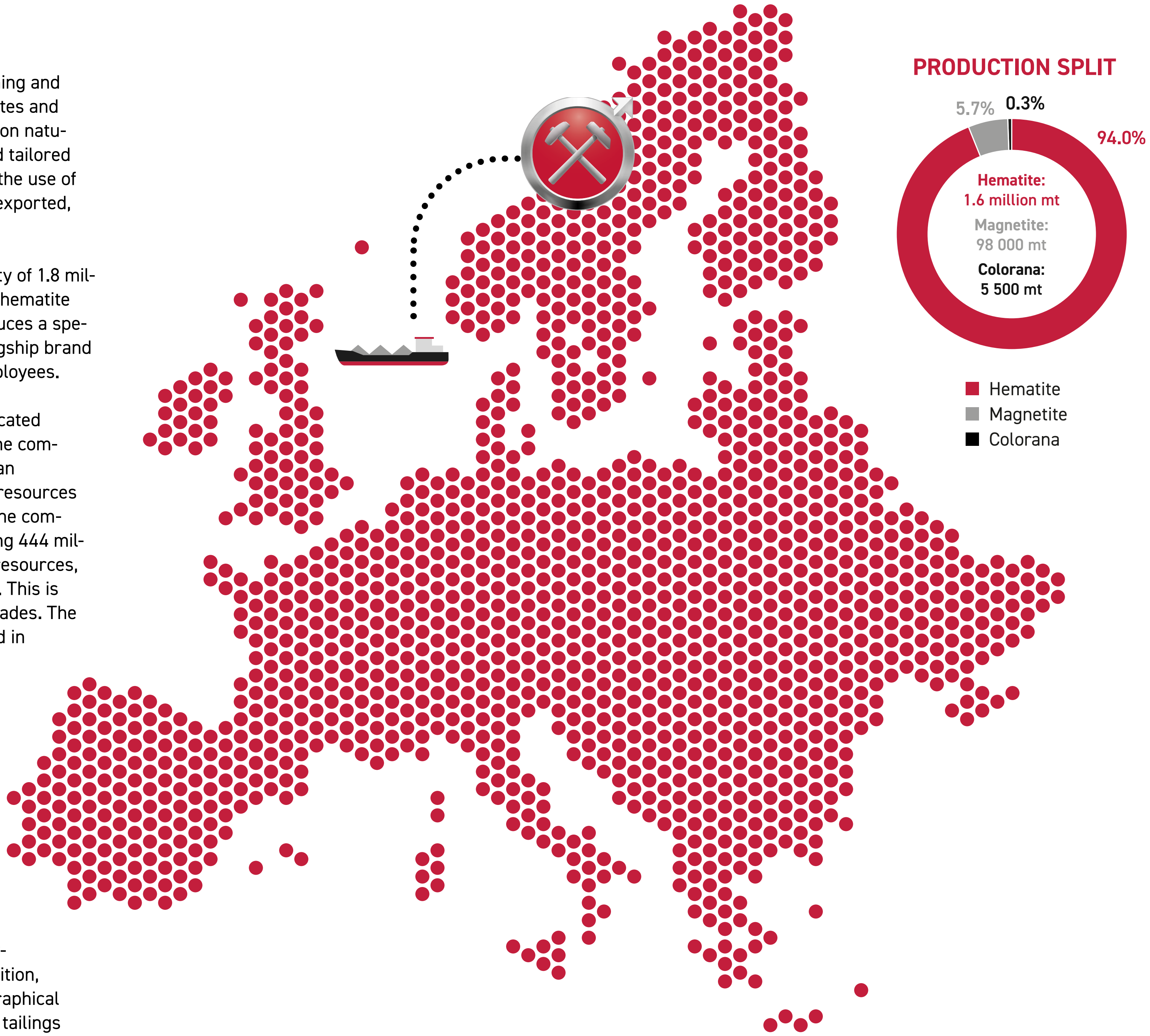
Rana Gruber's operations involve iron ore mining and mineral processing to yield iron ore concentrates and specialised products. The products are based on natural mineral resources which are upgraded and tailored for applications in multiple industries without the use of chemicals. All of Rana Gruber's production is exported, mainly to European buyers.

Rana Gruber has an annual production capacity of 1.8 million metric tons (mt) of iron ore concentrates (hematite and magnetite). In addition, the company produces a specialised product, which is traded under the flagship brand COLORANA®. The company has about 300 employees.

Rana Gruber controls five iron ore deposits located in the Dunderland Valley in Norway. In total, the company has mineral rights connected to more than 23 000 000 m^2 (5 700 acres). According to the resources and reserves estimate from November 2021, the company possesses a vast resource base exceeding 444 million mt of iron ore. Of these 444 million mt of resources, 94 million mt have been classified as reserves. This is expected to ensure production for several decades. The processing plant and headquarters are located in Mo i Rana in the Nordland county.

Rana Gruber was established in 1964, based on more than 200 years of mining experience. Through generations, the company has been a cornerstone for the development of the city of Mo i Rana, the local industry, and the local community. The creation of local jobs has attracted settlement, suppliers, and business in the region. Rana Gruber supports a range of institutions and events related to sports, education, and cultural activities, and has done so through decades. In addition, Rana Gruber has been important for the geographical development of the city with 2.51 million m^3 of tailings from the operations having been used to develop a large area close to the centre of Mo i Rana.

PRODUCTION SPLIT



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Highlights 2022

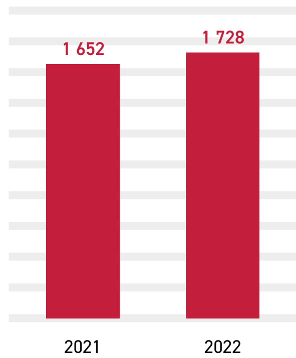
- Stable and strong production of 1 728 thousand metric tons
- Good progress according to plan in zero carbon emissions project
- Increased iron ore content in hematite product in line with Fe65 project
- Successful uplisting to main list of Oslo Stock Exchange
- NOK 6.16 per share distributed as dividend to shareholders

Key financial figures

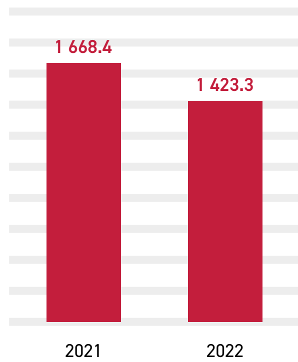
Amounts in NOK million, except where indicated otherwise	**2022**	2021
Revenues	**1 423.3**	1 668.4
EBITDA	**567.0**	937.3
EBITDA margin (%)	**39.8**	56.2
Net profit	**484.2**	592.0
Adjusted net profit	**391.8**	499.5
Cash cost	**835.9**	775.3
Cash cost per mt produced (NOK)	**482**	468
EPS (NOK)	**13.05**	15.86
DPS (NOK)	**6.16**	11.05
Equity ratio (%)	**57.0**	51.5

For explanation of EBITDA, EBITDA margin, adjusted net profit, cash cost, and cash cost per mt produced, see appendix to the financial statements.

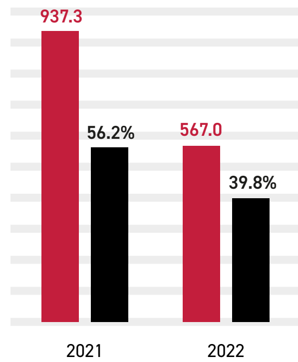
CONCENTRATE PRODUCTION
In thousand mt



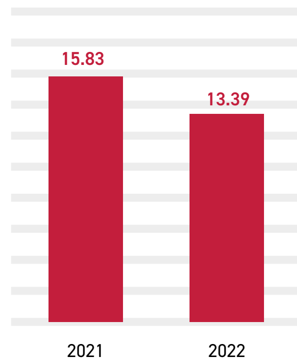
REVENUES
NOK million



EBITDA
EBITDA (NOK million)
EBITDA margin (%)



EARNINGS PER SHARE
NOK



Letter from the CEO

SHAPING THE FUTURE OF MINING

Rana Gruber made good progress on several important indicators in 2022. The zero carbon project is on track. So is our other strategic projects. Towards the end of the year, the production reached record high levels.

Oslo Stock Exchange gives us access to a broader investor base. In the beginning of the year, the Rana Gruber share was uplisted to the main list.

HIGH PRODUCTION

The iron ore concentrate production ended at 1.73 million mt in 2022. This is the third highest production in the history of Rana Gruber, and implies an increase of almost five per cent from 2021. This achievement was due to the continuous work to improve the capacity of the processing plant, but also the operational adjustments ensuring a more stable quality of the ore transported to the processing plant, which enables better utilisation of the plant. In a year with exceptionally high inflation and higher input costs, the high production has enabled only a slight increase in costs per tonne produced.

STRATEGIC PROJECTS ON TRACK

The world's steel producers are heading quickly in the direction of producing more sustainable steel. This puts pressure on the raw materials suppliers to deliver high grade iron ore with low carbon footprint. Our progress with increasing the minimum iron content in our hematite product to 65 per cent and removing CO_2 from our operations therefore enhances our market position going forward.

SUSTAINABLE MINING

Our focus on ESG impacts our operations. This has attracted attention, especially overseas. For the third year in a row, our direct and indirect greenhouse gas emissions per tonne produced iron ore are lower than those of the previous year. As we move from carbon-intensive machinery and transport to sustainable alternatives, we expect this figure to drop towards our zero emission goal. Some milestones in this respect were the signing of the letter of intent with Sandvik for the supply of electric machinery and support for the new on-site infrastructure, and the delivery of the first new drilling rig.

In the past year, we have worked systematically with sustainability through risk assessments relating climate and the environment, human rights and decent working conditions, and equality and diversity. This is described in the ESG report included in this annual report.

Our broad approach to sustainability is not only about becoming the world's first carbon free iron ore producer. It is also about taking social responsibility. We have extensive cooperation with trade unions, neighbours, and local industry. And we continue to be a cornerstone of the local community by supporting a wide range of local initiatives, sports teams, associations, individuals, and cultural events.

FOCUS ON SAFETY

We always target zero injuries related to the production, with tailored safety measures providing a healthy work environment at Rana Gruber. Sadly, there were two production-related injuries which led to short-term absence from work in 2022. Safety is our utmost priority, and we will continue to focus on the safety of our employees in the coming year.

MARKET RECOVERY TOWARDS YEAR-END

2022 was an exceptional year, where both the devastating war in Ukraine and fluctuating markets affected us all. Raw materials prices have been highly volatile throughout the year, including prices for iron ore. The prices bottomed out at USD 79/mt in late October but recovered significantly towards year-end. The price increase was primarily due to the lifting of Covid-related restrictions in China, which is the world's largest buyer of iron ore, combined with low stocks of both iron ore and steel in the country. It was also due to a lower production guiding from the larger iron ore players in Brazil and Australia.

ATTRACTING TALENT

We started insourcing of some workstreams in 2023. The insourcing is expected to reduce costs, improve cash flow predictability, and secure operational stability. It is pleasing to see that Rana Gruber attracts talent in a pressured labour market.

"We expect to be able to continue to pay out solid dividends to our shareholders also in 2023."

CONFIDENCE FOR THE NEW YEAR

We are entering a new year with confidence and great progress. A highly positive production trend and progress with strategic projects enabling higher prices for our products provide a promising foundation for 2023. Our continued focus on efficient operations enables a low financial leverage, which enables a strong cash generation. This again enables us to fully fund capex through operations and to create value to our shareholders. In 2022, we were able to pay out NOK 228.8 million in dividends, i.e. NOK 6.16 per share. We expect to be able to continue to pay out solid dividends to our shareholders also in 2023.

Gunnar Moe

Gunnar Moe
CEO, Rana Gruber

Future rail transport will be either hydrogen-driven or electricity-driven.

BOARD OF DIRECTORS' REPORT

2022 was an eventful year for Rana Gruber. In the beginning of the year, the Rana Gruber share was uplisted to the main list of Oslo Stock Exchange. Towards the end of the year, the production of the company reached record high levels. At the same time, the company made progress with the project to increase the minimum iron content in the hematite production. The company also made good progress with the project to increase the magnetite production, and the project to eliminate carbon emission from the operations.

Overview of the business

The board of directors' report concerns Rana Gruber ASA ("Rana Gruber" or "the company").

BUSINESS AND LOCATION

Rana Gruber is an iron ore producer established in 1964, with operations based on more than 200 years of mining experience. The company has about 300 employees, and the headquarter is in Mo i Rana. The company's products are based on local natural mineral resources, which are upgraded and tailored for various applications in multiple industries, including steel production and the chemical industry.

The operations involve mining of both open-pit and underground mines, and take place at the company's iron ore deposit, 32 kilometres north-east of Rana Gruber's processing plant. The plant is located near Mo i Rana, with direct access to Rana Gruber's own port and railway connection. The iron ore is transported from the mines to the processing plant by rail.

PURPOSE, VISION, AND VALUES

The company's objective is to produce and sell iron ore concentrates, and – through sustainable and economically sound business operations – create lasting and safe jobs in the company.

Rana Gruber's ambition is to be a force for change and a positive influence on society and the environment. Hence, the company has a goal to eliminate all carbon emissions from the production by the end of 2025, as the first iron ore producer in the global iron ore industry.

The company has four core values: safe, responsible, proud, and brave. Together, these values make up the philosophy that guides the company's employees, actions, and processes.

PRODUCTS AND END-USERS

Rana Gruber sells three products: hematite concentrate, magnetite concentrate, and the specialised product Colorana.

The company has a strategic partnership with Cargill, which gives Rana Gruber support based on Cargill's unique market insight and position as a globally leading commodity trader, including support to improve the quality of the hematite product. Under this partnership agreement, Cargill is also committed to buy and market all of Rana Gruber's hematite. This amounts to more than 90 per cent of the company's total production. Currently, the hematite is distributed to three European steel producers, which utilise the product to make steel. Steel again is used for a variety of end products, such as cars, buildings, and infrastructure.

Chemical-free magnetite iron oxide concentrates are used in a variety of products, such as water purification and cosmetics. The end markets for magnetite are within the chemical industry, which yields premium prices compared to the steel industry. Rana Gruber has a production capacity of 1.8 million metric tons ("mt") of iron ore concentrates (hematite and magentite).

Customers for Colorana are within a diverse group of industries or market segments, such as concrete, paint, plastics, the automotive industry, heat management, and toner production.

Key events in 2022

PRODUCTION GROWTH

Rana Gruber's production of iron ore concentrate in 2022 was the third highest production in the history of the company.

In thousand metric tons	**2022**	2021
Production concentrate	**1 728**	1 652
Production hematite	**1 630**	1 545
Production magnetite	**98**	108
Production Colorana	**5.5**	5.3
Production ore	**5 127**	5 150
Production underground (ore)	**2 648**	2 767
Production open-pit (ore)	**2 479**	2 383
Production open-pit (waste rock)	**4 536**	4 909

Iron ore concentrate production totalled 1 728' mt, which implies an increase of 4.5 per cent from 2021. The production increase was partly due to the continuous work to improve the capacity of the processing plant. It was also due to operational improvements ensuring a more stable quality of the ore transported to the processing plant, which enables better utilisation of the plant.

The majority of the produced volume was hematite concentrate, which increased to 1 630' mt in 2022. In addition, 98' mt of magnetite concentrate, and 5.5' mt of Colorana were produced in 2022.

The magnetite production decreased 9.1 per cent from 2021. The decrease was due to less magnetite content in the ore extracted, as a consequence of inherent natural variations in the ore body.

PROGRESS WITH STRATEGIC PROJECTS

The company made good progress with its strategic development projects in 2022. The completion of these projects is expected according to plan.

The aim of the first project is to increase the minimum iron content in the hematite product to 65 per cent. To achieve this, the company has initiated several measures. Firstly, the company does considerable R&D work to find the optimal production method, so that not much production volume is sacrificed for higher iron ore content. Secondly, the company is upgrading the processing plant based on the R&D work. The final measure in this project is preparing the market to receive the improved product. The initial results from these measures have been promising and the product quality has improved since the summer. When the upgrade of the processing plant is finalised, the company expects to take the last few steps and produce hematite with an iron content of at least 65 per cent. This is expected to happen before the end of 2024. And once the steel mills have approved of the product quality, the company can negotiate the contractual terms and base the pricing of the hematite concentrate to the premium price index, Platts Fe65%. This is expected to happen during 2025.

The aim of the second project is to increase the magnetite production. To this end, the company has completed the design of the processing plant and planned the organising of the upgrade. The next step is to order the equipment needed. This is part of the integrated process to upgrade the processing plant, which will also enable the company to increase the minimum iron content in the hematite product. The completion of this project will enable Rana Gruber to exploit the high demand for its chemical free magnetite concentrate, which will provide solid revenues and security in times with less demand for hematite. The plan is to increase today's magnetite production volume by 50 per cent. The company expects to achieve this before the end of 2024.

The aim of the third project is to eliminate carbon emissions from the production. One may divide the company's execution plan into three parts: that which concerns the underground mine, that which concerns the open-pit mine, and that which concerns the rail transport. For the underground mine, the company has started the gradual process of replacing equipment. In November, the company signed a letter of intent with the electric mining machinery supplier, Sandvik, which will supply battery-powered machines and help Rana Gruber adapt and organise the operations to make best use of the new machines. The company has also started the planning of the on-site infrastructure needed for electrified operations. The new infrastructure will involve both an efficient charging structure and safety measures. The company works closely with external advisors and suppliers to identify and plan the best solution for the on-site infrastructure. For the open-pit mine, the production in Ørtfjell will continue with today's operations facilities until the company has exhausted the reserves of the deposit in 2024. Future open-pit production in the Stensundtjern deposit will be carbon free. But the company has not yet decided whether it will operate the Steinsundtjern mine with in-house personnel or if it will make use of external providers. For the rail transport, there is an on-going project with Sintef and other players to investigate the pros and cons of electricity-based solutions and hydrogen-based solutions. Their recommendation is expected to be finalised in the first half of 2023. The completion of this project will enable Rana Gruber to replace an annual consumption of five million litres of diesel with electric power. Carbon free operations are also expected to reduce operating costs and enable a future price premium for Rana Gruber products. The company expects to be carbon free before the end of 2025.

UPLISTING TO THE MAIN LIST OF OSLO STOCK EXCHANGE

In March, the company's share was uplisted to the main list of Oslo Stock Exchange. This gave Rana Gruber access to a deeper and global investor base. Being the first non-bank company from the Nordland county to be on the main list, the uplisting marked an important milestone not just for Rana Gruber, but also for the entire business community in Northern Norway.

EVENTS AFTER THE BALANCE SHEET DATE

On 14 February 2023, the board of directors decided to pay out a dividend of NOK 3.00 per share for the fourth quarter of 2022, or approximately NOK 111.3 million in total.

The company has secured forward contracts under which Rana Gruber will sell 450 000 mt in the second quarter of 2023 to the first quarter of 2024 at an average price of USD 121.29/mt. The swap contracts relate to physical shipments in the first quarter of 2023 to the fourth quarter of 2023. Final financial settlement of these shipments will be connected with the swap contracts.

The iron ore concentrate production in 2022 was the third highest production in the history of Rana Gruber.

Financial review

All amounts in brackets are comparative figures for 2021 unless otherwise stated.

ACCOUNTING POLICIES
The financial statements for Rana Gruber ASA are prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the EU.

GOING CONCERN
The financial statements for Rana Gruber ASA have been prepared and presented based on the going concern assumption, and in accordance with section 3-3 of the Accounting Act. The board of directors confirms that the use of the going concern assumption is appropriate.

STATEMENT OF COMPREHENSIVE INCOME
Total revenues for 2022 came in at NOK 1 423.3 million, compared with NOK 1 668.4 million in 2021. The decrease in revenues is explained by the lower average market prices for iron ore in 2022 compared to 2021.

In 2022, cash cost increased to NOK 835.9 million (NOK 775.3 million). The increase was due to inflationary pressure on wages, higher input costs (related to e.g. diesel, explosives, and steel), expansion of the company's personnel for administration and development work, and the one-off costs related to the company's financial contribution to the new Polarsirkelen Airport in Mo i Rana, and the uplisting of the Rana Gruber share to the main list of Oslo Stock Exchange.

EBITDA ended at NOK 567.2 million (937.3 million). The decrease from 2021 was due to the decrease in revenues combined with the increase in cash cost, as described above.

Net financial items of positive NOK 228.4 million consisted of NOK 61.2 million losses from currency hedges, NOK 53.2 million gains from hedging of iron ore, NOK 20.5 million gains from currency adjustments related to accounts receivable and bank accounts, NOK 2.0 million in net interest expenses, and NOK 217.8 gains from hedging of electric power.

At year-end, the company had secured 240 000 mt of the hematite production at an average of USD 140/mt. See note 23.2 for more details about the forward contracts.

The management continuously assesses the company's portfolio of hedging positions based on dialogue with and input from customers, partners, industry experts, and analysts. The hedging positions shall contribute to a sustainable and stable cash flow, enabling future investments and compliance with the company's dividend policy.

As stated in the hedging policy, hedging positionsin iron ore can cover 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 2022, the company had four flexible currency hedging positions of a potential monthly impact of USD 11 million until April 2023, USD 8 million until July 2023, and USD 4 million for the remainder of 2023. See note 23.1 for further information about the hedging portfolio.

In sum, this resulted in a profit for the year of NOK 484.2 million (NOK 591.0 million). This corresponds to earnings per share (EPS) of NOK 13.05 (NOK 15.86).

STATEMENT OF FINANCIAL POSITION
Rana Gruber had total assets of NOK 1 445 million at 31 December 2022, up from NOK 1 130 million at the end of 2021.

Total non-current assets amounted to NOK 652.4 million, up from 573.0 million at 31 December 2021, of which the largest items include mine properties, property, plant, and equipment of NOK 491.4 million. The increase was due to investments related to the new mining level (L91), investments related to Fe65, and new leasing agreements for machines.

Total current assets amounted to NOK 792.6 million, up from NOK 556.7 million at 31 December 2021, including inventories of NOK 159.9 million. The increase is related to positive fair value on forward contracts and higher inventory. Trade receivables were NOK 178.7 million at 31 December 2022, up from NOK 63.1 million at the end of 2021. The increase is explained by nIncreased provisional pricing elements due to increased prices by the end of the year.

The capex for the year totalled NOK 161.7 million (NOK 125.7 million), of which NOK 97.9 million was development capex, mainly related to the new mine level and tangible assets to be used in the strategic development project to increase the minimum iron content in the hematite concentrate from 63 to 65 per cen. NOK 63.8 million was related to other investments incluidng machines, building improvements etc.

Non-current liabilities, which mainly constitutes leasing debt and deferred tax liabilities, totalled NOK 260.5 million at 31 December 2022, up from 130.5 million at 31 December 2021. The increase is related primarily to Increase in deferred taxes.

Total current liabilities were NOK 361.5 million at 31 December 2022, down from 417.4 million at 31 December 2021. The decrease is primarily explained by reduction in other current liabilities and current tax payables.

Total equity ended at NOK 823.1 million at 31 December 2022, up from NOK 581.8 million at 31 December 2021. This represents an equity ratio of 57.0 per cent (51.5 per cent). The increase is explained mainly by a positive net profit of the year.

Given the economic outlook for the industry, the board believes that the capitalised assets will ensure a satisfactory return on capital for Rana Gruber.

STATEMENT OF CASH FLOWS
Operating activities generated a cash flow of NOK 383.6 million for 2022 (NOK 868.4 million). The decrease was driven mainly by decreased profit and increased working capital and the effect from unsettled derivatives.

Depreciation and amortisation for 2022 amounted to NOK 158.7 million, compared to NOK 174.2 million in 2021.

Investment activities generated a negative cash flow of NOK 161.7 million. These cash flows consist of expenditures on mine development of NOK 96.0 million and expenditures on property, plant, and equipment of NOK 65.7 million.

Financing activities generated a negative cash flow of NOK 273.4 million (NOK 637.4 million). During 2022, Rana Gruber paid out total dividends through quarterly distributions of NOK 228.8 million (NOK 412.6 million), equating to NOK 6.16 (11.05) per share.

Cash and cash equivalents amounted to NOK 212.8 million at 31 December 2022, down from NOK 264.4 million at the end of 2021. In addition, the company has an unused credit facility of NOK 100 million.

ALLOCATION OF NET PROFIT
Rana Gruber ASA had a profit for the year of NOK 484.2 million. The board decided to transfer the profit for the year to other equity, after paid dividends in 2022.

DIVIDENDS
In 2022, Rana Gruber distributed total dividends of NOK 228.8 million, corresponding to NOK 6.16 per share.

Ex. date	Dividend per share (NOK)
14 November 2022	1.05
26 August 2022	1.51
16 May 2022	2.09
15 February 2022	1.51

According to the company's dividend policy, the adjusted net profit shall constitute the IFRS based net profit after tax, adjusted for unrealised gains and losses from the portfolio of hedging positions related to iron ore and currency. The relevant hedging positions are those related to shipments initiated in the quarter of reporting for which the final price is concluded in the subsequent quarter. From the fourth quarter of 2022, unrealised positions of electric power is included in the net financial income and adjusted for in the adjusted net profit.

The board has the flexibility to utilise approximately 30 per cent of the estimated dividend payments to repurchase Rana Gruber shares for subsequent redemption and reduce the dividend payments correspondingly. Any buyback program to achieve the same purpose for future quarters will be announced separately.

The board's dividend decisions take into account legal restrictions, capital expenditure plans related to announced strategic projects, financing requirements, and fluctuations in the markets in which the company operates.

RESEARCH AND DEVELOPMENT
Research and development (R&D) is a key part of Rana Gruber's day-to-day operations. The company has a dedicated R&D department with six employees. In 2022, salary payments to employees at the R&D department amounted to NOK 4.5 million (NOK 3.8 million). In addition to these costs, Rana Gruber invests significant amounts related to the company's strategic projects.

The commitment to R&D laid the basis for increased development activity, and the company's three strategic development projects will require increased R&D investments.

RISK MANAGEMENT

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.

Risk management is not about eliminating risk but taking the right risk based on the company's competence, capital adequacy, and development plans. The aim of risk management is to identify threats and opportunities for the company, and steering risk towards an acceptable level, so that there is a reasonable certainty that the company's targets will be met.

The board holds that the financial statements for the year provide an accurate picture of the company's assets and liabilities, financial position, and profit, at 31 December 2022.

Below is a summary of the key risks for the company. See note 23 for a more detailed description of the company's financial and market risks.

Regulatory risk

Rana Gruber is dependent on permits and registration to carry out its operations, and there is a risk that such permits and registration may be withdrawn, amended, or not renewed.

The company is subject to several general and industry-specific laws, regulations, and permits in relation to its business.

The company's activities are regulated under the Norwegian Minerals Act (relating to the extraction and acquisition of mineral resources). Rana Gruber has a permit from the Norwegian Environment Agency for deposition of waste from the production, which was issued in 2012 (updated 2015).

The Norwegian government has announced a strong commitment to support the Norwegian mining industry. However, there is a regulatory risk related to the design of the new government's mining policies, especially when it comes to deposition permits.

Furthermore, local and global taxation of carbon emissions might impact the business. But the company's aim is to eliminate all carbon emissions from the production by the end of 2025. The regulatory risk related to CO_2 taxation will depend on the extent to which the decarbonisation target is met.

The regulatory risk is managed through close dialogue with policy makers, at a regional and national level, in addition to involvement and engagement through important trade organisations, such as the Norwegian Mineral Industry.

Financial and market risk

Decreases in iron ore prices and increases in freight prices may have a material adverse effect on Rana Gruber's results, profitability, and financial position. The prices of iron ore and freight are concluded every day based on the global supply and demand.

Rana Gruber's business is also subject to currency and exchange rate risk, since the majority of the company's products are sold in USD, most of its specialised products are sold in EUR, and most of its costs are denominated in NOK.

In addition, the company is subject to risks related to the prices of inputs, including the prices of electric power.

The company has hedging positions related to prices of iron ore, USD, and electric power. The purpose of the hedging positions is to mitigate risks and secure a sustainable and stable cash flow. This enables investments and compliance with the company's dividend policy.

The iron ore extracted from the mines is transported by rail to Rana Gruber's processing plant. This is done on a public railway line and is subject to a transport tax set by the authorities. The determination of this fee represents a risk for the company.

There is also uncertainty related to when and to what extent carbon free hematite concentrate will give price premium and additional revenue which offsets the investment costs.

Operational risk

All mining and mineral processing activities are exposed to operational risk, and any events imposing risk to critical production-relevant equipment and infrastructure must be mitigated. To reduce the probability of critical production disturbances, the equipment and infrastructure are well maintained in accordance with detailed maintenance plans. The company also has substantial amounts of spare parts for critical equipment on-site.

Rock-stress in the underground mining operations is closely monitored and handled by rock-support measures. Furthermore, multiple operational mining locations reduce the risk of severe ore production disturbance.

Rana Gruber conducts advanced R&D work.

Hacking and cybercrime represent an operational risk. Therefore, the IT system and network for process control is set up as a separate network without internet access, which reduces the risk of external attacks.

Long-term challenges following climate change might affect the company's operations, as more extreme weather can increase the risk of flooding and landslides. The company considers several measures to meet these challenges.

Business risk
The company is dependent on a few key suppliers and contractors which subject the company to, among others, risks of delays in deliveries and production, disruption in operations, and increased costs.

The company is highly dependent on its agreement with Cargill International Trading Pte Ltd, which has agreed to purchase Rana Gruber's entire production of hematite concentrate.

There are risks related to the estimation of ore reserves, as well as risks related to metallurgical sampling. In particular, there is a risk that measured, indicated, and inferred mineral resources cannot be converted into mineral reserves.

Rana Gruber's business may lead to pollution and damage to the environment, which may expose the company to negative attention, and thereby harm the company's reputation.

Corporate governance

Good corporate governance provides the foundation for long-term value creation, to the benefit of shareholders, employees, and other stakeholders. The board of directors of Rana Gruber has established a set of governance principles to ensure a clear division of roles between the board of directors, the executive management, and the shareholders. The principles are based on the Norwegian Code of Practice for Corporate Governance.

Following the uplisting to the main list at the Oslo Stock Exchange, Rana Gruber is subject to corporate governance reporting requirements under section 3-3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance, cf. section 4.4 of the Oslo Stock Exchange Rule Book II.

The Norwegian Accounting Act may be found (in Norwegian) at lovdata.no. The Norwegian Code of Practice for Corporate Governance may be found at nues.no. Rana Gruber follows the Norwegian Code of Practice for Corporate Governance, and the company's practice is in accordance with these recommendations.

In 2022, Rana Gruber has carried out a due diligenc assessment of the value chain, in line with the requirements of the Transparency Act, which entered into force on 1 July 2022. The board of directors has approved of the plans for further work with the Act, and the company will deliver a report by the end of June 2023.

The annual statement on corporate governance has been approved by the board and can be found on pages 38 to 46.

Corporate social responsibility

Rana Gruber is required to report on its corporate responsibility and selected related issues under section 3-3a and section 3-3c of the Norwegian Accounting Act. Rana Gruber has chosen to report on its efforts related to the environment, social matters, and corporate governance, which is described in the ESG report and approved by the board of directors.

EQUALITY AND ANTI-DISCRIMINATION
Rana Gruber is committed to providing equal opportunities for all employees in an inclusive work culture.

Rana Gruber appreciates and acknowledges that every individual is unique, valuable, and should be respected for his or her individual abilities. The company does not accept any form of harassment or discrimination based on gender, religion, race, national or ethnic origin, cultural background, social group, disability, sexual orientation, marital status, age, or political opinion.

The company seeks to provide equal employment opportunities and treat all employees and job seekers fairly.

Rana Gruber is subject to the requirement to provide an annual equality statement describing the company's efforts to secure equal opportunities under section 26-a in the Norwegian Equality and Anti-Discrimination Act.

The annual equality statement can be found on pages 112 to 116.

Employees and organisation

The company had 286 permanent employees and 14 apprentices at 31 December 2022. In addition, Rana Gruber employed 12 temporary workers for operational project posts related to the new mining level, or to replace absence related to holiday, parental leave, and sick leave. In total, the company had 312 full time employees, corresponding to 307.24 man-years.

CHANGES TO THE EXECUTIVE MANAGEMENT AND BOARD OF DIRECTORS
The five shareholder-elected directors of the board were elected at the ordinary general meeting at 11 March 2021 for a period of two years. The three employees-elected directors were elected in November 2022, also for a period of two years.

The board consists of Morten Støver (chair), Kristian Adolfsen, Frode Nilsen, Ragnhild Wiborg, Hilde Rolandsen, Henriette Zahl Pedersen (worker director), Johan Hovind (worker director), and Lasse Strøm (worker director).

According to the articles of association, the board of directors of the company shall have three to eight members.

The management team consists of CEO Gunnar Moe, CFO Erlend Høyen, COO Stein Tore Liljenström, and HR Director Anita Brattaas Mikalsen.

INSURANCE
The company has a board liability insurance covering the entire board and the CEO.

INJURIES, ACCIDENTS, AND SICK LEAVE
There were two production-related injuries in 2022 which led to short-term absence from work. Both incidents were handled according to procedure. The company is constantly working with ensuring safety measures in all parts of the production, and promoting a healthy work environment at Rana Gruber.

The company had a total sick leave percentage of 7.48.

Natural environment

Rana Gruber has a permit from the Norwegian Environment Agency for deposition of departure/waste masses from the production, which was issued in 2012 (updated 2015). The permit involves restrictions on discharges to water and soil, and to emissions to air. The company does its utmost to meet the threshold limit values in the permit. Good routines are in place to monitor discharges/emissions to ensure that negative environmental effects are prevented or reduced.

The company collaborates with partners and authorities to apply the best solutions for marine deposition in the Rana Fjord. The company also collaborates closely with both the Rana local authority and other industrial companies in the area to monitor the water quality in the Rana Fjord and the air quality in Rana.

Please refer to the ESG report for further details on climate and the environment.

Payments to governments

The company has assessed its relations with, and payments to and from, governmental institutions, in accordance with section 3-3d of the Norwegian Accounting Act (and section 5-5a of the Norwegian Securities Trading Act). For more information, please see note 3.22 to the financial statements.

Share and shareholder matters

Rana Gruber's shares are traded on the Oslo Stock Exchange under the ticker "RANA".

During 2022, the share traded between NOK 38.75 and NOK 67.24 per share, with a closing price of NOK 51.1 at 31 December 2022.

At 23 February 2022, the company completed a buyback program of Rana Gruber shares. After approval by the shareholders at the general meeting on 22 March, the company deleted 306 908 treasury shares on 27 May. Following the share capital reduction, the share capital of Rana Gruber ASA is NOK 9 271 273 divided into 37 085 092 shares.

At 31 December 2022, the company had a total of 6 398 shareholders, of which the 20 largest held 59.1 per cent of the total 37 085 092 issued shares.

Rana Gruber has one share class, and all shares have equal rights in the company. The shares are registered in the Norwegian Central Securities Depository (VPS). The company's registrar is DNB Markets. The shares carry the securities number ISIN NO0010907389.

Rana Gruber's annual general meeting for 2023 is planned to be held on 12 April 2023.

Outlook

The long-term market outlook remains positive. In the short-term, the market demand may be more volatile due to the turbulent global economic situation.

Rana Gruber plans investments related to the company's ongoing strategic projects – the Fe65 project, the M40 project, and the zero carbon emissions project. The capex related to these projects will increase in the coming years. The company will not finance these projects with either new interest-bearing debt or share issues. The company plans to finance the projects with earnings from operations and lease obligations for vehicles and mobile machinery. The zero carbon emissions project is also expected to be subject to governmental support. The company is in close dialogue with Enova regarding the project. The completion of these projects is expected to contribute to solid product margins and be within the previously communicated time frame.

In the board of directors' report for 2021, the board expressed its belief that the production in 2022 would continue on the same level as in 2021. In fact, the production in 2022 exceeded the expectations of the board and ended at 1 728' mt, which is 4.5 per cent higher than in 2021. Rana Gruber's production is expected to remain stable in 2023.

With stable production, vast resources, strategic off-take agreement with Cargill, a solid financial position, and investments in strategic projects, the outlook for Rana Gruber remains positive.

Mo i Rana, Norway, 15 March 2023
The board of directors and CEO – Rana Gruber ASA

Morten Støver *Chair*	**Kristian Adolfsen** *Director*	**Frode Nilsen** *Director*	**Ragnhild Wiborg** *Director*	**Hilde Rolandsen** *Director*
Henriette Zahl Pedersen *Director*	**Johan Hovind** *Director*	**Lasse Strøm** *Director*	**Gunnar Moe** *CEO*	

Declaration by the board of directors and CEO

We hereby confirm that, to the best of our knowledge, the annual financial statements for 1 January to 31 December 2022 have been prepared in accordance with applicable accounting standards and that the information in the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company. We confirm that the financial statements give an accurate and fair view of the development, profit, and position of the company, as well as a description of the principal risks and uncertainties it is facing.

Mo i Rana, Norway, 15 March 2023
The board of directors and CEO – Rana Gruber ASA

Morten Støver *Chair*	**Kristian Adolfsen** *Director*	**Frode Nilsen** *Director*	**Ragnhild Wiborg** *Director*	**Hilde Rolandsen** *Director*
Henriette Zahl Pedersen *Director*	**Johan Hovind** *Director*	**Lasse Strøm** *Director*	**Gunnar Moe** *CEO*	

Rail transport of iron ore from the mines to the processing plant.

OUR BUSINESS

The favourable location of Rana Gruber's deposits enables an energy-efficient logistics. The deposits are located only 32 kilometres from the processing plant and port. The deposits are also higher above the sea level. This enables short downhill transport of the ore to the processing plant and requires minimal amounts of energy.

The mineral processing facility is electricity-driven, and highly efficient and optimised. This results in a low carbon intensity. The mineral extraction process is totally chemical free, and the mining operations, logistics, and processing capabilities are state-of-the-art.

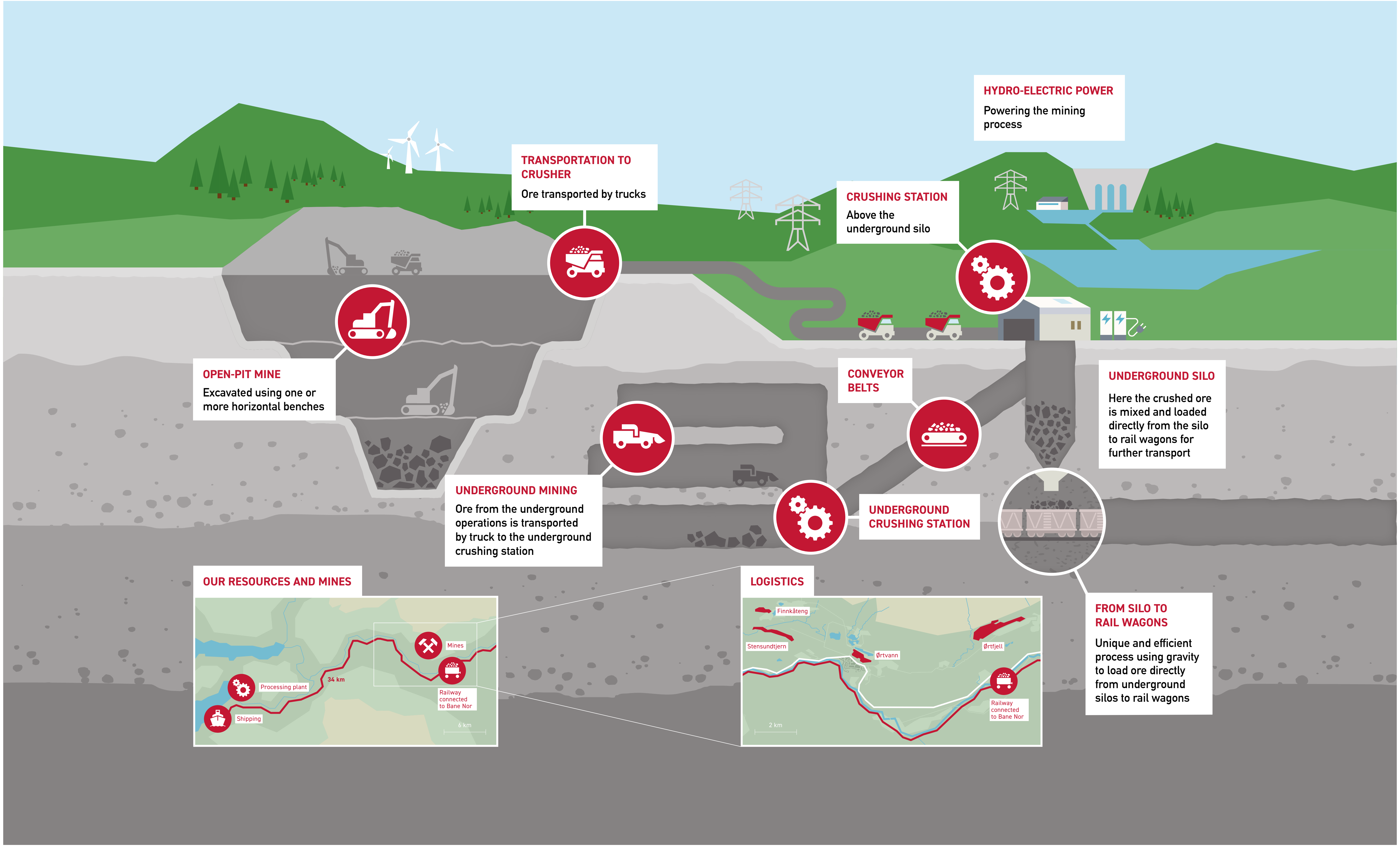
Rana Gruber's operations consist of three separate activities:

- Mining of iron ore from local open-pit and underground mines
- Rail transport of iron ore from the mines to the processing plant
- Extraction of hematite and magnetite in the processing plant, and production of Colorana.

The company operates at the beginning of the value chain for the ferrous industry. After the production of iron ore concentrate and Colorana, the products are shipped to different industries, mainly to steel producers, water treatment chemicals producers, and paint producers.

VALUABLE MINERALS

Iron ore is an essential component for the global steel industry. Steel made from iron ore is used for construction, automobile manufacturing, and other industrial applications. Rana Gruber produces and sells iron ore concentrate mainly to European steel mills. China is one of the largest drivers of the global demand for iron ore.



HYDRO-ELECTRIC POWER
Powering the mining process
TRANSPORTATION TO CRUSHER
Ore transported by trucks
CRUSHING STATION
Above the underground silo
OPEN-PIT MINE
Excavated using one or more horizontal benches
CONVEYOR BELTS
UNDERGROUND SILO
Here the crushed ore is mixed and loaded directly from the silo to rail wagons for further transport
UNDERGROUND MINING
Ore from the underground operations is transported by truck to the underground crushing station
UNDERGROUND CRUSHING STATION
OUR RESOURCES AND MINES
Processing plant
34 km
Mines
Railway connected to Bane Nor
Shipping
6 km
LOGISTICS
Finnkåteng
Stensundtjern
Ørtvann
Ørtfjell
Railway connected to Bane Nor
2 km
FROM SILO TO RAIL WAGONS
Unique and efficient process using gravity to load ore directly from underground silos to rail wagons

Resources and mines

Rana Gruber operates its own mines with iron ore deposits. The mines are located 32 kilometres northeast of the city Mo i Rana in Norway, in Storforshei and Ørtfjell in the Dunderland Valley. The iron ore mining takes place at the company's iron ore deposits at Ørtfjell in both open-pit and underground mines. Rana Gruber's processing plant is also located near Mo i Rana, more precisely in Gullsmedvik, with direct access to the company's own port and railway connection.

The ore estimate from November 2021 shows that the company possesses a vast resource base exceeding 444 million metric tons. Of these 444 million metric tons of resources, 94 million metric tons have been classified as reserves.

The company has an on-going exploration drilling program to expand the resource and reserve bases. More detailed knowledge of the geological and physical properties of the rock masses also provides more precision in the long-term mine plan. The exploration drilling was previously handled by external providers but is now carried out in-house.

The Ørtfjell deposit is Rana Gruber's main deposit and located on the company's own property. It is connected to the existing infrastructure, including silo, crusher, railway, and a network of roads. The deposit contains 72 per cent of the company's total resources and 69 per cent of the reserves and will be mined for several decades.

There are three smaller deposits in areas called Finnkåteng, Ørtvann, and Stensundtjern. The company also has exploration licence in one further deposit, in an area called Dunderland, outside of the company's property.

Start of mining at the Stensundtjern deposit is expected in the next few years.

Favourable logistics

Rana Gruber benefits from the advantageous topography of its production sites. The logistics, mining, and processing is largely based on gravity, which enables energy-efficient operations.

ORE LOADED DIRECTLY FROM SILO TO RAIL WAGONS
Efficient process uses gravity to load ore directly from underground silo to rail wagons.

CONNECTION TO PUBLIC RAILWAY
Fully loaded rail wagons connect directly to the public railway (Nordlandsbanen) and move to the processing plant. The processing plant is located lower in the landscape than the mines, enabling a transportation of iron ore that requires minimal amounts of energy. Railway maintenance is covered by the state enterprise (Spordrift).

SHORT DISTANCE TO PROCESSING PLANT
The processing plant is located only 32 km from the mines.

PROCESSING
The processing plant is integrated with the shipping location at Rana Gruber's own port.

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

SHIPPING AND TRANSPORT
Every month, two or three Panamax vessels are loaded with hematite, and two or three short sea vessels are loaded with magnetite. The Colorana® iron oxide pigments are packed into bags and placed on pallets for dispatch via truck or a combination of truck and rail transport to the final customer.

Products for a healthy world

Rana Gruber has three products: hematite, magnetite, and the specialised product Colorana. Of these, hematite constituted 94 per cent of the total production in 2022.

Hematite

Hematite is used in metallurgical applications. Key customers are large steel manufacturers, mainly in Europe. Rana Gruber has an off-take agreement with Cargill until 2030 for its entire hematite production, in which Cargill assists the company with sales, marketing, technical support, product development, and risk management. The end market is that of processed steel to, among other things, buildings, infrastructure, and the automotive industry. The demand drivers for hematite are largely associated with infrastructure projects, construction, and the automotive industry.

Magnetite

Magnetite from Rana Gruber is a chemical-free iron oxide concentrate. Key customers for the magnetite concentrates are within the chemical industry, mostly the European water purification industry.

Rana Gruber has a leading position in this market. In addition to water treatment, the magnetite concentrates are applied in a variety of products, such as cosmetics.

The company has announced a strategic initiative to increase the production of magnetite, following increased demand and premium pricing.

Colorana®

The specialised product Colorana is based on magnetite concentrate and is used both for colorants and highly advanced products such as brake linings, magnetic stripes, and chemical processes. Customers are located all over the world and are within a diverse group of industries or market segments, such as concrete, paint, plastics, the automotive industry, heat management, and toner production. The demand for Colorana depends on growth within the above range of industries and markets.

RANA GRUBER | COLORANA®

Strategic priorities

Rana Gruber has three major strategic development projects.

ON TRACK TO ZERO CO_2 EMISSIONS

Today, Rana Gruber has among the industry's lowest carbon emissions. The ambition is to go even further and eliminate all carbon emissions by the end of 2025.

There are four reasons for the company to become carbon free.

- **Social responsibility.** The steel industry is responsible for seven to eight per cent of global carbon emissions. Rana Gruber wants to pave the way for the industry and become the world's first carbon free iron ore producer.
- **Cost reduction.** Replacing an annual consumption of 5 million litres diesel with renewable power will be cost saving.
- **Price premium.** Iron ore concentrate which is produced in a more sustainable way will help the steel mills to reach their emission goals. This is expected to give sustainably produced iron ore a price premium.
- **Investment attractivity.** Being compliant to future expectations will make Rana Gruber a more attractive investment.

One of the company's advantages for achieving an industry-leading carbon footprint is the location of the deposits. They are located close to the processing plant and port. The deposits are also higher above the sea level. This enables a short downhill railway transport of the ore, which requires minimal amounts of energy. In addition to this, Rana Gruber is located in an area with good access to renewable power.

Becoming carbon free includes substitution of fossil energy-powered mobile machinery and rail transport to sustainable alternatives. The mining equipment, vehicles, railway, and underground mine heating facility will be electrified, or else replaced with a non-fossil fuel alternative.

This is a difficult challenge, as the machinery needs to handle large and heavy masses of iron ore. The company's execution plan has three parts: that which concerns the underground mine, that which concerns the open-pit mine, and that which concerns the rail transport.

For the underground mine, a gradual process of replacing equipment is on-going. The same applies to the planning of the on-site infrastructure needed for electrified operations. The new infrastructure involves both an efficient charging structure and safety measures. This work is done in close cooperation with external advisors and suppliers to identify and plan the best solutions.

For the open-pit mine, the production in Ørtfjell will continue with today's operations facilities until the company has exhausted the reserves of the deposit in 2024. Future open-pit production in the Stensundtjern deposit will be carbon free. But the company has not yet decided whether it will operate the mine with in-house personnel or if it will make use of external providers.

For the rail transport, there is an on-going project with Sintef and other players to investigate the pros and cons of electricity-based solutions and hydrogen-based solutions. Their recommendation is expected to be finalised in the first half of 2023.

Rana Gruber desires to be at the forefront of sustainable mining.

GETTING READY FOR FE65

The market prices for hematite concentrate depend on the iron content in the shipped products. The demand and prices are higher for hematite with higher iron content. The higher demand is due to environmental advantages with higher iron content, and the environmental responsibilities facing the steel industry. Most European steel mills aim to reduce emissions by around 30 per cent before 2030, and to be carbon neutral before 2050. Hematite with higher iron content will enable steel mills to use less hematite concentrate in their production, which again leads to less carbon emissions and waste. This is why Rana Gruber wants to increase the minimum iron content in the hematite product from around 63 per cent to 65 per cent.

Considerable R&D work is done to find the optimal production method, so that production volumes are stable on a high level although the iron content increases. The company also works to upgrade the processing plant, based on this R&D work.

Another measure in this project is preparing the market to receive the improved product.

The pricing based on the Platts Fe65% index depends on approval of the product quality by the steel mills that receive it. Once the steel mills receiving the iron ore produced by Rana Gruber have approved of the product quality, the contractual terms can be negotiated, and the pricing can be based on the Platts Fe65% index. This is expected to happen during 2025.

Fossil fuel-powered machinery will be replaced with non-fossil fuel alternatives.

INCREASING MAGNETITE PRODUCTION VOLUMES

M40 is a unique, natural, chemical free, high-grade magnetite concentrate with demand exceeding the supply. The target is to increase the M40 volume by 50 per cent.

Rana Gruber's magnetite concentrate is sold to European chemical producers, mostly the European water purification industry.

There are two reasons why the company wants to increase its magnetite production. The first reason is that there is a high demand for the magnetite. Magnetite is usually utilised in steel production. But since Rana

Gruber does not use chemicals in its production, the magnetite is clean and therefore suitable for a product used in water purification. The demand for water treatment products based on magnetite is very high and Rana Gruber often gets requests from players wanting to buy the magnetite. But with the current production level, the company cannot meet this demand.

Another reason for a desired increase of the magnetite production is that the company's revenues from magnetite provide security in times with fluctuating prices for hematite.

To increase the magnetite production, Rana Gruber has completed the design of the processing plant and planned the organising of the upgrade. The next step is to order the equipment needed. This is part of the integrated process to upgrade the processing plant, which will also enable the company to increase the minimum iron content in the hematite product from around 63 per cent to 65 per cent.

The plan is to increase today's magnetite production volume of 100 000 metric tons per year, by 50 per cent by the end of 2024.

Strategic partnership for carbon free mining

In November 2022, Rana Gruber signed a letter of intent with the global engineering and mining equipment supplier Sandvik. The partnership secures supplies of equipment and planning of the on-site infrastructure to make the operations of Rana Gruber carbon free.

"The goal is to be the world's first carbon free iron ore producer before the end of 2025. One of the main challenges to reach this goal is to replace all machinery that runs on fossil fuel with new electric machinery. We are happy for this agreement with Sandvik, which is vital to reach our goal," says Gunnar Moe, CEO of Rana Gruber.

According to the agreement, Sandvik will deliver battery-powered machines and help Rana Gruber adapt and organise the operations to make best use of the new machines.

"In Rana Gruber's 24/7 operations, the machines need change of batteries five to seven times a day. We will help Rana Gruber to find out where it is best to establish locations for changing and charging the batteries based on how the machines will be used inside the underground mine", says Christian Bjorne, Vice President for Sandvik's operations in Northern Europe.

The project will be financed with earnings from operations and with a public support scheme from Enova. The company is in dialogue with Enova regarding this. Rana Gruber's CEO is confident that the investment will be profitable – both through decreased operating costs and through premium prices for products with a low carbon footprint. The investment will also have further benefits.

"Our strategic choice to become carbon free makes a difference to the climate. Electrification will contribute to remove the company's emissions of CO_2, which are currently 8.47 kilograms CO_2 equivalents per tonne produced iron ore. It will also be beneficial for the health of our employees. Without diesel-powered machines in the mine, the air will be cleaner, and less ventilation will be needed", says Moe.

VALUE CREATION AWARD

In December 2022, Rana Gruber was awarded the local jobs and value creation award by the Nordland county part of the Confederation of Norwegian Enterprise (NHO) – Norway's largest organisation for employers, and the leading business lobbyist representing more than 30 000 companies. The jury's statement was as follows:

"The company operates the adventure that has created growth in Rana for more than 200 years. The company has secured unique expertise on iron ore in the region, which has made the region significant in a European context. The company of the month has shown growth and restructuring in recent years, it contributes to an attractive local community and produces iron ore – for December, the award therefore goes to Rana Gruber AS!"

The partnership with Sandvik secures supplies of equipment and assistance relating to planning of the on-site infrastructure to make the operations of Rana Gruber carbon free.

OVERWHELMED BY THE CONTROL ROOM

"I still remember when I entered the control room and saw all the screens. Then I thought – those who understand all this, they must be incredibly skilled", which I also wanted to be.

So I applied for an apprenticeship here, and then ended up with a permanent job as an operator afterwards," says Sandra Robertsen, technical supervisor in Rana Gruber.

How did you end up at Rana Gruber?

"It all started when I was on a tour with my chemistry and process class. Then we visited several companies, and for my part, Rana Gruber stood out positively. The company had a lot of equipment to keep track of, which I was looking for as a future operator."

Sandra says that her workdays vary greatly in terms of tasks. But she always starts the day by visiting the control room to get a quick overview of the status of the processing plant, as well as having a little chat with the control room operator.

"Then I go into the office to prepare for the morning meeting where I look deeper into what has happened in the production process, and what measures need to be taken to meet our quality standards. After the meeting, workdays are very different, but they are usually made up of observation of the operations in the mines and processing plant, analysing data about the operations, meetings, Lean 5S, and other procedures.

THE COMPANY HAS CHANGED

How do you think the company has developed since you started six years ago?

"I feel that Rana Gruber has changed a lot as an employer since I first started at the company. The transition to a listed company was noticeable to most employees. One had to deal with new stricter information policies, as well as some organisational changes. Personally, I like to have clear rules, as long as it is feasible to work with those rules in practice."

Sandra highlights the installations of new equipment in particular as an interesting challenge at work.

"I find it extra exciting with new equipment, as I get to be more involved in the process from planning until the equipment has become part of the operations."

GOOD WORK ENVIRONMENT

Sandra speaks warmly about the work environment at Rana Gruber.

"People stay serious when it comes to work, but there is also room for joking and banter during the coffee break. There is a good mix of personalities in the company, so there is no need to try to be anyone but yourself."

Working in a male-dominated company does not scare her.

"I do not think about the gender of my colleagues. I feel confident being myself and laugh a lot at work."

She is optimistic for the future of both the company and the local community.

Why should young people apply to Rana Gruber?

"Rana Gruber is a safe and stable workplace that is constantly developing. As an employee, you get opportunities to develop, and you are offered courses and other useful training. You will never stop developing, as new challenges constantly arise. You work in a team but also independently. In addition to exciting tasks, you also get to work with wonderful people who make the workday much easier."

What is most important to you, at work and in your private life?

"At work, it is to develop in line with the company and to be a good colleague. In private life, I want to be happy," Sandra concludes, before rushing into another operations meeting with good colleagues.

NAME:
SANDRA ROBERTSEN

AGE:
AGE: 26

POSITION:
Technical supervisor

EDUCATION:
Certificate in chemistry and process, and vocational school process engineering

WORK EXPERIENCE:
Operator in the processing plant for five years, technical supervisor for one year. Spinning instructor on the side.

BOARD OF DIRECTORS

MORTEN STØVER

(born in 1957)

Chair since 2020 (independent)

MSc in economics from BI Norwegian Business School, and multiple leadership courses from i.a. IMD.

Several management positions at Nordlands-banken/DNB.

Chair of Eksportfinansiering Norge, Løvold Solutions AS, Elektro AS, Nofir AS, and Linpro AS. Director of Sykehusapotek Nord og Cetho Holding AS.

Støver held 6 000 shares at 31 December 2022.

Støver attended ten board meetings in 2022.

HILDE ROLANDSEN

(born in 1963)

Director and member of the audit committee since 2022 (independent)

MSc in economics.

Various positions at Elkem for 23 years, plant director at Renewable Energy Corporation for two years, and ownership director at Helse Nord for 11 years.

Rolandsen held no shares at 31 December 2022.

Rolandsen attended nine board meetings in 2022.

RAGNHILD WIBORG

(born in 1961)

Director since 2021 (independent)

BSc in finance and macroeconomics from Stockholm School of Economics and Business Administration.

Involvement in several boards in Norway and Sweden, CEO and investment director in fund management in Norway and Sweden, chair of audit and risk committees

Chair of ENERGIA, Papershell, Cerebrum Invest, and WKAB. Director of Kistefos and Intrum.

Wiborg held 3000 shares at 31 December 2022 (owned through Cerebrum Invest AS).

Wiborg attended ten board meetings in 2022.

FRODE NILSEN

(born in 1963)

Director since 2008

BA in civil engineering from Narvik Engineering School, MSc in civil engineering from the Norwegian University of Science and Technology, with specialisation in tunnels and mining.

Site engineer for four years, project manager for six years, project director for four years, and CEO for 15 years at Leonhard Nilsen & Sønner AS.

Chair of Leonhard Nilsen & Sønner, a material business contact to Rana Gruber, LNS Spitsbergen, LNS Mining, and Hålogaland Element. Director of LNS Ocean, and Andøy Energi.

Nilsen held 20 250 shares at 31 December 2022 (additional 11 689 265 shares owned through Leonhard Nilsen & Sønner Eiendom, and 70 000 through TunComp AS).

Nilsen attended nine board meetings in 2022.

KRISTIAN A. ADOLFSEN

(born in 1961)

Director since 2017

MSc in business and economics (No. Siviløkonom) from the Norwegian School of Management (Handelshøyskolen BI) and MBA from University of Wisconsin, Madison, USA.

Developed an international company with 27 000 employees over the past 30 years.

Chair and director of more than one hundred companies.

Adolfsen held 2 865 414 shares at 31 December 2022 (owned through several companies).

Adolfsen attended ten board meetings in 2022.

JOHAN HOVIND

(born in 1969)

Club leader and worker director since 2020 (independent)

Certificate in metallurgical processes.

30 years of experience from industrial companies in Rana.

Hovind held 606 shares at 31 December 2022.

Hovind attended 10 board meetings in 2022.

LASSE ORLANDO STRØM

(born in 1990)

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

Concrete worker certificate.

Concrete worker at Helgeland Betong for three years.

Strøm held 653 shares at 31 December 2022.

Strøm attended nine board meetings in 2022.

HENRIETTE ZAHL PEDERSEN

(born in 1995)

Operator and team leader since 2020 and worker director since 2023 (independent)

Upper secondary education in the field of automation and certificate as automation technician.

One and a half years as apprentice, two and a half years as automation technician, and five years as team leader at Rana Gruber.

Zahl Pedersen held 1 000 shares at 31 December 2022.

Zahl Pedersen was elected as director in November 2022 and did not attend any board meetings in 2022.

MANAGEMENT TEAM

GUNNAR MOE

CEO since 2017 (and 2010–2013)

BA in Pedagogy from Nesna University College.

Teacher in Rana for 13 years, journalist and editor at Rana Blad for 10 years, head of personnel and administration at Rana Gruber for three years, CBDO at Momek Group for two years, and CBDO at Leonhard Nilsen & Sønner for two years.

Moe held 15 733 shares at 31 December 2022.

ERLEND HØYEN

CFO since 2020

BA in Economics and Administration from Trondheim Business School, and MSc in Financial Economics from BI Norwegian Business School.

Business controller at TDC Norge AS for two years, controller manager at TDC Norge AS for three years, senior associate at PricewaterhouseCoopers AS for one year, field economist/controller at Rana Gruber for two years, and procurement manager at Rana Gruber for five years.

Høyen held 10 000 shares at 31 December 2022.

DR. STEIN-TORE LILJENSTRÖM

COO since 2016

Master of Science from Umeå University, and PhD in Physical Chemistry from Umeå University.

Department manager at Molab AS for six years, plant manager at Rana Gruber for five years, production manager at Rana Gruber for four years, and CEO at Glør AS for one year.

Liljenstöm held 9 920 shares at 31 December 2022.

ANITA BRATTAAS MIKALSEN

HR director since 2020

Various positions at the Norwegian police for 22 years, head of personnel at Rana Gruber for three years, and head of HR at Rana Gruber for five years.

Mikalsen held 606 shares at 31 December 2022.

SHAREHOLDER INFORMATION

Rana Gruber aims to be an attractive investment for shareholders, delivering competitive return through sustained growth and an attractive dividend policy.

The share is listed on the Oslo Stock Exchange and the ticker code is RANA. Rana Gruber ASA has one share class, and all shares have equal rights and are freely transferable. Each share grants the holder one vote and there are no structures granting disproportionate voting rights. The nominal value of the share is NOK 0.25. Total number of shares issued is 37 085 092.

At 31 December 2022, Rana Gruber's market value was NOK 1.90 billion. The average daily volume of Rana Gruber shares traded on Oslo Stock Exchange was 164 124, equivalent to 0.44 per cent of the total number of Rana Gruber shares issued at year-end, and yielding an average daily turnover of NOK 8 817 412.

SHARE PRICE

Rana Gruber's share price opened at NOK 47.80 on 3 January 2022 and closed at NOK 51.0 on 30 December 2022. During 2022, the share traded between NOK 38.75 and NOK 67.24 per share.

DIVIDENDS

Pursuant to the company's dividend policy, the company targets to distribute 50-70 per cent of its adjusted net profit as quarterly dividends. The board of directors may decide that up to 30 per cent of the allocated dividend amount can be applied for acquisition of Rana Gruber shares.

According to the company's dividend policy, the adjusted net profit shall constitute the IFRS based net profit after tax, adjusted for unrealised gains and losses from the portfolio of hedging positions related to iron ore and currency. The relevant hedging positions are those related to shipments initiated in the quarter of reporting for which the final price is concluded in the subsequent quarter. From the fourth quarter of 2022, unrealised positions of electric power is included in the net financial income and adjusted for in the adjusted net profit.

The board also has power of attorney to adjust for extraordinary events which do not count as being part of the company's core business.

The board has the flexibility to utilise approximately 30 per cent of the estimated dividend payments to repurchase Rana Gruber shares for subsequent redemption and reduce the dividend payments correspondingly. Any buyback program to achieve the same purpose for future quarters will be announced separately.

Rana Gruber distributed total dividends of NOK 6.16 per share in 2022.

SHARE PRICE DEVELOPMENT

Click or scan the QR code for access to the share price development at Oslo Stock Exchange.

DIVIDEND DISTRIBUTION

	Dividend per share	DPS/EPS	Date of approval	Ex-date	Payment date
Q4 2022	NOK 3.00	70%	15 February 2023	17 February 2023	1 March 2023
Q3 2022	NOK 1.05	70%	9 November 2022	14 November 2022	24 November 2022
Q2 2022	NOK 1.51	70%	23 August 2022	26 August 2022	7 September 2022
Q1 2022	NOK 2.09	70%	11 May 2022	16 May 2022	25 May 2022
Q4 2021	NOK 1.51	70%	10 February 2022	15 February 2022	23 February 2022
Extraordinary dividend	NOK 2.50	-	8 December 2021	9 December 2021	20 December 2021
Q3 2021	NOK 1.05	70%	9 November 2021	12 November 2021	22 November 2021
Q2 2021	NOK 3.86	70%	25 August 2021	30 August 2021	8 September 2021
Q1 2021	NOK 2.90	70%	11 May 2021	18 May 2021	26 May 2021
Prior to admission for trading	NOK 0.74	-	-	-	-

TREASURY SHARES

At 23 February 2022, the company completed a buyback program of Rana Gruber shares. After approval by the shareholders at the general meeting on 22 March, the company deleted 306 908 treasury shares on 27 May. Following the share capital reduction, the share capital of Rana Gruber ASA is NOK 9 271 273 divided into 37 085 092 shares.

SHAREHOLDERS

At 31 December 2022, Rana Gruber had 6 398 shareholders, of which the 20 largest held 59.1 per cent of total shares. Non-Norwegian shareholders owned 6.9 per cent of the shares. Leonhard Nilsen & Sønner – Eiendom was the largest shareholder with 20.46 per cent of the shares.

THE 20 LARGEST SHAREHOLDERS AT 31 DECEMBER 2022

	Shareholder	Number of shares	Per cent holding
1	Leonhard Nilsen & Sønner - Eiendom	7 589 265	20.46%
2	Morgan Stanley & Co. Int. Plc.	2 607 351	7.03%
3	HI Capital AS	2 224 465	5.99%
4	Zolen & Månen AS	1 350 000	3.64%
5	Grafo AS	1 202 113	3.24%
6	Eidissen Consult AS	1 189 991	3.21%
7	A.H. Holding AS	1 168 008	3.15%
8	Nordnet Livsforsikring AS	652 114	1.76%
9	The Northern Trust Comp, London Br	578 506	1.56%
10	Songa Capital AS	502 697	1.36%
11	Klevenstern AS	436 690	1.18%
12	Mecca Invest AS	436 690	1.18%
13	State Street Bank and Trust Comp	344 821	0.93%
14	The Bank of New York Mellon SA/NV	276 752	0.75%
15	Brown Brothers Harriman & Co.	273 247	0.74%
16	The Bank of New York Mellon	241 294	0.65%
17	Clearstream Banking S.A.	231 626	0.62%
18	Nordnet Bank AB	222 316	0.60%
19	Kara Invest AS	204 259	0.55%
20	The Bank of New York Mellon	201 100	0.54%
	Total 20 largest shareholders	**21 933 305**	59.14%

ANALYSTS

Four analysts are covering Rana Gruber, providing market updates and estimates for Rana Gruber's financial development.

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FINANCIAL CALENDAR 2023

12 April 2023:	Annual General Meeting
11 May 2023:	Report for Q1 2023
29 August 2023:	Report for Q2 and H1 2023
15 November 2023:	Report for Q3 2023

Rana Gruber has established guidelines for the company's reporting of financial and other information based on the ideal of transparency and equal treatment of all participants in the securities market.

CORPORATE GOVERNANCE STATEMENT

Rana Gruber seeks to maintain high standards for corporate governance and believes that good corporate governance is an important prerequisite for value creation.

The company's shares were admitted for trading on Euronext Growth Oslo in February 2021 and uplisted to the main list at the Oslo Stock Exchange on 28 March 2022. Rana Gruber is therefore required to issue an annual corporate governance statement in accordance with section 3-3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance; cf. section 7 on the continuing obligations of stock exchange listed companies.

The board of directors ("the board") of Rana Gruber has prepared and approved a corporate governance policy that describes the company's main principles for corporate governance and establishes a framework of guidelines and principles that regulate the relationship between the company's shareholders, the board, the chief executive officer ("CEO"), and the other management positions of the company.

Corporate governance at Rana Gruber shall be based on the following main principles:

- Rana Gruber shall at all times comply with all laws and regulations that apply to the company.
- The board shall ensure that the company has appropriate corporate governance.
- The company shall at all times seek to comply with the recommendations in the Norwegian Code of Practice for Corporate Governance. If, in the opinion of the board, there are special considerations which indicate that the company should deviate from any of these recommendations, the board must provide a justification for any deviance. In each annual report, the board will give a statement on the company's corporate governance.
- The company's operations must be conducted in accordance with high ethical standards. The company shall actively take social responsibility.
- The company must create value for shareholders in a sustainable way. In its work, the board shall take into account economic, social, and environmental conditions.
- The board shall ensure that the company has clear goals and strategies for its operations.
- The company should have equity that is adapted to the company's goals, strategy, and risk profile.
- The board shall ensure that the company has a clear and predictable dividend policy.
- The company shall avoid any unreasonable discrimination of shareholders.
- The company's transactions with related parties shall be based on normal business terms and the arm's length principle.
- The company's shares must be freely tradeable.
- The board of directors should facilitate the participation of as many shareholders as possible at the company's general meeting, so that shareholders can exercise their rights.
- The board shall ensure that the company has good internal control and appropriate systems for risk management in relation to the scope and nature of the company's activities.

Rana Gruber's corporate governance principles have been developed in accordance with the Norwegian Accounting Act §3-3b and based on the current Norwegian Code of Practice ("the Code") for Corporate Governance, most recently issued on 14 October 2021. The Code is available at www.nues.no.

A review of Rana Gruber's compliance with the Code's recommendations follows herein.

1. IMPLEMENTATION OF AND REPORTING ON CORPORATE GOVERNANCE

Rana Gruber's corporate governance principles are determined by the board, which has the overall responsibility for ensuring that the company has a high standard of corporate governance. The board has prepared a corporate governance policy document addressing the framework of guidelines and principles which regulate the interaction between the shareholders, the board, and the CEO.

The corporate governance policy can be changed by the board and will be reviewed by the board on a regular basis.

Deviations from the Code: None

2. BUSINESS

Rana Gruber is a Norwegian iron ore producer established in 1964, with operations based on more than 200 years of mining experience. The business purpose is set out in the company's articles of association and reads as follows:

"The company's objective is to conduct production and sales of mining products and related activities, and, through economically sound business operations, create lasting and safe jobs in the company. The company shall seek to develop new products and businesses, and the company may participate in other companies as owner or to fulfil the above objectives."

It follows from the company's corporate governance principles that the company must create value for shareholders in a sustainable way, for which purpose the board has defined clear objectives, strategies, and risk profiles related to the company's business activities. In its work, the board shall consider economic, social, and environmental conditions.

The board of directors evaluates these objectives, strategies, and risk profiles on a yearly basis.

Deviations from the Code: None

3. EQUITY AND DIVIDENDS

The board is committed to maintain a satisfactory capital structure for the company to support its goals, strategy, and risk profile, thereby ensuring that there is an appropriate balance between equity and other sources of financing. The board will continuously assess the capital requirements related to the company's strategy and risk profile.

Equity

At 31 December 2022, the company's equity totalled NOK 823.1 million, which corresponds to an equity ratio of 57.0 per cent. The board considers Rana Gruber's financial position to be solid with the necessary capacity to support its objectives, strategy, and risk profile.

Dividends

According to the company's dividend policy, the adjusted net profit shall constitute the IFRS based net profit after tax, adjusted for unrealised gains and losses from the portfolio of hedging positions related to iron ore and currency. The relevant hedging positions are those related to shipments initiated in the quarter of reporting for which the final price is concluded in the subsequent quarter. From the fourth quarter of 2022, unrealised positions of electric power is included in the net financial income and adjusted for in the adjusted net profit.

The board has the flexibility to utilise approximately 30 per cent of the estimated dividend payments to repurchase Rana Gruber shares for subsequent redemption and reduce the dividend payments correspondingly. Any buyback program to achieve the same purpose for future quarters will be announced separately.

When deciding whether to propose a dividend and when determining the dividend amount, the board of directors will take into account legal restrictions as well as capital expenditure plans related to announced strategic projects, financing requirements, and the volatile nature of the market in which the company operates.

During the financial year 2022, the company's board of directors has resolved to distribute total dividends of NOK 6.16 per share, equal to NOK 228.8 million. In addition the company puchased NOK 14.2 million in treasury shares.

Board mandates

At the annual general shareholder meeting in 2022, the board was granted the following mandates:

"The board of directors is authorised pursuant to the Public Limited Companies Act section 8-2 (2) to approve the distribution of dividends based on the company annual accounts for 2021. The authorisation shall remain in force until the annual general meeting in 2023. The authorisation is not valid until it is registered with the Norwegian Register of Business Enterprises."

"The board of directors is authorised pursuant to the Public Limited Liability Companies Act section 9-4 to acquire shares in the company ("own shares") on behalf of the company with an aggregate nominal value of up to NOK 934 800 (corresponding to 10 per cent of the company's share capital). The authority also encompasses contractual pledges over own shares. When acquiring own shares, the consideration per share may not be less than NOK 1 and may not exceed NOK 400. The board of directors determines the methods by which own shares can be acquired or disposed of. The authority shall remain in force until the annual general meeting in 2023, but in no event later than 30 June 2023. With effect from the time of registration of this authority with the Norwegian Register of Business Enterprises the previous authority to acquire own shares is withdrawn."

Both mandates are valid until the annual general meeting in 2023.

In the event that a board mandate is proposed, the mandate should be limited to a specific purpose and treated as a separate issue, subject to vote by the shareholders at the general meeting. Board authorisations are valid for the period of time determined at the shareholders' meeting. The board's authorisations to increase the share capital or buy Rana Gruber shares will normally only be given for an interval lasting no longer than until the next annual general meeting after the authorisation is given.

Deviations from the Code: None

4. EQUAL TREATMENT OF SHAREHOLDERS

Rana Gruber has a single class of shares, and all shares carry the same voting and dividend rights. It follows from the company's guidelines for investor relations that all communication with shareholders shall be based on equal treatment.

Any decision to waive the pre-emption rights of existing shareholders to subscribe for shares in the event of an increase in share capital shall be justified. In the event that the board of directors resolves to carry out an increase in share capital and waive the pre-emption rights of existing shareholders on the basis of a mandate granted to the board, the justification for the increase will be publicly disclosed in a stock exchange announcement.

Deviations from the Code: None

5. SHARES AND NEGOTIABILITY

Rana Gruber's shares are freely tradeable and there are no restrictions on the ability to own, trade, or vote for the shares.

Deviations from the Code: None

6. ANNUAL SHAREHOLDERS' GENERAL MEETING

Notice of the annual general meeting

Rana Gruber's highest decision-making body is the group of shareholders at the annual general meeting. All shareholders have the right to participate in the general meetings of the company. It follows from Rana Gruber's corporate governance principles that the board of directors shall facilitate the participation of as many shareholders as possible at the general meeting, so that they can exercise their rights. The general meeting for 2023 will take place 12 April 2023.

The full notice for general shareholder meetings shall be sent to the shareholders no later than 21 days prior to the meeting. The board will ensure that the notice includes information about resolutions and that supporting information is sufficiently detailed to allow shareholders to form a view on all matters to be considered at the meeting.

Shareholders will be able to vote on each individual proposition, including on each individual candidate nominated for election.

Shareholders who wish to participate in a general shareholder meeting, shall notify the company of this within a deadline which is set out in the notice of the general meeting, and which cannot be set earlier than five days prior to the meeting. The cut-off for confirmation of attendance shall be set as short as practically possible.

Shareholders may also send notification of their attendance, using the form provided, by post or email to the company's account manager, DNB, or via the company's website, www.ranagruber.no.

In accordance with article 7 of the company's articles of association, documents relating to matters to be addressed at a general meeting of shareholders may be made available on Rana Gruber's website. The same applies to documents which by law must be included in or attached to the invitation to attend the general meeting. If the documents are made available in this way, the statutory requirement with respect to distribution to shareholders is not applicable. A shareholder may ask to be sent documents relating to matters to be discussed at the general meeting. The company cannot demand any form of compensation for sending the documents to the shareholders.

Meeting chair and voting

The board of directors, the chair of the nomination committee, and the company's auditor are expected to attend the general meetings. The shareholders at the general meeting elect a person to chair the meeting. The board of directors shall ensure that the shareholders at the general meeting are able to elect an independent chair.

Shareholders who are unable to attend a general meeting may cast an advance vote on matters to be considered at general meetings of the company. Such votes can also be cast by electronic communication. The right to vote in advance is conditional on the existence of a reassuring method for authenticating the sender. The board decides whether such a method is appropriate prior to the individual general meeting and may lay down more detailed guidelines for written advance votes. It shall be stated in the notice of the general meeting whether access to advance voting has been granted and what guidelines may be laid down for such voting.

Shareholders unable to attend may also vote by proxy and the company will nominate a person who can act as a proxy for shareholders. The procedures for electronic voting and proxy voting instructions are described in the meeting notification and published on the company website. The form provided by the company for shareholders to appoint a proxy should be drawn up so that separate voting instructions can be given for each matter to be considered at the meeting and for each of the candidates nominated for election.

Minutes of the general meeting will be published as soon as possible via the Oslo Stock Exchange's messaging service www.newsweb.no (ticker: RANA) and on the company's website www.ranagruber.no.

Deviations from the Code: None

7. NOMINATION COMMITTEE

Rana Gruber has appointed a nomination committee as required by article 8 of the company's articles of association. At 31 December 2022, the nomination committee consisted of the following members:

- Leif Teksum, chair, elected in March 2021 for two years
- Lisbeth Flågeng, member, elected in March 2021 for two years
- Robert Sotberg, member, elected in December 2021 until March 2023

The guidelines for the nomination committee have been approved by the shareholders at the general meeting. The primary tasks of the nomination committee are, at the general meeting, to recommend and propose candidates and remuneration for the company's directors and nomination committee, and remuneration to the members of the board committees. The recommendation will include a proposal for appointment of a chair and deputy chair to be elected by the shareholders at the general meeting. The members of the nomination committee's fees shall be determined by the shareholders at the general meeting.

According to the articles of association, the nomination committee shall consist of three members, including the chair, and the nomination committee members shall be shareholders or representatives of shareholders. The members of the nomination committee, including its chair, have been elected by the shareholders at the general meeting. The members of the nomination committee's period of service shall be two years unless the shareholders at the general meeting decide otherwise.

The nomination committee shall be composed so that the interests of the shareholder community are taken into account, and the members shall be independent of the company's board and executive management team.

In its work to propose candidates, the nomination committee shall contact, among others, the largest shareholders, board members, and the day-to-day management. A justification for proposing a candidate will be provided for each candidate.

The nomination committee's recommendation to the general meeting regarding the election of shareholder-elected board members, members of the nomination committee, and fees should be available early enough to be sent to the shareholders together with the notice of the relevant general meeting.

Information regarding the composition of the nomination committee, which members are up for election, and how input and proposals may be submitted to the committee is posted on Rana Gruber's website under "Investors".

Deviations from the Code: None

8. BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE

Composition

According to article 5 of Rana Gruber's articles of associations, the board shall consist of a minimum of three and a maximum of eight directors. Directors are elected by the shareholders at the general meeting for a period of two years. The shareholders at the general meeting elect the chair of the board and the deputy chair of the board.

Proposed candidates for the board of directors shall have the necessary experience, competence, and work capacity, and there should be an appropriate replacement for each individual holding a position. The board should be composed so that it can safeguard the interests of the shareholder community and the company's need for competence and diversity. When appointing candidates to the board, it should be taken into account that the board aims to function as a collegial body.

At 31 December 2022, Rana Gruber's board consisted of

eight directors, five of which were elected at the company's general meeting at 18 March 2021 for a period of two years. Three directors were elected by and among the employees in November 2022 for a two-year period. The current composition of the board is presented on page 32-33 of this report, including an overview of each individual board director's independence, competence, and attendance at board meetings.

Directors are encouraged to own shares in the company. At 31 December 2022, seven of the directors held shares in Rana Gruber.

Independence of the board

Rana Gruber's board is composed such that it is able to act independently of any special interests. All directors of the board of directors are independent from the company's executive management. Being the chief executive officer of Leonhard Nilsen & Sønner – Eiendom AS, Frode Nilsen is not independent from the company's largest shareholder, Leonhard Nilsen & Sønner – Eiendom AS, which is also a material business partner to the company.

Deviations from the Code: None

9. THE WORK OF THE BOARD OF DIRECTORS

The board has adopted instructions to lay down rules for the work and management of the board, as well as the CEO's work in relation to the board.

The board shall ensure proper organisation of the company's activities and supervise the company's day-to-day management. The board shall determine the necessary plans and budgets for the company's activities.

The board's primary responsibility shall be (i) participating in the development and approval of the company's strategy, (ii) performing necessary monitoring functions, and (iii) acting as an advisory body for the executive management team. The board is also responsible for ensuring that the operations of the company are compliant with the company's values and ethical guidelines. The chair of the board is responsible for ensuring that the board's work is performed in an effective, efficient, and correct manner.

All directors of the board shall receive information about the company's operational and financial development regularly. The company's strategies shall also be subject to review and evaluation by the board at a regular basis.

It follows from the company's corporate governance principles that transactions with related parties shall be based on normal business terms and the arm's length principle. A presentation of transactions and balances with related parties is included in the notes to the financial statements, on page 156.

According to the instructions for the board and CEO, a board director with prominent personal or financial interests in a particular matter (or with relation to a person with such interests, as defined in the Public Limited Liability Companies Act, section 1-5) shall not participate in the consideration of or decision related to that matter. Board directors must also not participate in any action the board might take concerning a loan or other credit to themselves or actions concerning a guarantee for their own debt.

A board director shall inform the board if he or she, directly or indirectly, has a significant interest in an agreement entered into by the company.

Additional information on transactions with related parties can be found in note 27.2 to the 2022 financial statements.

The board evaluates its own performance and expertise once a year.

Sub-committees of the board

Audit committee

Pursuant to the Norwegian Public Limited Liability Companies Act and the listing rules of the Oslo Stock Exchange, the company shall have an audit committee. The audit committee is appointed by the board.

The committee's main tasks are to prepare the board's follow-up of the financial reporting process, monitor the performance of the company's internal control and risk management systems, and maintain an ongoing dialogue with the selected auditor.

At 31 December 2022, the audit committee consisted of the following directors:

- Hilde Rolandsen, chair
- Morten Støver, member

The board has decided not to appoint a remuneration committee.

Deviations from the Code: None

10. RISK MANAGEMENT AND INTERNAL CONTROL

The board shall ensure that Rana Gruber has a sound internal control, and systems for risk management that are appropriate in relation to the extent and nature of the company's activities. The internal control and the systems for risk management shall also encompass the company's corporate values and ethical guidelines.

The objective of the risk management and internal control is to manage exposure to risks in order to ensure the successful conduct of the company's business, and to support the quality of financial reporting and compliance with relevant laws and regulations.

The board shall carry out an annual review of the company's most important areas of exposure to risk and its internal control arrangements.

The board shall provide an account in the annual report of the main features of the company's internal control and risk management systems as they relate to the company's financial reporting.

Internal control of financial reporting is achieved through day-to-day follow-up by the management, and supervision by the audit committee.

Deviations from the Code: None

11. REMUNERATION OF THE BOARD OF DIRECTORS

Remuneration of directors shall be reasonable and reflect the board's responsibilities, expertise, time invested, and the complexity of the business. The remuneration to the directors is not performance-related and does not include share option elements.

The annual general meeting shall determine the board's remuneration after considering recommendations by the company's nomination committee.

The company will establish guidelines for remuneration of the board of directors and executive management for approval at the ordinary general meeting in 2023. Additional information on remuneration paid to directors for 2022 is presented in note 27.1 to the financial statements, pursuant to the Accounting Act section 7-31b and in the annual remuneration report, which will be presented to the shareholders in accordance with the Norwegian Public Limited Liabilities Companies Act section 6-16b.

None of the board directors or companies with which they are associated have assignments for the company other than their appointment as a director of the board.

The board shall be informed if individual directors perform tasks for the company or any company entities other than exercising their role as directors. Fees for any such services shall be approved by the board. Work in sub-committees may be compensated in addition to the remuneration received for board directorship.

Deviations from the Code: None

12. REMUNERATION OF EXECUTIVE PERSONNEL

Following the transfer from Euronext Growth Oslo to the main list at the Oslo Stock Exchange on 28 March 2022, and pursuant to the Norwegian Public Limited Liabilities Companies Act, section 6-16a, the company is required to establish guidelines for the remuneration of the executive management. The guidelines will be presented to the shareholders for approval at the ordinary general meeting in 2023 in the form of a separate document. Further information about remuneration to executive personnel is provided under note 27.1 to the financial statements pursuant to the Accounting Act, section 7-31b, and in the annual remuneration report, which will be presented to the shareholders in accordance with the Norwegian Public Limited Liabilities Companies Act, section 6-16b.

Deviations from the Code: None

13. INFORMATION AND COMMUNICATIONS

Investor relations

Rana Gruber has established guidelines for the company's reporting of financial and other information based on the ideal of transparency and equal treatment of all participants in the securities market. The purpose of these guidelines is to ensure simultaneous access to accurate, relevant, and up-to-date information about Rana Gruber. In addition, the guidelines shall contribute to investor relations being exercised in accordance with applicable laws, rules, and recommendations.

These guidelines also include principles for the company's contact with shareholders at occasions other than general meetings.

The company's ambition is to comply with the Oslo Stock Exchange's Code of Practice for IR.

Financial information

The company holds open investor presentations in connection with the company's quarterly reports. Presentations prepared for investors in connection with the quarterly reports are made publicly available together with the reports. Important events that affect the company will be reported immediately. The company publishes an annual financial calendar with an overview of dates for financial reporting and other important events.

Quiet period

In the 30 days period prior to the publication of results, Rana Gruber will minimise meetings and contact with investors, analysts, media, or other parties as relating to the company's results and future outlook. This is to ensure that all interested parties in the market are treated equally.

Deviations from the Code: None

14. TAKEOVERS

The board has established guidelines on how to act in the event of a take-over bid.

It follows from these guidelines, that if an offer is made for the purchase of shares in Rana Gruber, the board shall comply with the general principle of equal treatment of all shareholders, and, as far as possible, ensure that the company's activities are not unnecessarily interrupted. The board will do its best to ensure that shareholders receive the necessary information and time to assess the offer.

The board of directors shall not seek to prevent an offer to purchase shares unless it believes such an action can be defended with regard to the company's or shareholders' interests. The board will not exercise any authority or make any decisions aimed at counteracting such offers, unless this has been approved by the shareholders at the company's general meeting after the offer has been made public.

If an offer is made for the purchase of shares in the company, the board shall give a statement in accordance with statutory requirements and the Norwegian Code of Practice for Corporate Governance.

If an offer is made for the purchase of shares in the company, the board shall obtain a valuation from an independent expert. If an offer is made by a major shareholder, a member of the board or the day-to-day management, or related parties or related parties thereof, or others who have recently held such a position, who are either buyers or a person with a special interest in the takeover bid, the board shall obtain an independent valuation.

Any transaction that is in effect a disposal of the company's activities shall be submitted for approval by the shareholders at the general meeting.

Deviations from the Code: None

15. AUDITOR

The auditor makes an annual presentation of the auditing plan to the audit committee. Further, the auditor provides the board with a written confirmation that the requirement of independence has been met.

The auditor participates in all meetings of the audit committee and in the board meeting that deals with the annual report. The auditor reports to the audit committee and board on his assessment of the internal control of the financial reporting process.

At these meetings, the auditor reports on any material changes in the company's accounting principles and key aspects of the audit, and comments on any material estimated accounting figures. There have been no disagreements between the auditor and management on any material matters.

Once a year, the board of directors reviews the company's internal control procedures with the auditor, including weaknesses identified by the auditor and proposals for improvement.

The board and the audit committee have met with the auditor without representatives of the executive management being present regarding the preparation of the annual report for 2022.

The board of directors has established guidelines for the use of the auditor by the company's executive management for services other than the statutory financial statement audit.

At the annual general meeting, the board shall present a review of the auditor's compensation required by law for auditory work and remuneration associated with other specific assignments. Compensation paid is presented in note 6 to the financial statements.

The board shall facilitate the attendance of the auditor at all general meetings.

Deviations from the Code: None

ESG REPORT 2022

PAVING THE WAY FOR SUSTAINABLE MINING

At Rana Gruber, we work every single day to reduce our environmental footprint, create a safe and attractive work environment, and to be a positive contributor to the local environment around us and society as a whole.

We are an important part of Norway's history and a proud mining tradition. The miners have extracted iron ore from our mountains since the 18th century, and our company has existed for almost 60 years. Mining is therefore a fundamental part of Rana municipality's common identity and storytelling, and today, Rana Gruber is a cornerstone of Mo i Rana.

We are proud of our history but also conscious of our responsibility. At Rana Gruber, we will take responsibility for the future and the everyday life we create. We must work in a sustainable way. Today, Rana Gruber has one of the industry's lowest carbon emissions.

We will deliver fossil-free iron ore products by the end of 2025. It is a very high ambition that will demand a lot from us, our customers, and our suppliers.

To deliver on our ambition, we must substitute fossil-powered machinery and transport with sustainable alternatives. This will make Rana Gruber the world's first carbon free iron ore miner.

In 2022, we have taken important steps to pave the way for sustainable mining. We have increased the electrification of the operations, enhanced the quality of the hematite product (which enables less emissions and waste from the steel mills), and signed an agreement with Sandvik on the supply of electric machines and support for the new on-site infrastructure. We have also achieved an 86.3 per cent waste sorting rate.

Rana Gruber's core values are proud, brave, safe, and responsible. The values constitute our philosophy that drives our employees and our actions every single day.

Since the early 1960s, we have taken pride in safe operations with a focus on minimising negative impact related to e.g. emissions of oil and dust from the production, and injuries. This has also been an important part of our social mission.

LEAN mining is important for our mindset and how we work together at Rana Gruber. Employees at all levels must be involved in order to ensure that every activity is done as smartly and efficiently as possible.

We shall not waste time, resources, or funds, and we shall pave the way for the future of mining. Therefore, in last year's report, we promised an even clearer focus on how we would work with sustainability in 2022. We committed to establishing an ESG strategy and good plans for reporting, so that we will be able to better measure our footprint and societal impact.

In 2022, we have worked systematically with the promises from last year and you can see the result in this annual report.

Nancy Schreiner
Environment and sustainability manager

Highlights of 2022

Rana Gruber acknowledges the impact the business has on the climate and environment, people, and society at large. The company works systematically to reduce its footprint and contribute to positive changes in its own operations and in the supply chains.

In 2022, the company has focused on establishing a good structure and building a solid foundation for work with ESG. The entire executive management team has contributed to the company's first materiality assessment and ESG strategy.

The ESG strategy has been communicated broadly in the organisation. The strategy is presented in general meetings, manager meetings, work environment committee meetings, company development committee meetings, and other relevant meetings. The company has also informed employees about the ESG strategy in letters to employees (e.g. in the Christmas letter from the CEO). Sustainability work is made visible in all levels of the organisation. As part of the ESG strategy, Rana Gruber has employed several people, in all levels of the organisation.

In accordance with the requirements of the Equality and Anti-Discrimination Act, the company has carried out a risk assessment of the business which deals with discrimination and harassment. In line with the requirement to provide an annual equality statement describing the company's efforts to secure equal opportunities, the company prepared a separate statement in 2021, which was included in the annual report for 2021. This work was revised in the autumn of 2022.

In 2022, Rana Gruber has carried out a due diligence assessment of the value chain, in line with the requirements of the Transparency Act, which entered into force on 1 July 2022. The board of directors has approved of the plans for further work with the Act, and the company will deliver a report by the end of June 2023.

The company has also carried out a climate risk assessment, in which the company has focused on the threats and opportunities it faces regarding the consequences of climate change. A statement has been developed in line with the recommendations of Task Force on Climate-Related Financial Disclosures.

KEY FACTS

- Emissions: 8.47 $kgCO_2e$/tonne produced iron ore
- Materiality assessment and ESG strategy
- Equality statement in line with the Norwegian Equality and Anti-Discrimination Act
- Due diligence assessment in line with the Norwegian Transparency Act
- Climate risk assessment in accordance with the recommendations from Task Force on Climate-Related Financial Disclosures
- Reporting in accordance with GRI Universal Standards 2021
- Reporting in accordance with Towards Sustainable Mining

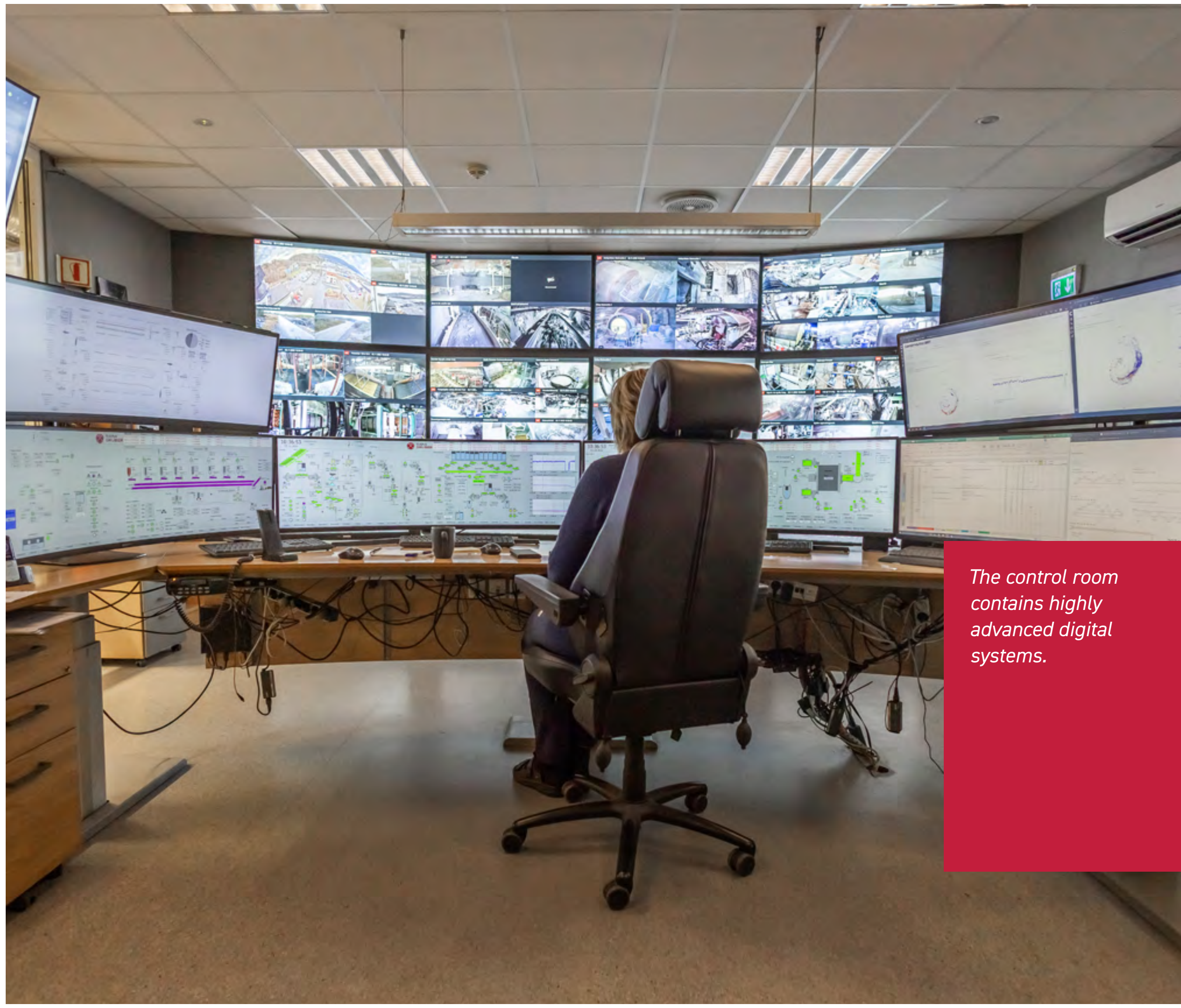
Sustainability reporting

This ESG report is an important part of Rana Grubers commitment to transparency and sustainability. The report is intended to provide an overview of the company's efforts to reduce the environmental footprint, support employees and the local community, and create long-term value for stakeholders. The report covers Rana Gruber's operations, and partly indirect operations, for example, in the carbon accounts.

In 2022, Rana Gruber has adopted several recognised frameworks for sustainability reporting.

This report is prepared in accordance with the GRI Universal Standards 2021. In accordance with this standard, the report focuses on the key ESG issues for Rana Gruber, based on a materiality assessment done in 2022. The report provides details on material topics and is structured according to the company's efforts related to ESG. The GRI index at the end of the report provides an overview of the disclosures according to the GRI Universal Standards, including references to where information on the individual disclosures may be found.

Rana Gruber has as of 2022 adopted reporting on climate risk in line with the recommendations set by Task Force on Climate-related Financial Disclosures (TCFD). The company has prepared a TCFD statement, which is included as an appendix to this report. In addition, this ESG report contains the updated carbon accounts for 2022. Rana Gruber applies greenhouse gas (GHG) inventory accounting principles as its reporting methodology, in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. More information about the carbon accounts can be found in the appendix of the report.



The control room contains highly advanced digital systems.

The ESG report also includes Rana Gruber's annual equality statement, in accordance with the requirements of the Norwegian Equality and Anti-Discrimination Act. This statement can be found in the appendix of this report.

Further, the company will disclose its work with human rights and due diligence in line with the requirements of the Norwegian Transparency Act. This statement will be published on the company website by 30 June 2023.

Lastly, in the past year, Rana Gruber, through his membership in the Norwegian Mineral Industry, has contributed to the translation of the Canadian reporting framework, TSM - Towards Sustainable Mining. This ESG report is prepared according to that framework.

The ESG report covers the fiscal year from 1 January, 2022, to 31 December, 2022. It is published as part of the Annual Report of 2022. No restatements from previous reports have been made. The carbon accounts are externally assured by PwC. The rest of the ESG report has not been assured.

For more information about sustainability and the sustainability reporting of Rana Gruber, please contact:

Nancy Schreiner, Environment and Sustainability Manager of Rana Gruber, at nancy.schreiner@ranagruber.no

Employees have access to a canteen in the underground mine.

Materiality assessment and stakeholders

PURPOSE

A materiality assessment is carried out to assess what is most important to focus on in the business. Rana Gruber has mapped the opportunities and risks within ESG that the company faces. In addition, the company has looked at its most important stakeholders and what they are most concerned about. The purpose is to identify the most relevant and critically important areas within sustainability. In this way, the company can implement measures and prioritise resources in a more targeted manner.

PROCESS

On 20 and 21 April 2022, managers representing the entire company met for a two-day workshop.

The managers carried out a materiality assessment, which formed the basis for the sustainability strategy, in line with the GRI Universal Standard. In this workshop, the managers carried out an assessment of megatrends, the industry, stakeholders, and the value chain, before the managers prioritised material topics according to the stakeholders' focus and the company's own focus within ESG.

STAKEHOLDERS

Rana Gruber strives for an open and honest dialogue with its stakeholders through conversations and meetings, as part of the daily operations.

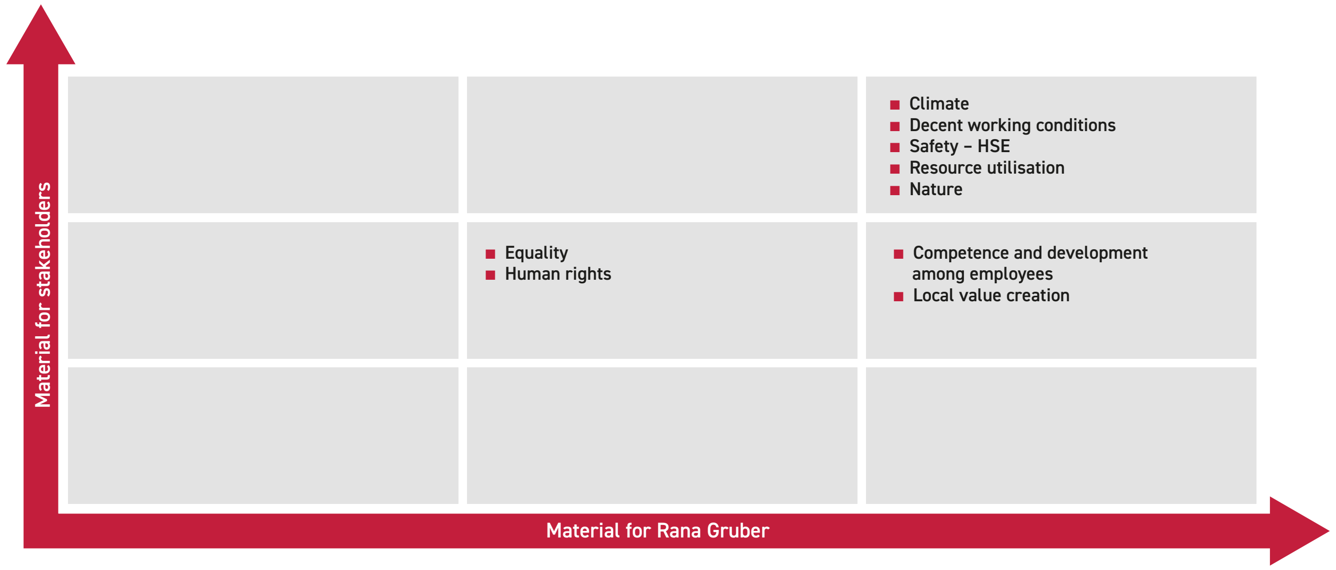
The company has an extensive dialogue with the local environment in which it operates, the employees, and with authorities and industry associations.

The company regularly informs about its work in quarterly reports, half-yearly reports, and annual reports. The company takes feedback seriously and works continuously with stakeholder dialogue. The insight built up through this dialogue forms the basis for the company's priorities when it comes to various topics within ESG. As part of the materiality assessment, the company has therefore looked at what is important to its stakeholders within ESG:

Who	Topics of importance	Dialogue with the company
Employees	■ Safe operations and a reliable workplace	Work environment committee, wage negotiations, general meetings, development meetings, operations meetings, and employee representative meetings
Customers	■ Financial sustainability and ability to deliver products ■ Premium for sustainability focus ■ CO_2 emissions	Status meetings, both directly and indirectly with Cargill
Shareholders	■ Responsible operations ■ Reliability ■ Sustainability	Quarterly reports and presentations, annual general meeting, and stock exchange announcements
Local community	■ Good relationship with Rana Gruber ■ Local impact: role as employer and role model ■ Local noise and pollution ■ Information spreading locally and availability for questions	Through media coverage, organised meetings etc
Authorities	■ Future industry ■ Nature management ■ Safety ■ Jobs	Meetings with ministers, ministries, and local authorities. Contact with the Directorate of Mining and the Norwegian Environment Agency. Indirect contact with authorities through membership in the Federation of Norwegian Industries and the Norwegian Mineral Industry
Suppliers	■ Good relationship with Rana Gruber ■ Local impact: role as employer and partner ■ The Transparency Act	Meetings
Trade unions, employee and employer organisations	■ Collaboration between employers, trade unions, and authorities for decent working conditions ■ Descent salary and safe working conditions	Meetings with trade unions, and contact through membership in the Confederation of Norwegian Enterprise (NHO) and the Federation of Norwegian Industries
NGOs	■ Ambitions and plans relating to climate ■ Nature management	Contact with Bellona
Industry organisations	■ Common reporting standard for the industry ■ Cooperation with authorities	Contact with TSM, and membership in the Federation of Norwegian Industries and the Norwegian Mineral Industry
Bank and finance	■ Good sustainability strategies and plans ■ Implementation of strategy	Meetings with banks
Potential investors	■ Good sustainability strategies and plans ■ Implementation of strategy	Quarterly reports and presentations, and stock exchange announcements
Media	■ Economy ■ Responsible operations ■ Nature management ■ Local cooperatio	Contact with media outlets and journalists
Education and research institutions	■ Apprenticeships ■ Research projects	Contact with the Science Centre in Nordland, Kunnskapsparken Helgeland, the Norwegian University of Science and Technology, and the rock blasting and mining class at Fauske upper secondary school

ASSESSMENT

In the below matrix, the company's material topics within ESG are placed according to how much impact Rana Gruber's activities have on the topics (x-axis), and according to how much impact the company's handling of the topics has on the stakeholders' decisions (y-axis).



The following material topics form the basis for the priorities in the sustainability strategy:

1. Climate
2. Decent working conditions
3. Safety - HSE
4. Resource utilisation
5. Nature
6. Competence and development among employees
7. Local value creation
8. Equality

The matrix shows that, in order to ensure a sustainable business and transition to a carbon free operations, it will be important for Rana Gruber to think holistically about the operations, suppliers, and employees. The prioritised material topics provide a basis of new systematic measures in Rana Gruber's sustainability strategy and work.

Rana Gruber's material topics

CLIMATE

Rana Gruber wants to contribute to the world's daily struggle to reach the goals of the Paris Agreement, and wants to contribute to reducing the world's total CO_2 emissions. The global steel industry accounts for seven to eight per cent of total CO_2 emissions. The company has a high ambition of delivering fossil-free products by the end of 2025, and this is also a strong desire of Cargill, with which the company has an offtake agreement for the hematite production. To achieve this important goal, the company has established carbon accounts with data from 2019 onwards and has set concrete goals/KPIs for a reduction in the company's total CO_2 emissions. See more about this on page 57.

DECENT WORKING CONDITIONS

A decent working life is a prerequisite for society. Employees being safe and having influence on the business are part of Rana Gruber's DNA. Rana Gruber has a long and strong tradition in the local environment, and fully supports the collaboration between employers, trade unions, and authorities to secure decent working conditions. Today, almost 100 per cent of the employees are members of a trade union. A close collaboration with the trade unions is absolutely central to the development and growth of the company. See more about this on page 71.

The health and safety of employees, customers and partners has always been Rana Gruber's highest priority.

SAFETY

The health and safety of employees, customers and partners has always been Rana Gruber's highest priority. The company has a separate HSE policy with the aim to conduct the operations with zero work-related accidents, based on thorough training modules, systems, and procedures to identify hazards in the workplace. Rana Gruber has a long experience of safe operations, and the company has not had any serious injuries in the last 10 years. See more about this on page 82.

RESOURCE UTILISATION

Rana Gruber wants to utilise resources in the best possible way. For several years, the company has worked according to the LEAN method. LEAN mining is a work and management tool where the point is to involve employees at all levels of the organisation, and to ensure that every activity is done as smartly and efficiently as possible. LEAN mining involves a strict focus on not wasting time or funds, while all significant changes must have a positive environmental impact. Read more about this on page 67.

NATURE

Rana Gruber has a goal to minimise the environmental impact from the operations and production. The company has several certifications within ISO 9001 (quality management) and ISO 14001 (environmental certification), and also works with certification within the sustainability standard Towards Sustainable Mining (TSM) in collaboration with the Norwegian Mineral Industry. Rana Gruber works continuously to reduce the effects of interventions in nature, and aims to rehabilitate and ensure the revegetation of affected areas. Read more about this on page 62.

COMPETENCE AND DEVELOPMENT

Rana Gruber shall be a business that contributes to increased competence internally and for the external environment, including the company's partners. The company offers both apprenticeships for young people and further education for the employees throughout the operations. The company also gives educational institutions access to the business for various research projects. Read more about this on page 77.

LOCAL VALUE CREATION

Rana Gruber is a stable and significant player in the local value creation. Mining is a fundamental part of Rana municipality's identity and narrative, and Rana Gruber is one of the region's largest and most important employers. The position as a local cornerstone involves responsibility. Rana Gruber wants to take social responsibility beyond being a large workplace. The company collaborates with trade unions, neighbours, and local industry. Read more on page 84.

EQUALITY

Rana Gruber employees have an obligation to avoid discriminatory practices with regard to gender, age, race, and religion. The company has zero tolerance for physical, verbal, or sexual abuse and harassment in the workplace. The company has assessed its work with equality and diversity, and carried out a risk assessment relating to discrimination and harassment in accordance with the Norwegian Equality and Anti-Discrimination Act. Mining is traditionally a male-dominated industry, and the company has a goal of employing more women. Read more on page 74.

HUMAN RIGHTS

Rana Gruber acknowledges a responsibility for those who, throughout the value chain, contribute to the company being able to deliver its products in a good way. For 2022, Rana Gruber has carried out a due diligence assessment relating to human rights and decent working conditions, in accordance with the Norwegian Transparency Act and thus the OECD's guidelines for responsible business. The company will provide a statement in line with the requirements in the act by 30 June 2023. Read more about this on page 79.

Goals and ambitions

SUSTAINABILITY STRATEGY

Rana Gruber aims to be a leading business within sustainability in the mining industry, and the ambitions below have been set in a long-term perspective. It is important for the company to set specific goals and assess uncertainties related to goal achievement, so that necessary measures can be identified, and the company can assign responsibility in the organisation and thus achieve its goals.

This is described in the following sections. Further, the work within the material topics is described in more detail according to the GRI Universal Standards 2021 throughout the ESG report.

ENVIRONMENTAL

Material topic	Ambition
Climate	▪ Deliver CO_2 free products before the end of 2025
Nature	▪ Minimise tailings and find alternative uses for the tailings ▪ Minimise the discharge of solids into the river ▪ Rehabilitate and ensure the revegetation of affected areas
Resource utilisation	▪ Utilisation of resources in the best possible way

SOCIAL

Material topic	Ambition
Decent working conditions	▪ Base the business on the collaboration between employers, trade unions, and authorities for decent working conditions, and be a safe and reliable employer
Competence and development	▪ Contribute to increased competence internally and for the external environment, including the company's partners
Equality	▪ Increase the amount of female employees to 33 per cent by 2027 (19 per cent today)

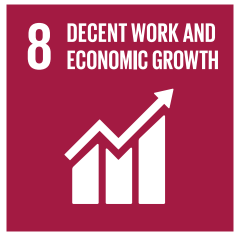
GOVERNANCE

Material topic	Ambition
Local valuecreation	▪ Be a stable and significant player in the local value creation
Safety	▪ Prioritise safety and have zero work-related injuries

THE UN SUSTAINABLE DEVELOPMENT GOALS

The UN Sustainable Development Goals (SDGs) are the world's plan to eradicate poverty, fight inequality, and stop climate change by 2030. These goals highlight societal challenges, but also promote solutions for the future.

The sustainable development goals form the basis of the company's work with sustainability. In Rana Gruber's newly established sustainability strategy, the company has incorporated four out of seventeen sustainable development goals. The strategy shows how the company will contribute to the achievement of the global sustainable development goals:



RANA GRUBER'S CONTRIBUTION TO

SDG 8:

Employees being safe and having influence on the business are part of Rana Gruber's DNA. Rana Gruber has a long and strong tradition in the local environment, and fully supports the collaboration between employers, trade unions, and authorities to secure decent working conditions.

RANA GRUBER'S CONTRIBUTION TO

SDG 9:

Rana Gruber is working towards the goal of becoming the world's first supplier of CO_2-free iron ore. This requires the entire operations to be sustainable – from extraction of ore in the mines to processing and loading of ore in the vessels. The company has made good progress with this project.

RANA GRUBER'S CONTRIBUTION TO

SDG 12:

The company continues to increase the electrification of the operations. The company achieved an 86.3 per cent waste sorting rate. In addition, Rana Gruber works continuously to reduce the effects of interventions in nature, and aims to rehabilitate and ensure the revegetation of affected areas.

RANA GRUBER'S CONTRIBUTION TO

SDG 13:

Rana Gruber wants to contribute to reducing the world's total CO_2 emissions. The global steel industry accounts for seven to eight per cent of total CO_2 emissions.

The company has a high ambition of delivering fossil-free products by the end of 2025. The company has established carbon accounts and has concrete goals for a reduction in the company's total CO_2 emissions.

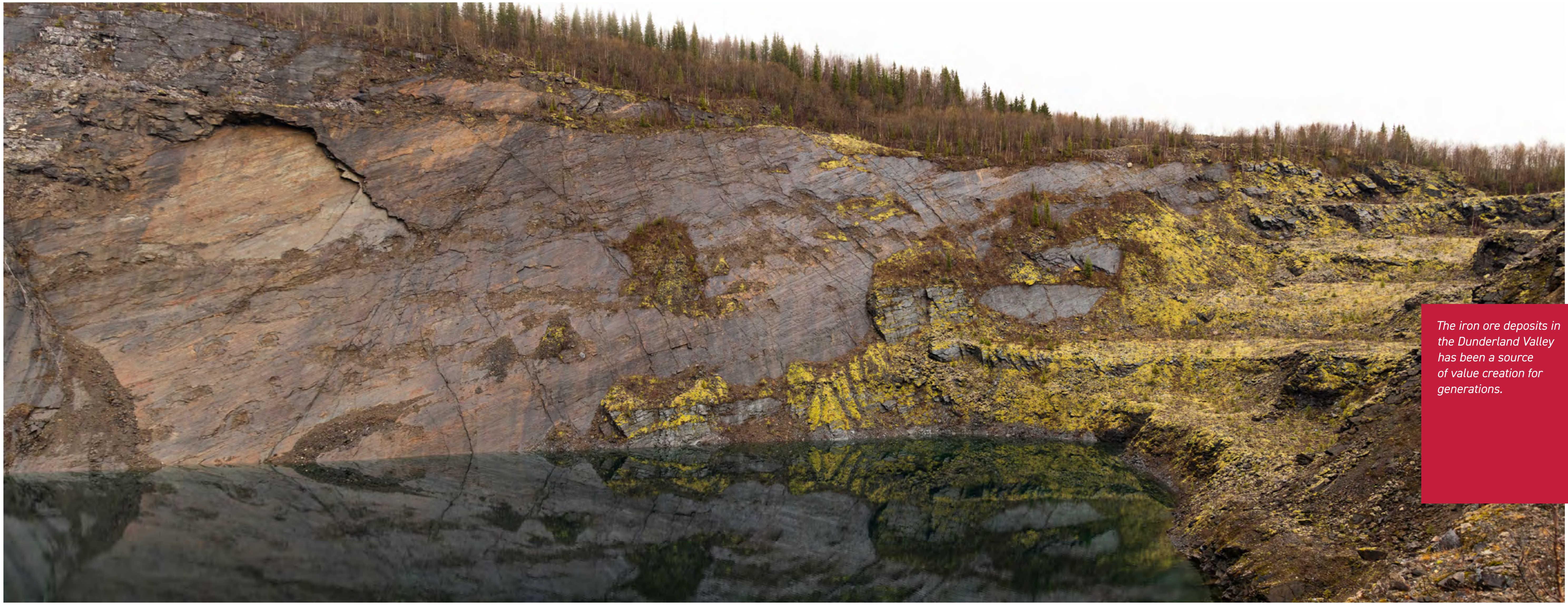
SUSTAINABILITY GOVERNANCE STRUCTURE

Sustainability permeates all operations and the organisational structure of Rana Gruber.

The board of directors has the ultimate responsibility for corporate governance, including the oversight of strategic planning and review of strategic processes. This includes the sustainability strategy. The CEO, supported by the board of directors, has the ultimate operational responsibility for the implementation of the strategic processes, including sustainability. The board of directors is regularly informed by the executive management about Rana Gruber`s sustainability work and is responsible for overseeing the management of impacts caused by the company`s activities. In cases of critical concerns applicable for the company's work with sustainability, the CEO will communicate these to the board of directors if necessary.

The environment and sustainability manager reports to the CEO. This person is responsible for the management of impacts, in collaboration with the CEO and other members of the executive management.

The environment and sustainability manager is also responsible for preparing the information disclosed in the annual ESG report, with the CEO and the board of directors responsible for reviewing and approving the reported information.



The iron ore deposits in the Dunderland Valley has been a source of value creation for generations.

THE ENVIRONMENT

Rana Grubers ambitions is to lead the way for the decarbonisation of the global steel industry.

The company acknowledges the impact mining operations have on climate and nature, and works systematically to reduce the company's climate and environmental footprint and to use resources in an efficient and sustainable way. The company's work for the environment is based on the UN sustainable development goals and the company's three material topics relating to the environment: climate, nature, and resource utilisation.

The company acknowledges that, in addition to having a direct impact from the company's own operations, the company also has an indirect impact related to upstream and downstream activities in the value chain. The company is in the process of mapping the indirect emissions and suppliers' climate and environmental performances. The company's aim to deliver carbon free products before the end of 2025 is a contribution to the decarbonisation of sectors that depend on the products Rana Gruber produces.

Climate

RANA GRUBERS IMPACT

Climate change is the greatest challenge of our time. In its sixth main report, the UN climate panel presents research that shows that climate change is accelerating and leading to consequences that are becoming increasingly intense.

To succeed in limiting global warming to 1.5 degrees, all sectors must adapt and contribute. The steel industry is no exception. The international mining industry (including coal mining) is responsible for huge amounts of GHG emissions. According to the McKinsey report "Climate risk and decarbonisation: What every mining CEO needs to know", it accounts for about seven per cent of the total global emissions.

As there will be a high demand for iron ore in the future, there is a need for low carbon and sustainable solutions going forward. Norway's government saluted the mineral sector towards the end of 2021, as minister of trade and industry, Jan Christian Vestre, stated that the world will need the mining industry if the green transition is to succeed. He expressed ambitious goals for making the industry's operations in Norway the most sustainable in the world. Rana Gruber is ready to contribute to this transition.

The company is well aware that mining has an impact on the climate. Due to the impact of the mining sector in general, and Rana Gruber in particular, the company aims to become an iron ore producer contributing to a far more sustainable value chain than that of today. To this end, the company has set ambitious goals and aims to become the world's first iron ore producer with zero CO_2 emissions by the end of 2025. The company is on track with this project.

Rana Gruber is one of the iron ore producers with the lowest CO_2 emissions across all geographies (8.47 kilograms CO_2-equivalents per tonne produced iron ore concentrate on the scope 1 and 2 emissions detailed below).

Location wise, Rana Gruber has some advantages. There is a short distance from the mining site to the port at Gullsmedvik, meaning that there is no need for long-distance transport. Hence, Rana Gruber has a good starting point for meeting the zero emissions target.

Rana Gruber's processing plant is electricity-powered. The company works to replace the machines and vehicles powered by fossil fuels to machines and (autonomous) vehicles powered by electricity.

Regarding emissions from upstream activities, the company delivers iron ore to the production of steel, which is used in sectors such as construction, infrastructure, and car manufacturing. These sectors are responsible for significant emissions. However, the steel industry in Scandinavia and Europe is at the forefront of developing sustainable solutions. Rana Gruber is ready to contribute to lower emissions in these industries.

RANA GRUBER'S APPROACH

Rana Gruber's vision is to be a world-class sustainable mineral producer and the company seeks sustainable solutions in its daily activities. The company's approach to climate issues is based on the Paris Agreement and the UN sustainable development goal number 13. The company works continuously to reduce the climate footprint of its own operations and the indirect emissions related to upstream and downstream activities.

Rana Gruber sees a great business opportunity in being able to offer CO_2-free products and aims to be able to offer this in 2025. The company has a close dialogue with customers and is experiencing an increasing demand for CO_2-free products.

RANA GRUBER`S AMBITION

- **Rana Gruber aims to deliver carbon free products by the end of 2025.**

To achieve this, Rana Gruber measures its greenhouse gas emissions, diesel consumption, and degree of electrification. Furthermore, the company calculates CO_2 per tonnes produced iron ore concentrate.

Carbon emissions

Rana Gruber reports its greenhouse gas emissions in accordance with the methodology and principles described in the GHG protocol. The major sources of greenhouse gas emissions in the company's own operations are related to the mining process with transportation, stationary combustion and electric power being the main sources.

Indirect emissions stem from upstream and downstream activities. The company acknowledges its responsibility for indirect emissions and is in the process of mapping scope 3 emissions according to the methodology in the GHG protocol. As of 2022, the reported indirect emissions stem from fuel-and-energy-related activities, waste, business travel, upstream transportation, and some purchased goods and services.

Category	tCO_2e
Transportation	13 728
Stationary combustion	214
Electric vehicles	0.3
Electric power (location based)	691
Fuel and energy related activities	3 457
Waste	461
Purchased goods and services	1424.6
Business travel	6.2
Upstream transportation and distribution	12.5

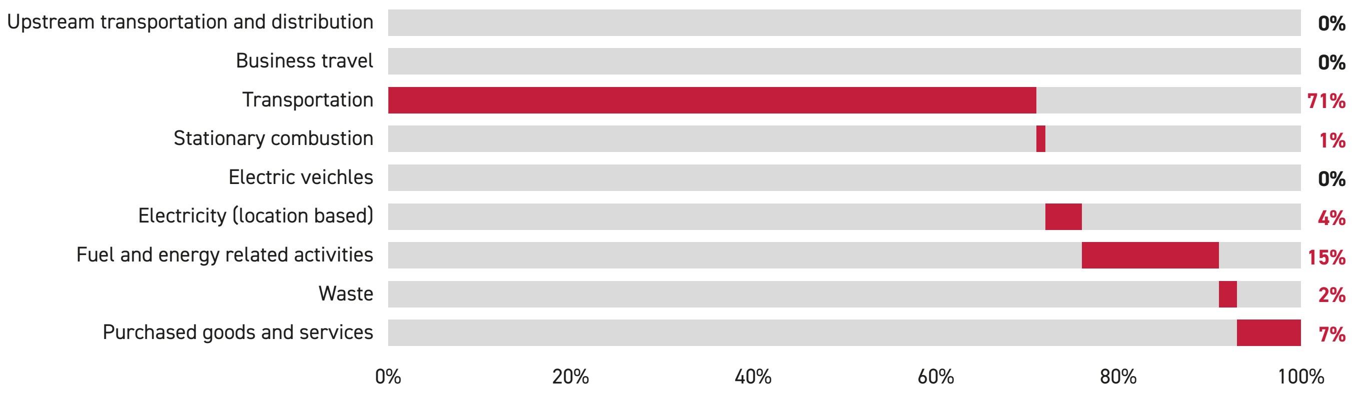
In 2022, Rana Gruber lowered the CO_2-equivalents per tonne produced iron ore concentrate from 9.29 kilograms to 8.47 kilograms. This includes both scope 1 and scope 2 emissions.

One measure that has contributed to this is the shutdown of the propane-driven heating facility. Heating of air in the underground mine has been done with propane up to and including the winter of 2022, when the company decided to replace the propane-based heating facility with an electric heating facility. In the winter of 2023, there will be a transitional phase with a diesel-driven heating facility.

The company's key measure to reduce greenhouse gas emissions is to replace fossil-powered vehicles and machinery with electric alternatives. At year-end, the company had ten electric cars, of which six were procured in 2022 and four in 2021.

In 2022, the company collected more information about scope 3 emissions than in 2021, such as emissions from purchased goods and services. This resulted in more emissions being included in the carbon accounts. The company strives to have a better overview of its scope 3 emissions and to include these in the carbon accounts going forward.

GHG EMISSION PER CATEGORY 2022



ANNUAL GHG EMISSIONS PER SCOPE

tCO_2e	2020	2021	**2022**	% share of total emissions
Scope 1 total	13 675	14 352	**13 942**	
Transportation	13 597	13 636	**13 728**	69%
Stationary Combustion	78	716	**214**	1%
Scope 2 total	884	991	**692**	
Electric vehicles	-	-	**-**	0.002%
Electric power location based	884	991	**691**	3%
Scope 3 total	3 725	3 860	**5 361**	
Waste	354	239	**461**	2%
Fuel & Energy related activities	3 372	3 621	**3 457**	17%
Purchased goods and services	-	-	**1 425**	7%
Business travel	-	-	**6**	0.03%
Upstream transportation and distribution	-	-	**13**	0.06%
Total	18 284	19 202	**19 995**	100%
Electric power market based	38 877	39 837	**39 993**	

KEY PERFORMANCE INDICATOR

	2020	2021	**2022**
Tonne iron ore	1 558 997	1 652 376	**1 728 000**
$kgCO_2e$ (Scope 1 & Scope 2)	14 558 600	15 342 500	**14 633 900**
$kgCO_2e$/tonne iron ore	9.34	9.29	**8.47**

The full carbon accounts are externally assured by PwC and can be found on page 88.

Electrification and energy use

To succeed with the 2025 ambition, the company is dependent on efficient energy consumption and a transition to fossil-free energy. This applies to both the mining machines and the rail transport.

In 2022, the company's use of electric power differed little from the previous year. However, the the company expects the use of electric power to increase as more electrical machinery will be used in the mine. At the same time, the company acknowledges that there is a potential to be more effective in terms of energy consumption and will work on this in the years ahead.

The company's fossil-driven mining machines will be replaced by electricity-driven alternatives. In 2022, the company has increased the electrification of the operations. Further, an important step in the direction of full electrification has been the signing of a frame agreement with Sandvik on the supply of electric machines and support for the new on-site infrastructure, including training in operation and maintenance of the machines, and safety measures.

The Trans4Mine study carried out by Sandvik forms the basis to identify the required battery capacity for the electrification process. The study also provides insight about the expected electric power consumption as well as the optimal location of the charging stations.

For the railway transport, there is an on-going project with Sintef and other players to investigate the pros and cons of electricity-based solutions and hydrogen-based solutions. The company expects their recommendation to be finalised in the first half of 2023.

Climate risk

In 2022, the company has assessed its exposure to climate risk and the consequences thereof. The assessment has been done in accordance with the framework and recommendations set by Task Force on Climate-Related Financial Disclosures (TCFD).

The company has concluded that it is exposed to physical risks and transition risks, and has implemented measures to reduce its risk exposure. The relevant risks involve risks of increased rainfall and flooding as well as risks linked to uncertainty related to the EU Taxonomy and how this will impact Rana Gruber and the technical viability of the decarbonisation strategy. The company has concluded that it is well equipped to meet physical challenges brought about by climate change.

For more information on the assessment on climate risk, see the statement provided in accordance with the recommendations from TCFD on page 94.

HIGHLIGHTS OF 2022

The company's ambition is to become carbon free by the end of 2025 and all decisions are made in line with that target.

The decisive measure to achieve this ambition is the replacement of fossil-driven machinery and transport to sustainable alternatives. The company has made good progress with this in 2022.

Together with external suppliers and advisers, the company has also worked to find the best solutions for the on-site infrastructure, especially with regard to charging and safety. This work prepares the ground for further electrification in the coming years.

- Reduction scope 1 emissions: 3 per cent
- Reduction scope 2 emissions: 30 per cent
- More sources added to scope 3 emissions in carbon accounts of 2022
- Shutdown of the propane-driven heating facility in the mine
- Signed letter of intent with supplier of electrical machines to be used in operations
- Started to prepare for the transition to all-electric operations
- Climate risk assessment and statement in accordance with the framework and recommendations set by Task Force on Climate-related Financial Disclosures.

THE WAY FORWARD

Rana Gruber's ambition is to lead the way for the decarbonisation of the global steel industry. The company aims to deliver CO_2-free products before the end of 2025, which involves a transition to renewable energy and a replacement of fossil-driven mining machines with electricity-driven machines.

High grade iron ore products help to reduce CO_2 emissions at the steel mills through less consumption of iron ore and less waste from the steel production process. Products with higher iron content are therefore key for reducing the environmental footprint of the steel industry. Rana Gruber aims to increase the minimum iron content in its hematite product from 63 to 65 per cent. The company has implemented several measures to this end and expects to deliver the improved product by the end of 2024.

As regards indirect emissions, the company is in the process of mapping emissions in its upstream and downstream activities. The goal is to have an overview of all relevant scope 3 emissions by the end of 2025.

Replacement of fossil-driven machinery and transport contributes to the company's ambition to become carbon free by the end of 2025.

Nature

RANA GRUBER`S IMPACT

According to the UN climate panel, sustainable management of nature and biological diversity is crucial for our ability to adapt to climate and environmental changes. But the general development is going in the wrong direction, and according to the UN Nature Panel, the loss of nature is as big a threat as climate change. As much as 75 per cent of all ecosystems on land and 66 per cent in the sea have been significantly altered as a result of climate change and human activity.

A healthy nature is also important for a resilient economy. According to the World Economic Forum, more than half of the world's economy is strongly or moderately dependent on nature. Loss of biological diversity and ecosystem collapse is ranked as one of the five biggest threats humanity will face by 2030.

On 19 December 2022, the first global nature agreement was established. This includes, among other things, an agreement on the protection of 30 per cent of nature and oceans by 2030 and a requirement that large transnational companies monitor and assess the effects their business may have on biological diversity.

Mining companies know that they have an impact on nature. The key question is therefore how this impact can be minimised. Rana Gruber wants to take its share of the responsibility to reduce negative impact.

The greatest impact on nature stems from the company's own operations, which are based on the extraction of ore. The company also affects nature through emissions. This concerns discharge of tailings into the river and the sea, as well as emissions of dust and greenhouse gases into the air.

The company believes that there are risks associated with interventions in nature and that nature restoration is expensive.

Further, the company is responsible for impact on nature related to the company's purchase of products and services as well as downstream activities related to the use of the iron ore in industries such as construction, infrastructure, and car production.

Downstream activities related to the use of iron ore can also contribute to an impact on nature. Industries such as construction involve consumption of resources, land use, and can have an impact on biological diversity. Rana Gruber is aware of this indirect influence and has a close dialogue with its customers.

Rana Gruber works continuously to reduce its impact on nature and has a goal of minimising the environmental impact of its operations.

RANA GRUBER'S APPROACH

Rana Gruber works continuously to reduce its impact on nature and has a goal of minimising the environmental impact of its operations. The company focuses on several areas, including rehabilitation of sites, waste management, spilling to water, and emissions to air.

The company has an agreement with the Norwegian Environment Agency and the Directorate of Mining to allocate funds for clean-up, control, and monitoring of e.g. sea landfill, in the event of a closure or bankruptcy.

Further, Rana Gruber wants to contribute to a sustainable steel industry and will apply for membership in Responsible Steel during 2023. Responsible Steel is the steel industry's first global standard and certification initiative.

Regarding impact related to upstream activities, the company is in the process of assessing the environmental footprint of all suppliers and business partners that provide the company with goods and services. This is conducted by means of a supplier self-assessment process which also covers human rights and decent working conditions.

Downstream activities can also contribute to an impact on nature. Industries such as construction lead to large resource consumption, land use, and can have an impact on biological diversity. Rana Gruber is aware of this indirect impact and has a close dialogue with its customers.

RANA GRUBER`S AMBITIONS

- **Minimise tailings and find alternative uses for it**
- **Minimise discharge of solids to the river**
- **Rehabilitate and revegetate affected areas**

CERTIFICATIONS

Rana Gruber has obtained several certifications, including ISO 9001:2015 (quality management), ISO 14001:2015 (environmental management) and EN 12878. The company is also working to obtain a sustainable mine certification in collaboration with Norwegian Mineral Industry.

Membership in this trade association commits Rana Gruber to participate in the Towards Sustainable Mining (TSM) initiative. Launched in 2004 by the Mining Association of Canada, TSM provides a system to help mining

Spiral concentrators help extract iron ore and play an important role to increase the iron content of the hematite concentrate, in line with the company's strategy.

companies to evaluate and administer their environmental and social responsibilities. It provides a fully tested reporting programme used in several countries around the world.

COMMITMENT TO THE TSM GUIDING PRINCIPLES

Rana Gruber has committed to comply with TSM's guiding principles. These principles aim at safeguard of the environment, a secure workplace, and protection of indigenous communities and other stakeholders.

The TSM initiative covers eight operational areas, three of which are linked to nature and environment:

1. Prevention of child and forced labour
2. Contact with NGOs, local communities, and indigenous peoples
3. Crisis management and communication
4. Health, safety, and the environment (HSE)
5. Tailing management
6. Management of energy consumption and GHG emissions
7. Water stewardship
8. Biodiversity conservation management

Known as assessment protocols (or just protocols), these operational areas have been designed to help the reporting businesses to understand and comply with TSM's guiding principles.

REDUCING IMPACT ON NATURE AND BIODIVERSITY

Rana Gruber works continuously to reduce its impact on nature and biodiversity. The company follows the regulations and laws set by the Norwegian authorities in this area and is aware of its responsibility to conduct responsible mining operations.

The company's mining operations are conducted in accordance with the regulatory plan of the Directorate of Mining. The area where Rana Gruber operates is not defined as a vulnerable area nor does it contain red list species.

The open-pit mine consists of rock, and a direct consequence of the operations is emissions of dust to the surrounding nature. The company works to get more insight into the nature and severity of these emissions.

The Rana river is adjacent to the mines. There is salmon in the river and Rana Gruber has permission to discharge water and solids into it, in accordance with regulations that set limit values for pollution and emissions.

When assessing any new operations and changes to existing operations, Rana Gruber assesses the impact on nature and the ecosystem. The company will then comply with regulatory plans and permits from the Norwegian authorities, including the Norwegian Environment Agency and the Directorate of Mining. For instance, Rana Gruber has an on-going process with a regulatory plan for Ørtfjell, where the company assesses biological diversity and valuates the karst areas. This is done in accordance with new requirements from the authorities.

CHEMICAL-FREE PRODUCTION

Most mining companies use chemicals in their operations, which helps to produce better, cleaner, and more expensive products. Despite these advantages, Rana Gruber has developed a chemical-free production, for the sake of environmental concerns.

WASTE MANAGEMENT AND DISPOSAL TO NATURE

A universal challenge for all mining companies is waste management. The industry has been subject to justified criticism due to poor waste handling. Rana Gruber has a system for marine deposition in the Rana Fjord. These waters were bereft of life in the 1970s following massive pollution from coking plant discharges. After the closing of the coking plant in 1979, the fjord has regenerated faster than expected. Tailings from Rana Gruber have been beneficial in this specific case, since they consist of clean sand and function as a lid locking in the old pollution on the seabed. As a result, life has returned to these waters. Naturally, however, there is no ecosystem of seabed-dwelling organisms.

Rana Gruber monitors the discharge of tailings to the sea, both continuously and through planned controls with assistance from consultants (seabed scanning and sampling of bottom sediments). The company also looks at alternative waste management solutions, together with partners and the government, for the purpose of identifying better and more sustainable solutions for the future.

SPILLING TO WATER

Rana Gruber currently holds a permit from the Norwegian Environment Agency to spill solid particles into the Rana River after ore extraction at the mine. This is issued pursuant to Norway's Act on Protection Against Pollution and Waste.

When extracting ore, fine particles are generated both from drilling and from transport. These particles follow the production water through the mine. The purifying plant in the mine consists of three settling pools and one clean water pool. The production water passes through a settling basin so that particles are sedimented (and later deposited), while purified water is released to the

Rana river. Spilling of fine particles (so-called suspended substance) to the Rana river has a limit value of 50 mg/l.

The company is looking into how these processes can be improved, particularly in regards to discharges to the river.

In the event of heavy rainfall and melting of snow, huge amounts of water enter the mine and thereby the purification plant. In such events, the interval between water entering and leaving the basin is too short to achieve a satisfactory sedimentation, which results in more suspended substances entering the Rana river. Because of this, the company is working to improve the purification system and to reduce the spilling of suspended substances to the river.

EMISSIONS TO AIR

Rana Gruber has introduced several measures to reduce emissions to air. One measure is to store products under a water mist system, which prevents dust from escaping the surrounding areas.

A second measure is related to the combustion of rubber, which takes place in an incinerator about once a month. During combustion, smaller amounts of sulphur and dust are emitted to the air. With the help of an external laboratory, emissions are sampled at certain intervals. This monitoring enables the company to keep emissions far below the permitted limit.

A third measure is the filtering system used in the production of Colorana, specifically, in the production of iron oxide pigment. The filtering systems run continuously and emit very small amounts of dust. In the event of system failure or damaged filter bags, however, the emissions may increase for a limited time.

There have been some challenges with obtaining representative measurement results from the filtering systems. The company has therefore worked to get an emission meter installed, so that the company can monitor emissions and avoid exceeding the permitted emission limits. In the current transitional phase, however, emission measurement will be done with the use of an external laboratory.

REHABILITATION OF NATURE

Rana Gruber is determined to ensure that sites are rehabilitated in the best possible way, which involves refilling and revegetating open-cast mines after extraction of ore is terminated. This is done in accordance with legal regulations and in cooperation with relevant local and national governmental institutions.

In this context, the Stortjønna lake provides a good example. When extraction was terminated in this area, Rana Gruber collaborated closely with Statskog to rehabilitate the lake in the best possible way. Stortjønna was filled with rocks and then covered with soil to allow the natural restoration of vegetation. The goal was to enable migration routes for elk and other wild animals, angling and outdoor life, and rough grazing. Just two years after extraction ended at Stortjønna, plants and trees are now starting to grow, and elk have reclaimed their migration route.

Rana Gruber's goal is to rehabilitate active open-cast mining sites to the largest possible extent, for the purposes listed above, and for the benefit of the local community.

HIGHLIGHTS OF 2022

Rana Gruber works continuously to reduce its impact on nature and has a goal of minimising the environmental impact of its operations. The company focuses on several areas, including rehabilitation of sites, waste management, spilling to water, and emissions to air.

The company`s ambitions is to minimise tailings and find alternative use for it, minimise discharge of solids to the river and rehabilitate and revegetate affected areas.

In 2022, the company has developed plans for the work to be done going forward. To contribute to limit impact on the environment and nature in the supply chain, the company has developed a supplier self-assessment which aims to assess the environmental footprint of all suppliers and business partners that provide the company with goods and services. The assessments will start in 2023.

THE WAY FORWARD

A key question for mining companies going forward is how impact on nature can be minimised. Rana Gruber wants to take its share of the responsibility to reduce negative impact and aims to do this through ambitions that minimise tailings and discharge of solids to the river. In addition, the company aims to rehabilitate and revegetate nature affected by the operations.

Further, the company is well aware of the impact related to the production of goods and services in the supply chain. Assessment of impact by suppliers and business partners on the environment, nature and biodiversity will therefore be an increased focus for the company going forward.

When extraction of ore is terminated, Rana Gruber aims to rehabilitate sites in the best possible way.

Resource utilisation

RANA GRUBER`S IMPACT

The major cause of climate and natural change is the world's enormous consumption of resources. According to a report from the International Resource Panel and the UN Environment Programme, economic growth and consumption of materials, input factors, and energy have increased proportionally with greenhouse gas emissions since 1970. In the same period, biodiversity has been greatly reduced according to the World Wide Fund for Nature's Living Planet report 2022.

Today, resources are consumed faster than we are able to recover and regenerate them. This contributes to nature losses that exceed tolerable limits, large amounts of waste, and increased greenhouse gas emissions. The report Circularity Gap Report Norway shows that the Norwegian economy is less circular than the average in the world and that as much as 97 percent of the resources we extract from the earth do not return to the circuit. In order to safeguard and use resources in a more sustainable way in the future, a reduction in resource consumption and a transition to a circular economy is absolutely necessary. Business can play an important role for this transition.

Mining involves utilisation of large amounts of resources. It is built on the extraction of natural resources and the use of input factors such as water, energy, and concrete. Furthermore, the degree of reuse of resources is limited.

In terms of contributing to a more sustainable resource utilisation, the recycling of materials is an important measure for Rana Gruber.

As regards upstream activities, many goods used by the company are particularly resource-intensive to extract and produce. Further, the iron ore Rana Gruber produces is used in industries and products which are also resource-intensive.

RANA GRUBER`S APPROACH

For Rana Gruber, it is important not to waste time, funds, or resources. The commitment to LEAN mining applies to employees at all levels of the organisation and ensures that every activity is done as smartly and efficiently as possible. At the same time, all changes must have an environmental improvement effect.

In the company's own operations, resources should be utilised in the best possible way. This means making sure to utilise the resources the company extracts in the best possible way, minimising waste, and making sure to contribute to circular solutions where possible.

RANA GRUBER`S AMBITION

- **Utilise resources in the best possible way**

HANDLING OF WASTE

As a mining company, Rana Gruber generates large amounts of tailings from the processing of ore, and masses of waste rock from mining. When it comes to waste other than tailings, the company works continuously to reduce as much waste as possible and has an ambition not to generate residual waste in the future.

Rana Gruber's largest waste fractions in 2022 were steel, paper, plastics, electronic waste, and waste oil. In terms of tonnage, the largest fraction is metal complexes, which is recycled by Celsa Nordic Mining. The company only produces limited amounts of hazardous waste, with waste oil being the largest proportion of this waste.

In 2022, the sorting rate was 86 per cent, down from 88 per cent in 2021. The decrease is the natural result of large quantities of metal and cables having been sent for recycling in 2021 relating to a major clean-up process in the company, as these items are more easily recyclable than other items. The company pays out bonuses for high sorting rates, and the 2022 rate was sufficiently high for bonus payment to the relevant employees.

In terms of contributing to a more sustainable resource utilisation, the recycling of materials is an important measure for Rana Gruber. Good sorting and recycling have a clear environmental effect and also reduces costs. The company aims to recycle all waste and has initiated measures and training for better sorting.

Of 1 028 tonnes of waste in 2022, 52.1 per cent went to recycling of materials. This concerns scrap iron, plastics, glass, electronic waste, cardboard/paper, etc. Combustible waste, such as wood, plastics, and residual waste is incinerated and recovered as energy. This accounts for approx. 25 per cent of the total waste produced by the company.

Hazardous waste is handled according to current laws and regulations. The company has routines for emptying oil separators and waste oil tanks, so that oil does not escape into the environment.

The company has good control over what happens to waste. Everything that is capable of being recycled is recycled and only small amounts go deposition in the Rana fjord.

WASTE MANAGEMENT

	Waste management (tonnes)	Amount of total waste management (%)
Deposition of tailings	65.2	6.3
Recycling of materials	536.0	52.1
Energy recovery	393.3	38.3
Reuse	23.7	2.3
Composting	9.8	1.0

USE OF WATER

In the underground mine, water is mainly taken from a separate clean water basin with rainwater. The water is used for cleaning machines and the operation of drilling rigs. Drinking water and water for cooking in the mine is water purchased in cans.

Water from the Rana river is used in the extraction process in the processing plant. In 2022, 23.9 million cubic meters of water from the river were used. The water in the river is not a limited resource so this does not affect the local community to any extent.

With regard to discharge of water, the company follows regulations by the Norwegian Environment Agency. Only tailings can be discharged with the water, including solids such as mine sludge and fines. To ensure compliance with this, the company has installed a purification system which involves a basin for collecting solids and oil, as well as devices for the separation of permitted and unpermitted substances.

Monitoring of potential emissions via water is required by law, and if it shows high values, measures will be initiated.

HIGHLIGHTS OF 2022

Mining involves utilisation of large amounts of resources. Furthermore, the degree of reuse of resources is limited. For Rana Gruber, it is important not to waste time, funds, or resources, and the company`s ambition is that resources should be utilised in the best possible way.

Important measures in this regard are handling of waste. Sorting and recycling are important areas of focus for Rana Gruber, and the company aims not to generate residual waste in the future. Further, water consumption should be done in a responsible and sustainable way and the company has measures to limit unnecessary water use and use rainwater when possible.

- Sorting rate: 86 per cent
- Recycling of materials: 52.1 per cent
- 23.9 million cubic meters of water from the river were used (not a limited resource)
- Rainwater used for cleaning machines and the operation of drilling rigs in the mine

THE WAY FORWARD

The utilisation of resources contributes to nature losses that exceed tolerable limits, large amounts of waste, and increased greenhouse gas emissions. A sustainable use of materials and resources is therefore needed to reduce emissions and protect and restore nature.

Rana Gruber wants to take its share of the responsibility and aims to do this through its ambition that resources be utilised in the best possible way in the company's operations.

The company will continue to work to increase both the sorting rate and materials recycling. Rana Gruber will also continue to work on mapping resource utilisation and the potential for more sustainable solutions. Assessment of impact by suppliers and business partners on the environment and resource utilisation will therefore be an increased focus for the company going forward.

Rana Gruber promotes equality and diversity in company and the industry.

SOCIAL MATTERS

Rana Gruber aims to be a safe and responsible employer which contributes to increased equality and diversity in the industry. The company shall contribute to safeguarding human rights and decent working conditions in its own business, supply chains, and with its partners. The company acknowledges that it can do more to contribute to positive changes and is aware of its responsibility. The company's work on social matters is based on the UN sustainable development goals and the company's three material topics relating to social matters; decent working conditions, equality, and human rights.

Decent working conditions

RANA GRUBER'S IMPACT

Rana Gruber is a cornerstone of Mo i Rana and an important employer in the local community. The employees are the company's most important resource. The company aims to be a safe, reliable, and responsible employer. The mining industry is characterised by physical and demanding work and the working hours are largely shift-based. Rana Gruber therefore implements several measures to ensure that the employees have a good and safe workday.

RANA GRUBER'S APPROACH

Rana Gruber has a long and strong tradition in the local community, and fully supports the collaboration between trade unions, employers, and authorities for decent working conditions. Almost 100 per cent of the employees are members of a trade union. A close collaboration with the trade unions is central to the development and growth of the company.

The company has great confidence in its employees and takes their interests seriously. The company is committed to complying with the UN's universal declaration on human rights and the International Labour Organisation convention, as well as the Ethical Trading Initiative Act, which regulates and defines the rights and duties of companies and employees.

As an employer, Rana Gruber respects the employees' right to form and join trade unions of their own choice. The company also encourages these activities. The company's management has regular collaboration meetings with union representatives in the work environment committee. The committee collaborates on work regulations that define standards relating to employment and dismissal, working hours, wages, and rules of order for the company.

Safety and good work environment are important values at Rana Gruber. The company undertakes assessments of the physical work environment at the company's sites every year, based on the Norwegian Labour Inspection Authority's guidelines and standards.

The company carries out employee support conversations every year and health examinations of employees at least every three years.

Rana Gruber has established a whistleblowing system and the management collaborates with employee representatives to ensure that the company has a culture for reporting objectionable conditions. The company has a well-established culture for reporting hazardous situations or incidents, and the company's handbook – which describes safety procedures – has been delivered to all employees.

All employees are covered by insurance schemes, employee rights, and occupational health services. The employees have a large influence on the company's decisions through board directorship and through the general meeting as shareholders of the company.

RANA GRUBER`S AMBITION

- **Promote the collaboration between trade unions, employers, and authorities for decent working conditions, and be a safe and reliable employer.**

NEW HIRES, STAFF TURNOVER AND PARENTAL LEAVE

In 2022, the company's workforce turnover was low (7 per cent), and great emphasis was placed on ensuring a good and secure work environment for employees. The company hired 17 employees – 4 women and 13 men.

At Rana Gruber, no distinction is made between employees in terms of insurance schemes, pensions, and other rights. Everyone has access to life insurance, disability insurance, health insurance, pension provision, and the right to parental leave. This includes full-time and part-time permanent employees, temporary employees, and apprentices. The exception is contracted personnel, as these are hired on an hourly basis.

16 employees were on parental leave in 2022 – 6 women and 10 men. The total number of employees who returned to work after taking parental leave was 16 – 100 percent. See appendix page 119

From 1 November 2021, the health insurance has included physiotherapy (up to 6 times per year) and the need for urgent psychological assistance. The company is listed on the Oslo Stock Exchange and shares are thus available to all employees

HEALTH AND WORK ENVIRONMENT ASSESSMENTS

Rana Gruber shall provide safe and hygienic working conditions, and the company places great importance in the employees' physical and mental health.

The company conducts annual physical work environment assessments in order to map Rana Gruber employees' exposure to hazardous substances, dust, and noise. These assessments are based on guidelines and standards from the Norwegian Labour Inspection Authority and are carried out by Nemko Norlab. The assessment involves a detailed occupational hygiene assessment, covering a minimum of six measurements in each group of workers with comparable exposure to an unwanted item, and a statistical assessment of the results. The analysed results are combined with risk assessments and a mapping of potential measures for reducing exposure to the unwanted item. These interventions always aim to remove the source of the unwanted item as much as possible.

Measurements carried out in 2022 show that the company's measures have been satisfactory, including the routines for cleaning work clothes and machines to minimise exposure to quartz. The annual employee support conversations are conducted by the relevant manager for each employee.

All employees are entitled to a health examination at least every three years. This is carried out by the corporate health service supplier "Helse og sikkerhet" and is adapted to the employee's health and everyday working life.

The corporate health service supplier is an important supplier and partner for Rana Gruber. It also takes part in the physical work environment assessment and is available for urgent needs against a deductible. It also assists with risk assessments and advice related to, for example ergonomics use of chemicals in the laboratory, work tasks for pregnant women, and other adjustments in working conditions for employees who need a temporary adjustment.

In 2022, the corporate health service supplier has, among other things, assisted with the mapping of noise in the processing plant. All employees have also been offered a free flu vaccine. The corporate health service provider has a permanent representative in the work environment committee.

The corporate health service provider also provides courses in safety and team work for the company's safety representatives and others if they want/need this. For some employees, these courses are required by law. The health service provider also has an occupational hygienist who participates in various meetings and inspections, and is a resource for Rana Gruber.

For further information about health and safety, please see page 82.

HIGH LEVEL OF UNIONISATION

Rana Gruber fully supports the collaboration between employers, trade unions, and authorities for decent working conditions. Close and trustful cooperation with the unions is crucial for the company's development and growth. As an employer, Rana Gruber both respects and encourages employees to form and join unions of their own choice. The unionisation of Rana Gruber employees is close to 100 per cent.

The management holds regular meetings with elected union officers through the work environment committee, and collaborates on framing rules on matters such as recruitment and dismissal, working hours and wages, and discipline on the company's sites.

Rana Gruber wants to encourage constructive discussion and openness in negotiations, and makes provisions for communication with all employees, for the purpose of handling conflicts or other concerns. Moreover, employees have influence on the company's decisions through board directorship, and through the annual general meeting as shareholders.

WHISTLEBLOWING

Each and every employee has the right to report irregularities in the company they work for. Effective whistleblowing mechanisms can be a valuable resource for risk management, protection against financial losses, liabilities, and reputational damage. In collaboration with union officials, the management therefore ensures that Rana Gruber's whistleblowing system for the reporting of irregularities is in place.

The company is also responsible for making sure that whistleblowers do not experience any direct or indirect sanctions. It is in Rana Gruber's interest that these mechanisms are well known among the employees, and the company will work continuously to train and guide employees in collaboration with union officials.

In 2022, there were no registered whistleblowing cases.

HIGHLIGHTS OF 2022

Rana Gruber aims to be a safe, reliable, and responsible employer. The employees are the company's most important resource and shall be provided safe and hygienic working conditions. Further, Rana Gruber places great importance in the employees' physical and mental health.

In 2022, Rana Gruber has conducted physical work environment assessments in order to map Rana Gruber employees' exposure to hazardous substances, dust, and noise. The turnover in the company has been low (21 employees, 7 per cent). The company has 17 new hires and 16 has been in parental leave.

- New hires: 17
- Turnover: 7 per cent
- Sick leave: 7.48 per cent
- No whistleblowing cases
- Unionsation close to 100 per cent
- Health insurance and parental leave offered to all employees (including permanent employees, temporary employees, and apprentices)
- Employee survey completed for all employees
- Health examination completed for employees subject to this
- Physical work environment assessments conducted at the mine, laboratory, and office space
- Mapping of noise is developed for buildings in Gullsmedvik

THE WAY FORWARD

Rana Gruber`s ambition is to promote the collaboration between trade unions, employers, and authorities for decent working conditions, and be a safe and reliable employer. A focus area going forward will be to continue promoting good physical and mental health for all employees. Conducting physical environment assessment annually is an important measure in this regard, as well as offering health services and insurances to all employees, regardless of whether they are full-time, part time, temporary employees, or apprentices. The company aims to have a low turnover and sick leave, and will continue to work closely with the unions and encourage the unionisation of employees.

The sick leave percentage for 2022 may be partially related to Covid. Also, an unusually high number of employees got the seasonal flu. The company expects-this number to drop in 2023.

Equality

RANA GRUBER'S IMPACT

Mining is traditionally a male-dominated industry. The work in mining is largely physical, and the working time can be a challenge. Historically, this has made it challenging to recruit women to the industry.

In 2022, Rana Gruber carried out an analysis and assessment of the company's work with equality and non-discrimination. The assessment was made on the basis of a checklist prepared by the equality representative – adapted to the company's work to comply with the Equality and Anti-Discrimination Act.

The assessment shows several conditions that can contribute to preventing equality and diversity in the business. Among other things, the company's operations are largely based on shift work, which can prevent equality. Furthermore, the work is by its nature physically demanding and requirements for strong physique can contribute to discrimination.

Due to security reasons, the company has a requirement that all employees must speak Norwegian. This language requirement can be an obstacle to a diverse workplace and thus contribute to discrimination. Furthermore, Rana Gruber is located in a region that is not characterised by great ethnic diversity.

The mines and processing plant are limiting in terms of accessibility. The administration building from 2012, on the other hand, is adapted to several mercantile functions and meets the requirements for universal design.

Furthermore, the assessment showed that there is a lack of concrete goals and measures that address work on equality and anti-discrimination, and that the vision, guidelines, and work on equality and diversity are not well communicated in the organisation.

For more information about conditions the company has identified as possible obstacles to equality and anti-discrimination, see the equality statement on page 112.

RANA GRUBER'S APPROACH

Rana Gruber aims to contribute to increased equality and diversity in society by promoting equality and anti-discrimination in the mining industry in general and in the company in particular. The company shall avoid discriminatory practices with regard to gender, age, race, and religion, and has zero tolerance for physical, verbal, or sexual abuse or harassment in the workplace.

The underground canteen is a place for meals and socialisation.

Consideration of equality and anti-discrimination is also included in the personnel policy.

Active cooperation between the management of the company and employee representatives through the trade unions and their representatives is important for the work on equality and anti-discrimination. There is a close and good cooperation in the company's work environment committee. In addition, representatives from the executive management team and the employee organisations meet regularly.

At Rana Gruber, the most qualified and suitable candidate will be chosen for employment. The HR department has the final say on hires, and ensures that the company takes care of considerations related to equality and diversity in the hiring process. Furthermore, trade union representatives receive the applicant lists, and can provide input.

The company has also mapped and initiated physical measures that will comply with requirements for universal design and other physical measures that can contribute to promoting equality and diversity. This applies, among other things, to ergonomic adaptations such as the possibility of raising/lowering the workstation.

Based on identified conditions that can prevent equality and non-discrimination, Rana Gruber has started the process of establishing a strategy for increased equality and diversity that will be discussed by the work environment committee, the executive management, and the board of directors. The company acknowledges that targeted efforts must meet the requirements set by the Norwegian Equality and Anti-Discrimination Act. The strategy is to be completed in 2023.

The company sees training in company principles and guidelines as an essential part of the work to increase equality and diversity. The strategy and associated measures and guidelines shall be well known in the company, and the company shall develop a plan for training in equality and diversity work.

RANA GRUBER`S AMBITION

- **33 per cent female employees by 2027**

PRINCIPLES AND GUIDELINES FOR DIVERSITY AND INCLUSION AT RANA GRUBER:

- Rana Gruber shall avoid discriminatory practices relating to gender, age, race, and religion, and the company does not tolerate physical, verbal, or sexual abuse or harassment in the workplace.
- The company should select the best qualified and most suitable candidate for all positions.
- The HR department should have the final say for recruitments. This is to ensure that considerations related to gender equality and diversity are taken into account in the recruitment process. Relevant union representatives shall look at the list of applicants and provide input. First-line managers (i.e. managers of shifts and departments) shall participate in interviews together with the relevant line manager and HR manager. The final decision shall be made by the HR manager, and the union representative shall be informed of the decision.
- Considerations of equality and anti-discrimination shall be taken into account in the personnel policy.
- The management shall collaborate with union representatives to ensure that objectionable matters are communicated through the whistleblowing system.

THE COMPANY'S WORK FOR INCREASED EQUALITY AND ANTI-DISCRIMINATION

Consideration of equality and anti-discrimination is central to Rana Gruber and is included in the personnel policy. The company continuously works to increase the proportion of women in the company, including in management positions and representational positions. The company has a principle of working to avoid discriminatory practices with regard to gender, age, race, and religion and has zero tolerance for physical, verbal or sexual abuse or harassment in the workplace.

Employees can report discrimination anonymously through the company's whistleblowing system. Notices through this system are received by the HR department and the employee representative in the work environment committee. No cases of discrimination have been reported in 2022.

Salary, and any salary differences, are continuously monitored in the company. The salary survey from 2022 shows that the company does not have objectionable gender differences when it comes to salary. Any differences have their natural explanation (seniority etc.). Salary differences are reviewed annually with union representatives.

For more information about gender distribution and salary differences, see page 120.

HIGHLIGHTS OF 2022

Rana Gruber aims to contribute to increased equality and diversity in society by promoting equality and anti-discrimination in the mining industry in general and in the company in particular.

In 2022, the company has reviewed its work with equality and diversity and conducted a risk assessment relating to the company's work against discrimination and harassment in accordance with the Equality and Anti-Discrimination Act.

A number of measures have been implemented in 2022 as a result of this assessment. Among other things, the company's ambition for the proportion of female employees has been added to the company's job adverts. Furthermore, the company has done work to get more women to take up representational positions and management positions. The new female employee representative in the board of directors is a result of this work. The company has also worked systematically to make sure the corporate culture is consistent with equality and anti-discrimination.

- In 2022, women accounted for 48 of Rana Gruber's 286 employees.
- The executive management team of four includes one woman, while the female proportion of the board of directors is 40 per cent.
- Review of the company's work with equality and diversity is completed.
- No incidents of discrimination reported.

For more information about Rana Gruber's work with equality and anti-discrimination, see the equality statement on page 112.

THE WAY FORWARD

In 2023, Rana Gruber will establish a strategy for increased equality and diversity in the business. The company's ambition is to have 33 per cent female employees by 2027 and that more women take on representational positions and management positions. As part of ongoing strategy work for equality and diversity, the company will establish relevant KPIs.

The company will work to communicate the strategy to employees and to establish a plan for training in strategy, guidelines, and measures for increased equality and anti-discrimination.

To enhance the expertise of Rana Gruber's employees is a top priority.

Competence and development

RANA GRUBER'S IMPACT

Rana Gruber depends on competent employees who want to contribute to the development of the mining industry. Lack of professional competence is a challenge and competence and training require time and resources. The company particularly wants to target girls, as the proportion of women in the industry and the company is lower than desirable. In 2022, Rana Gruber's HR department and employees from the mine visited upper secondary schools to engage young people in the opportunities that exist in the mining industry.

RANA GRUBER'S APPROACH

A top priority for the company is to enhance the expertise of Rana Gruber employees. This entails covering educational costs, such as course fees, learning materials, and PCs. Paid leave is also provided for meetings, travel, and examinations related to further education. This has encouraged both master's degrees and PhDs. The company has also awarded scholarships and apprenticeships with a range of specialisations to upper secondary pupils.

Dropouts from upper secondary schools are among Norway's major concerns for adolescents. Rana Gruber therefore believes that commitment to young individuals is among the most important contributions which Norwegian industrial companies can make to their local communities. One of the company's most valuable contributions is the recruitment of unskilled young people. Through training and mentoring, young dropouts end up with qualifications and new opportunities in life.

Rana Gruber also supports research and educational institutions. The company funds the Science Centre in Mo i Rana, a mining-relevant educational program at the Norwegian University of Science and Technology, and the associated academic staff. In addition, the company has an academic partnership with the University of Tromsø.

RANA GRUBER`S AMBITION

- **Contribute to increased competence internally in the organisation and for the external environment, including the company's partners.**

TRAINING, COMPETENCE AND FURTHER DEVELOPMENT

Rana Gruber has a continuous focus on training and further development of the company's employees. All employees are taught about, among other things, the company, operations, safety, and work tasks. Furthermore, specialised training is provided when needed in the various units of the operations. The training mainly takes place through the company's electronic training platform. The department managers are responsible for necessary and relevant training.

Employee support conversations shall be conducted annually for all employees with the relevant manager. In 2022, 16 of the company's employees did not have an employee support conversations.

The company aims to provide all employees with the necessary training to perform a number of different tasks. This involves extra training and courses that make the operations less vulnerable in connection with holidays and illness. When several people are able to perform different tasks, it is also easier to ensure efficient job rotation. Good job rotation prevents the risk of strain injuries and makes the workday less repetitive.

In order to get younger people into the industry, apprenticeships are offered in a number of fields, including IT, electric power, and mining. In 2022, the company had a total of 14 apprentices and seven employees received professional certificates. The company only uses cleaning operators with professional certificates to have the best competence and improve the reputation of this profession. The company also provides opportunities and encourages further education such as professional certificates and undergraduate and graduate studies.

The tasks in the company are largely characterised by specialist work. In some cases it can therefore be challenging for employees to perform tasks which are different from the ones they usually do, but the company always tries to find solutions for employees who want different work tasks. The aim is to find solutions and facilitate a flexible work life within the company's scope of possibilities.

HIGHLIGHTS OF 2022

A top priority for Rana Gruber is to enhance the expertise of the company's employees. One measure for competence development is regular training of employees. Further, apprenticeships are offered in a number of fields to get younger people into the mining industry.

- Number of apprentices: 14
- Number of employees who have received professional certificates: 7
- Number of employees who do further education: 22
- Employee support conversations conducted with 97 per cent of employees.

THE WAY FORWARD

Rana Gruber`s ambition is to contribute to increased competence internally in the organisation and for the external environment, including the company's partners. The company is dependent on competent employees who want to contribute to the development of the mining industry. The company particularly wants to target girls, as the proportion of women in the industry and the company is lower than desirable. Going forward, Rana Gruber will continue to focus on training and further development of the company's employees. Measures such as continuous training on health and safety and different work tasks will be a focus area. Further, as new technology and machines are introduced in the mine, there will be focus on training to make sure all employees can operate the machines in a safe way.

Human rights

RANA GRUBER'S IMPACT

According to the UN, 3 billion people work under conditions that do not ensure their economic and social welfare. Around 40 million people are victims of modern slavery and more than 150 million children conduct child labour. The challenges in the global value and supply chains are huge. The UN sustainable development goals aim to reduce inequality and eradicate poverty. The role of business is crucial to achieve these goals.

The Organisation for Economic Cooperation and Development (OECD) has guidelines for multinational companies in areas such as human rights, labour rights, the environment, anti-corruption, and transparency. A key element in the OECD's guidelines companies is making due diligence assessments to avoid harm to people, society, and the environment.

The guidelines are central to the Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act) which was introduced in Norway in 2022. The Act means that businesses must contribute to promoting human rights and decent working conditions in their own operations, supply chains, and with business partners. The Act also entails an obligation to provide a statement on the work with due diligence assessments and to provide information about the company's work to anyone who wants this.

In 2022, Rana Gruber carried out a due diligence assessment of the company's work to promote and safeguard human rights and decent working conditions in the company's own business and supply chains. The assessment was made on the basis of the OECD's guidelines for responsible business, where the implementation of due diligence assessments is central. The purpose was to identify shortcomings and potential for improvement in order to be able to promote human rights and decent working conditions in the operations, supply chains, and with business partners.

The company considers the risk of human rights violations to be low in its own operations. The national legal requirements are strict, and the company has good policies and routines in place to look after the wellbeing of the employees. But the safeguarding of human rights and decent working conditions in the company's supply chains is more challenging. This is due to several factors. First and foremost, it is challenging to gain insight into all contributors in the supply chain, especially subcontractors. The possibility of positive impact is also limited.

The due diligence assessment shows several conditions that may prevent Rana Gruber from safeguarding human rights and decent working conditions, mainly in the supply chain. The main challenges are the following:

- Lack of internal resources to examine suppliers
- Lack of knowledge about the degree of freedom of expression in the supply chain
- Lack of equal information about all suppliers
- Lack of internal routines for due diligence assessments
- Lack of requirements and follow-up related to procurement
- Lack of routines related to supplier dialogue and documentation
- Different rules in different countries

RANA GRUBER'S APPROACH

Rana Gruber is committed to comply with the UN's universal declaration on human rights and the International Labour Organisation convention, OECDs Guidelines for Multinational Enterprise, as well as the Ethical Trading Initiative Act, which regulates and defines rights and duties of companies and employees. The OECD Guidelines set standards for responsible business conduct across a range of issues such as human right, labour right, and the environment.

The company values responsible business and works actively to safeguard and promote human rights and decent working conditions. Based on the due diligence assessment, the company has implemented a number of measures to strengthen its work with safeguarding human rights and decent working conditions. The work started in 2022 and will continue in 2023, and includes the following:

- Establish a Code of Conduct and communicate this to employees, suppliers, and partners
- Ensure better insight into suppliers through supplier surveys, and implementation of screening and due diligence assessments in procurement processes
- Establish routines for procurement and carry out due diligence assessments
- Ensure better control of subcontractors by setting requirements for audits and supplier evaluations of the subcontractors' suppliers
- Clarify the internal organisation of the work with due diligence assessments and ensure that resources have been set aside for the implementation of the work and supplier dialogue

RANA GRUBER`S AMBITION

- **Ensure better insight into the supply chain and establish routines to carry out due diligence assessments and supplier dialogue supporting human rights and decent working conditions.**

Rana Gruber shall safeguard human rights and decent working conditions in all of the company's activities. Companies must take responsibility by providing new solutions and be proactive in the transition to a more sustainable society. This also involves a responsibility to safeguard basic human rights and decent working conditions.

SUPPLIER CODE OF CONDUCT

During the first half of 2023, Rana Gruber will establish a Supplier Code of Conduct based on existing guidelines and principles for the company's business, as well as the work related to the Transparency Act.

RISK ASSESSMENTS

The due diligence assessment carried out in 2022 shows that the company needs to strengthen its work with risk assessments related to human rights and decent working conditions. This applies particularly to risk assessments linked to the procurement of goods and services from suppliers and their sub-suppliers. Circumstances that may be appropriate to include in such a risk assessment include child labour, forced labour, the right to freedom of association, discrimination, and health and safety.

As part of the company's further work with due diligence assessments, such a risk assessment will be prepared. This will act as a starting point for closer supplier dialogue and follow-up.

SUPPLIER ASSESSMENTS

Rana Gruber emphasises good dialogue with its suppliers, and will examine human rights and decent working conditions in the supply chains more closely going forward. The company sees a particularly increased risk when using suppliers outside the EU, and believes that examination of these suppliers is the most important contribution to avoiding violations of human rights and decent working conditions.

As of 2022, the company has been in the process of establishing a system to assess social matters at all suppliers and business partners providing the company with goods and services. This includes human rights, decent working conditions, discrimination, diversity and inclusion, anti-corruption, as well as climate and environmental factors. The assessment will be conducted by means of a supplier self-assessment survey.

As the system was under development in 2022, no suppliers were assessed in the reporting year. As a consequence, the company was unable to disclose negative social impacts in the supply chain in 2022. From the first quarter of 2023, assessments regarding social matters will be conducted for all suppliers.

That said, Rana Gruber has no reason to believe that there has been a violation of human rights and decent working conditions in the supply chain. If there had been cases of this, the company would have initiated remediation in collaboration with suppliers and business partners.

For more information about the company's work to promote human rights and decent working conditions, see the explanation on the company's website. In line with the requirements of the Transparency Act, the company's report will be publicly available by 30 June 2023.

Technical supervisors monitor the production process thoroughly.

HIGHLIGHTS OF 2022

Rana Gruber values responsible business and works actively to safeguard and promote human rights and decent working condition. The company works in line with the Transparency Act, which came into force in 2022. In this regard, the company has taken a number of measures to strengthen its work to safeguard of human rights and decent working conditions in its own operations and supply chains:

- Conducted due diligence assessment of the company's work to safeguard human rights and decent working conditions in line with OECD guidelines
- Complied with the Transparency Act
- Developed a code of conduct
- Implemented measures to improve internal routines for carrying out due diligence assessments and examinations of human rights and decent working conditions
- Started work on a system for supplier examination

THE WAY FORWARD

Rana Gruber shall safeguard human rights and decent working conditions in all parts of its business. The company emphasises good dialogue with its suppliers, and will examine human rights and decent working conditions in the supply chains more closely going forward In 2023, Rana Gruber will establish a system for closer supplier examination. The company will conduct supplier surveys and establish a closer dialogue with the suppliers in the value chain. Rana Gruber will establish a Supplier Code of Conduct. Furthermore, the company will continue working with due diligence assessments with the ambition of increasing risk understanding, improve the dialogue with suppliers, and initiate risk mitigation measures.

GOVERNANCE

The company's governance is based on the UN's sustainable development goals and two of the company's material topics related to corporate governance; safety and local value creation.

Safety

RANA GRUBER'S IMPACT

Mining requires high standards for safety and cooperation in the face of challenges related to the operations, employees, and the local community. Rana Gruber always puts health and safety first, and the company strives to have a constructive dialogue with relevant stakeholders. The company is a well-organised business characterised by instructive collaboration between the management and trade unions. This collaboration also extends to the local community, the authorities, and other relevant organisations.

RANA GRUBER'S APPROACH

The health and safety of employees, customers, and partners are always a top priority at Rana Gruber. The company has a dedicated policy which sets high health, safety and environment (HSE) standards for the work environment at all sites of the operations. The aim is to offer a workplace that is free of accidents, as the result of accurate and detailed training modules, systems, and procedures, including the use of top quality personal protective equipment.

The company follows legal requirements, but in some areas, the company has developed stricter guidelines and procedures. For example, the company operates with a lower limit value for air quality in the mine than what is required by law. This is monitored with daily gas measurements.

Rana Gruber has tailored safety measures ensuring a healthy work environment.

The company has substantial experience on operating safely, and consequently no employees have incurred serious injuries over the past ten years. The company has adopted measures in cooperation with the unions to safeguard operations and production, while simultaneously avoiding excessive workloads on employees in the event of accumulation of absence related to sickness. The company policy includes health examination for employees, keeping track of lost working hours, and registering and reporting potential occupational hazards.

RANA GRUBER'S AMBITION

- **Zero work-related injuries**

HEALTH, SAFETY, AND ENVIRONMENT (HSE)

Rana Gruber has a system for managing health and safety in the workplace. This is available to all employees, including temporary employees and contracted personnel. The system follows the requirements for risk assessment and deviation management, ISO 31000:2018.

All employees must familiarise themselves with guidelines and systems for safeguarding health and safety in the workplace. The company provides mandatory training in the system, guidelines, and procedures related to HSE, and a lot of time is devoted to train new hires and informing employees about changes to systems and routines. Special training is also provided for certain functions and tasks, and there are separate training plans and routines for handling machines and equipment. Employees are also trained in registering deviations and giving suggestions for improvements for safety in the workplace. Training routines for safety is also offered to contracted personnel and visitors. The company also follows rules for conducting incident drills. Employees who are responsible for safety are required to have four annual drills, but for other employees, the amount is not specified.

Rana Gruber has 26 safety representatives who are responsible for safety in various parts of the business. Safety representatives complete courses required by law and have a particular responsibility for safeguarding the interests of employees in matters relating to the work environment. In 2022, the company facilitated a monthly meeting point for all safety representatives where they can discuss relevant matters. In 2022, Rana Gruber has also hired a chief safety officer, who only works with employee safety.

For more information on how Rana Gruber takes care of the employees' health, please see pages 71-73.

RISK ASSESSMENTS

The company has good routines and systems for risk assessments relating to workplace safety. The company includes a wide range of affected parties when carrying out risk assessments, including the chief safety officer, operators, and technical supervisors. These assessments are carried out regularly, with somewhat different frequency in different sites of the business. All employees can report deviations and give input and suggestions for improvement regarding safety in the workplace through dialogue with their manager and safety representative. Furthermore, the company is in the process of updating a risk assessment regarding safety for all work tasks. This work will continue in 2023.

DEVIATION MANAGEMENT

The company has good routines for registering and handling safety deviations. The deviation system is available to all employees on PC and mobile phones. In the case of registered deviations, the company follows given routines and procedures. In the event of major incidents, an internal investigation involving the participation of several employees is carried out according to given procedures. The company encourages everyone who reports deviations to say their name, as this makes it easier to deal with the deviation quickly and efficiently. The company also encourages having a low threshold for reporting deviations. Employees can also report deviations via their manager. In collaboration with union officials, the management has also ensured that Rana Gruber has a whistleblowing system for the reporting of irregularities in place. Please see page 73 for more information.

Despite meticulous work with safety, seven injuries were registrated in 2022. Two of them resulted in a short-term of absence. The first incident occurred in connection with wagon emptying and was investigated in accordance with procedures. The injured person has contributed to clarifications and was back at work after short-term absence.

The second incident was a broken arm when disembarking from a loader. This incident has not been investigated, as the accident was the result of non-blameworthy conditions. Here too, the injured person contributed with clarifications. These two accidents resulted in a total of 16 days of absence for 2022. The company takes any injury seriously and constantly seeks to avoid such incidents.

HIGHLIGHTS OF 2022

The health and safety of employees, customers, and partners are always a top priority at Rana Gruber. The company has a dedicated policy which sets high health, safety and environment standards and aims to offer a workplace that is free of accidents. Measures in place is detailed training modules, systems, and procedures, including the use of top quality personal protective equipment.

- Chief safety officer hired
- Total accidents: 7
- Accidents leading to absence from work: 2 - 16 days in total
- Accidents without subsequent absence from work: 5
- In process of updating a risk assessment regarding safety for all work tasks. This will continue in 2023.

THE WAY FORWARD

The safety of employees is Rana Gruber's highest priority, and the company ambition is zero injuries. The company is in the process of updating a risk assessment regarding safety for all work tasks. This work will continue in 2023 and relevant measures will be set in action if needed. Further, continuous training of employees in HSE is an important measure to provide a safe workplace.

Local value creation

RANA GRUBER'S IMPACT

Mining is a fundamental part of the Rana community's identity and history, and Rana Gruber is one of the region's largest and most important employers. It is therefore clear that the company carries several obligations, one of which is taking on a corporate social responsibility, which extends beyond being a large workplace.

RANA GRUBER'S APPROACH

Rana Gruber wants to be a contributor to the local community by building local expertise, and contribute to initiatives and projects, and be a good partner in the industry cluster. The company has a good collaboration with unions, neighbours, and local industry. The company is keen to be a good neighbour in the local community and strives for close dialogue with nearby neighbours, especially with regard to conditions such as noise and dust. Furthermore, the company strives to be a good partner for other industrial companies and the Rana municipality and local community. The company funds sports clubs, charities, and music related activities, and thereby enables recipients to gain opportunities which would otherwise have been unattainable.

RANA GRUBER'S AMBITION

- **Be a stable and significant contributor to local value creation**

A RESPONSIBLE CONTRIBUTOR IN THE LOCAL COMMUNITY

Rana Gruber shall be a positive contributor to the local community, and shall have the least possible negative impact on neighbours and surrounding areas. The company responds to all inquiries from neighbours and local communities, and has a good dialogue with residents in the area close to the mine and the processing plant. The company meets with residents at least once a year. In cases that lead to particular noise, dust or traffic, the company notifies residents in nearby areas and implements measures if possible. For example, when neighbours complained about reversing alarms on vehicles making noise, the company chose to close off the areas from which the reversing alarms disturbed the most.

SUPPORT FOR LOCAL ORGANISATIONS AND FACILITIES

The following organisations and facilities received support from Rana Gruber in 2022:

- Local airport – see below
- BUA
- Mo i Rana hospital
- The volunteering centre
- Science centre Nordland
- The Salvation Army
- Bodø/Glimt football club
- Rana football club
- Dunderlandsdalen shooting team
- Smeltedigelen music festival
- Storforshei sports club
- Skonseng sports club
- Rana handball club
- Rana athletics club
- Rana slalom club
- Storforshei leisure club
- Fageråsbakkene
- Arctic Circle skiing club
- Arctic Circle casting and fly fishing association
- Rana Kormakeri

- Mo horn music
- Bergringen
- Football pitch at Storforshei
- "Vi vil leve", a film about prevention of suicide
- Blå Vegen
- Arctic Race of Norway
- Båsmokoret
- First Lego League
- Turnhall Gruben
- Stålhallen
- Bellona

Individuals who have received sponsorships:

- Håkon Skog Erlandsen
- Emilie Ågheim Kalkenberg (national team athlete)
- Robin Pedersen
- Benedicte Stien Schreiner
- Marthe Kråkstad Johansen (recruit national team athlete)
- Kristian Skjømming (recruit national team athlete)
- Oda Leiråmo
- Birk Fjellheim
- Emil Bergli
- Kasper Ågheim

Rana Gruber is also a sponsor and co-owner of Arctic Circle Raceway, which is a motorsport facility located on a former mining area. In the beginning, Rana Gruber sponsored the construction, and thereafter the company joined a group of investors to buy the facility. This is an example of how Rana Gruber contributes to activities in the local community.

FUNDING OF THE NEW AIRPORT IN MO I RANA

The company has participated in the funding of the new Polarsirkelen Airport in Mo i Rana with NOK 15 million. The contribution was given in the first quarter of 2022 and the airport will improve the region's accessibility, and enhance recruitment and the business activity of the company. Rana Gruber is already shareholder in the airport's holding company.

LOW-PROFILE AND HIGH-PROFILE COMMITMENTS

Some of Rana Gruber's sponsorships are high-profile, such as its commitment to Bodø/Glimt football club. The three-year sponsorship of NOK 3 million is directed at talent development by the Glimt Academy. The purpose is, among other things, the recruitment of football players from the Helgeland region – where Rana Gruber is situated – so that talents can play for a high-quality club in their own region.

PARTNER FOR RANA FOOTBALL CLUB

Rana Gruber is a partner for the local football club, Rana FK. The funds from the company will be used for:

- Sports for children and adolescents
- Social equalisation (funding of those with less funds to pay for fees)
- Equality

ANTI-CORRUPTION

Rana Gruber has a specific anti-corruption policy. In addition, the company has developed a set of guidelines that comply with Norwegian legislation and statutory regulations.

These guidelines apply to Rana Gruber and all its employees. The policy provides an overview of rules and procedures for preventing corruption and explains how employees should behave in order to avoid it. All of Rana Gruber managers are required to ensure that these procedures are well known in the organisation.

Rana Gruber has had an anti-corruption policy in place for several years. This policy applies for all Rana Gruber and their employees.

Line managers are responsible for making the policies known in their organisation and promoting a culture of awareness and compliance and for monitoring compliance.

There were no confirmed indidents of corruption and actions taken in 2022. Likewise, there were no legal actions for anti-competetive behaviour, anti-trust or monopoly practices.

Rana Gruber supports children and adolescents' leisure activities, including the science and technology competition FIRST LEGO league.

APPENDIX 1

Carbon accounts

KEY FIGURES GHG EMISSIONS

SCOPE 1	Description	Unit	2020	2021	2022
Transportation					
Diesel	Ørtfjell tank 1 and 2	tCO_2e	-	-	**-**
Diesel	Ørtfjellmoen	tCO_2e	1 549.8	1 238.8	**1 932.9**
Diesel	LNS tank Ørtfjell	tCO_2e	9 299.2	9 493.3	**8 693.6**
Diesel	Gullsmedvik	tCO_2e	755.4	715	**763.9**
Diesel	Rail transport	tCO_2e	1 813.9	2 018.3	**2 144.5**
Diesel (NO)	Passenger cars	tCO_2e	161.1	36.1	**43.2**
Diesel (NO)	Selfors	tCO_2e	17.1	3.6	**5.3**
Diesel (NO)	Lease plan	tCO_2e	-	130.6	**144.3**
Petrol	Passenger cars	tCO_2e	0.5	0.2	**0.2**
Petrol	Lease plan	tCO_2e	-	-	**0.2**
Total		tCO_2e	13 597.1	13 635.7	**13 728.2**
Stationary combustion					
Propane (NO)		tCO_2e	72.8	677	**29.5**
Heavy fuel oil		tCO_2e	4.8	38.5	**3.8**
Petrol, stationary		tCO_2e	0.3	0.3	**0.5**
Biodiesel, HVO, stationary		tCO_2e	-	-	**0.4**
Diesel, stationary		tCO_2e	-	-	**180.1**
Total		tCO_2e	77.9	715.8	**214.2**
SCOPE 1 total		tCO_2e	13 675	14 351.5	**13 942.4**

SCOPE 2	Unit	2020	2021	2022
Electric vehicles				
Electric car Nordic	tCO_2e	-	-	**0.3**
Total	tCO_2e	-	-	**0.3**
Electric power location-based				
Electric power Norway	tCO_2e	883.6	991	**691.2**
Total	tCO_2e	883.6	991	**691.2**
SCOPE 2 total	tCO_2e	883.6	991	**691.5**

SCOPE 3	Unit	2020	2021	2022
Fuel- and energy-related activities				
Diesel (WTT)	tCO_2e	3125.6	3129	**3195**
Propane/butane (WTT)	tCO_2e	8.7	78.3	**3.4**
Diesel (B5) (WTT)	tCO_2e	49.7	50.5	**56.8**
Electric power Norway (upstream)	tCO_2e	186.5	356.7	**197.5**
Petrol (WTT)	tCO_2e	0.2	0.1	**0.2**
Diesel	tCO_2e		-	**-**
Burning oil (WTT)	tCO_2e	0.8	6.4	**0.6**
Biodiesel, HVO (WTT)	tCO_2e	-	-	**3.5**
Total	tCO_2e	3 371.5	3 621	**3 457.1**
Waste				
Residual waste, incinerated	tCO_2e	330.5	220.6	**75**
Diesel	tCO_2e	23	18	**-**
Asbestos, landfill	tCO_2e	-	-	**-**
Cardboard waste, recycled	tCO_2e	-	-	**0.6**
EE waste, recycled	tCO_2e	-	-	**0.3**
Glass waste, recycled	tCO_2e	-	-	**-**
Mixed industrial waste, recycled	tCO_2e	-	-	**0.4**
Metal waste, recycled	tCO_2e	-	-	**10**
Mineral wool waste, recycled	tCO_2e	-	-	**-**
Mixed waste, recycled	tCO_2e	-	-	**0.2**
Organic waste, incinerated	tCO_2e	-	-	**0.2**
Paper waste, recycled	tCO_2e	-	-	**-**
Plastic waste, incinerated	tCO_2e	-	-	**11.4**
Plastic waste, recycled	tCO_2e	-	-	**0.1**
Rubber waste, incinerated	tCO_2e	-	-	**61.5**
Soils contaminated, landfill	tCO_2e	-	-	**0.7**
Textile, landfill	tCO_2e	-	-	**0.7**
Wood waste, incinerated	tCO_2e	-	-	**2.2**
Hazardous waste, incinerated	tCO_2e	-	-	**297.4**
Metal waste, landfill	tCO_2e	-	-	**0.2**
Total	tCO_2e	353.5	238.5	**461**
Purchased goods and services				
Hydraulic oil	tCO_2e	-	-	**40.5**
Engine oil	tCO_2e	-	-	**3.3**
Lubricating oil	tCO_2e	-	-	**47**
Explosives, Subtek Velcro, Orica (A1-5)	tCO_2e	-	-	**1 298.8**
Dynamite, Eurodyn 2000 (A1-5)	tCO_2e	-	-	**4.1**
Gear oil	tCO_2e	-	-	**30.9**
Total	tCO_2e	-	-	**1 424.6**
Business travel				
Air travel, continental, incl. RF	tCO_2e	-	-	**1.1**
Air travel, domestic, incl. RF	tCO_2e	-	-	**5.1**
	tCO_2e	-	-	**6.2**
Upstream transportation and distribution				
Transportation diesel	tCO_2e	-	-	**12.5**
Total	tCO_2e	-	-	**12.5**
SCOPE 3 total	tCO_2e	3 725	3 859.5	**5 361.4**
Total (SCOPE 1 + 2)	tCO_2e	14 558.6	15342.5	**14 633.9**
Total (SCOPE 1 + 2 + 3)	tCO_2e	18 283.6	19202	**19 995.3**
Percentage change		12.6%	5%	**4.1%**
Annual market-based GHG emissions				
Electric power total (SCOPE 2) with market-based calculations	tCO_2e	38 876.5	39 837	39 992.9
SCOPE 2 total with market-based electric power calculations	tCO_2e	38 876.5	39 837	39 993.3
SCOPE 1+2+3 total with market-based electric power calculations	tCO_2e	56 276.5	58 048	59 297
Percentage change		35.1%	3.1%	2.2%

KEY FIGURES ENERGY

SCOPE 1	Description	Unit	2020	2021	2022
Transportation					
Diesel	Ørtfjell tank 1 and 2	MWh	-	-	**-**
Diesel	Ørtfjellmoen	MWh	6 129.1	4890	**7 634.8**
Diesel	LNS tank Ørtfjell	MWh	36 776.1	37 474.8	**34 338.8**
Diesel	Gullsmedvik	MWh	2 987.6	2 822.3	**3 017.2**
Diesel	Rail transport	MWh	7 173.6	7 967.2	**8 470.7**
Diesel (NO)	Passenger cars	MWh	763.2	180.1	**215.4**
Diesel (NO)	Selfors	MWh	80.8	17.8	**26.3**
Diesel (NO)	Lease plan	MWh	-	651.6	**718.9**
Petrol	Passenger cars	MWh	2.1	0.7	**0.7**
Petrol	Lease plan	MWh	-	-	**1**
Total		MWh	53 912.5	54 004.6	**54 423.8**
Stationary combustion					
Propane (NO)		MWh	312.5	2906.9	**126.6**
Heavy fuel oil		MWh	18	143.5	**14.3**
Petrol, stationary		MWh	1.4	1.4	**1.9**
Biodiesel, HVO, stationary		MWh	-	-	**99.3**
Diesel, stationary		MWh	-	-	**711.5**
Total		MWh	331.9	3051.8	**953.5**
SCOPE 1 total		MWh	54 244.4	57 056.4	**55 377.3**

SCOPE 2	Unit	2020	2021	2022
Electric power				
Electric power Norway	MWh	98 173	99 097	**98 748**
	MWh	98 173	99 097	**98 748**
Electric vehicles				
Electric car Nordic	MWh	-	-	**11.9**
Total	MWh	-	-	**11.9**
SCOPE 2 total	MWh	98 173	99 097	**98 759.9**
Total (SCOPE 1 + 2 + 3)	MWh	152 417.4	156 153.4	**154 137.1**
Total (SCOPE 1 + 2 + 3)	GJ	548 702.7	562 152.1	**554 893.7**
Percentage change		7.2%	2.5%	**-1.3%**
SCOPE 1 renewable energy	MWh	-	208.1	**334.6**
SCOPE 1 renewable energy share	%	-	0.4%	**0.6%**
SCOPE 2 renewable energy	MWh	-	93 844.9	**94 708.4**
SCOPE 2 renewable energy share	%	-	94.7%	**95.9%**
Total renewable energy	MWh	-	94 053	**95 043**
Total renewable energy share	%	-	60.2%	**61.7%**

KEY FIGURES ENERGY CONSUMPTION

SCOPE 1	Description	Unit	2020	2021	2022
Transportation					
Diesel	Ørtfjell tank 1 and 2	litres	-	-	**-**
Diesel	Ørtfjellmoen	litres	576 582	457 864	**716 214.4**
Diesel	LNS tank Ørtfjell	litres	3 459 648	3 508 880	**3 221 279**
Diesel	Gullsmedvik	litres	281 052	264 260	**283 037.1**
Diesel	Rail transport	litres	674 846	745 996.9	**794623.5**
Diesel (NO)	Passenger cars	litres	73 247.8	17 302.9	**20 727**
Diesel (NO)	Selfors	litres	7 756	1 713	**2 528.5**
Diesel (NO)	Lease plan	litres	-	62 589.2	**69 187.4**
Petrol	Passenger cars	litres	223.1	70.1	**76.5**
Petrol	Lease plan	litres	-	-	**102.4**

KEY FIGURES ENERGY CONSUMPTION (CONTINUED)

	Unit	2020	2021	2022
Stationary combustion				
Propane (NO)	kg	24 242	225 516	**9 818**
Heavy fuel oil	litres	1 516.1	12 118.9	**1 203**
Petrol, stationary	litres	145	145	**200**
Biodiesel, HVO, stationary	litres	-	-	**10 000**
Diesel, stationary	litres	-	-	**66 742.2**

SCOPE 2	Unit	2020	2021	2022
Electric power				
Electric power Norway	kWh	98 173 000	99 097 000	**98 748 000**
Electric vehicles				
Electric car Nordic	pkm	-	-	**62 489**

SCOPE 3	Unit	2020	2021	2022
Fuel- and energy-related activities				
Diesel (WTT)	litres	4 992 128	4 977 000.9	**5 081 896**
Propane/butane (WTT)	kg	24 242	225 516	**9 818**
Diesel (B5) (WTT)	litres	81 003.8	81 605.3	**92 442.8**
Electric power Norway (upstream)	kWh	9 8173 000	99 097 000	**9 8748 000**
Petrol (WTT)	litres	368.1	215.1	**378.9**
Diesel	litres	8 541.2	-	**-**
Burning oil (WTT)	litres	1 516.1	12 118.9	**1 203**
Biodiesel, HVO (WTT)	litres	-	-	**10 000**
Waste				
Residual waste, incinerated	kg	658 420	439 349	**149 315**
Diesel	litres	-	6 639.5	**-**
Asbestos, landfill	kg	-	-	**1**
Cardboard waste, recycled	kg	-	-	**27 905**
EE waste, recycled	kg	-	-	**15 253**
Glass waste, recycled	kg	-	-	**840**
Mixed industrial waste, recycled	kg	-	-	**16 480**
Metal waste, recycled	kg	-	-	**471 520**
Mineral wool waste, recycled	kg	-	-	**180**
Mixed waste, recycled	kg	-	-	**9 120**
Organic waste, incinerated	kg	-	-	**9 770**
Paper waste, recycled	kg	-	-	**2 175**
Plastic waste, incinerated	kg	-	-	**4 800**
Plastic waste, recycled	kg	-	-	**6 994**
Rubber waste, incinerated	kg	-	-	**19 480**
Soils contaminated, landfill	kg	-	-	**41 860**
Textile, landfill	kg	-	-	**1 570**
Wood waste, incinerated	kg	-	-	**103 836**
Hazardous waste, incinerated	kg	-	-	**123 085**
Metal waste, landfill	kg	-	-	**21 740**
Purchased goods and services				
Hydraulic oil	litres	-	-	**28 030**
Engine oil	litres	-	-	**2 285.8**
Lubricating oil	litres	-	-	**32 505.2**
Explosives, Subtek Velcro, Orica (A1-5)	kg	-	-	**940 482**
Dynamite, Eurodyn 2000 (A1-5)	kg	-	-	**1 511.1**
Gear oil	litres	-	-	**21 408.5**
Business travel				
Air travel, continental, incl. RF	pkm	-	-	**6 846**
Air travel, domestic, incl. RF	pkm	-	-	**20 920**
Upstream transportation and distribution				
Transportation diesel	litres	-	-	**4 842.7**

APPENDIX 2:

To the Board of Directors of Rana Gruber ASA

Independent Report on Rana Gruber ASA's Greenhouse Gas (GHG) emissions reporting

We have undertaken a limited assurance engagement of the accompanying GHG statement of Rana Gruber ASA, comprising the table Annual GHG emissions per scope for the period 1 January 2022 – 31 December 2022 and the section Carbon Accounting Principles and Reporting Methodology. The GHG statement is included as an appendix in the ESG report section of Rana Gruber ASA's 2022 annual report.

This engagement was conducted by a multidisciplinary team including assurance practitioners, engineers and environmental experts.

Management's Responsibility
Management is responsible for Rana Gruber ASA's preparation of the GHG statement and that the GHG emissions are measured and reported in accordance with the Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard (2004), applied and explained in the section Carbon Accounting Principles and Reporting Methodology (criteria). The GHG Protocol is available at https://ghgprotocol.org/corporate-standard. Management's responsibility includes developing, implementing and maintaining internal controls that ensure appropriate measurement and reporting of GHG emissions.

As discussed in the section Carbon Accounting Principles and Reporting Methodology in the GHG statement, GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Management
We are independent of the company in accordance with applicable laws and regulations and the Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our ethical obligations in accordance with these requirements. We use ISQM 1 - Quality Management for Firms that Perform Audits or Reviews of Financial Statements, and Other Assurance and Related Services Engagements and maintain a comprehensive quality control system including documented policies and procedures of the ethical standards, professional standards and applicable legal and regulatory claim.

The Auditor's Responsibilities
Our responsibility is to express a limited assurance conclusion on Rana Gruber ASA's GHG statement based on the procedures we have performed and the evidence we have obtained. We conducted our work and will issue our report in accordance with the International Standard on Assurance Engagements ISAE 3410 Assurance Engagements on Greenhouse Gas Statements. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the GHG statement is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3410 involves assessing the suitability in the circumstances of Rana Gruber ASA's use of GHG Protocol Corporate Accounting and Reporting Standard as the basis for the preparation of the GHG statement, assessing the risks of material misstatement of the GHG statement whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the GHG

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statement. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records

Given the circumstances of the engagement, in performing the procedures listed above, we:

- Through inquiries, obtained an understanding of Rana Gruber ASA's control environment and information systems relevant to emissions quantification and reporting, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.
- Evaluated whether Rana Gruber ASA's methods for estimating emissions based on energy use and emission factors for the use of different energy sources are appropriate and have been consistently applied and reported.
- Performed procedures to assess the completeness of the reported emissions sources, data collection methods, source data and relevant assumptions applicable to estimate emissions from a selection of Rana Gruber ASA's emission sources. The test procedures were chosen taking into consideration the emission sources' contribution to total emissions and our understanding of the risk of material errors in measurements and reporting of emissions.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Rana Gruber ASA's GHG statement has been prepared, in all material respects, in accordance with the criteria.

Limited Assurance Conclusion
Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Rana Gruber ASA's GHG statement for the period 1 January 2022 – 31 December 2022, is not prepared, in all material respects, in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (2004) applied as explained in the section Carbon Accounting Principles and Reporting Methodology in the GHG statement.

Oslo, 16 February 2023
PricewaterhouseCoopers AS

Gorm F. Nymark
State Authorized Public Accountant (Norway)

(This document has been signed electronically)

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APPENDIX 3:

Task Force on Climate-Related Financial Disclosures (TCFD)

INTRODUCTION TO THE FRAMEWORK

There is a growing demand for decision-useful and climate-related information, and creditors and investors are increasingly demanding access to risk information that is consistent, comparable, and clear.

The Task Force on Climate-Related Financial Disclosures (TCFD) developed the TCFD disclosure recommendations to augment market transparency and stability. Additionally, TCFD encourages use of the standardised reporting structure for financially material climate-related risks and opportunities to give investors, lenders, and insurers enhanced comparability when assessing and pricing pertinent companies.

The TCFD recommendations are structured around four thematic areas that represent core elements of how organisations operate: governance, strategy, risk management, and metrics and targets.

Moreover, the framework contains three main categories: risks related to the physical impacts of climate change, risk related to the transition to a lower-carbon economy, and climate-related opportunities. The TCFD has also incorporated financial impact as an integral part of the disclosure recommendations.

In line with the TCFD disclosure recommendations, the TCFD framework is as of 2022 an integrated part of Rana Gruber's annual financial reporting, and the report is reviewed annually by the audit committee and the board.

CORE ELEMENTS OF RECOMMENDED CLIMATE-RELATED FINANCIAL DISCLOSURES

Governance
The organisation's governance around climate-related risks and opportunities.

Strategy
The actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy, and financial planning.

Risk management
The processes used by the organisation to identify, assess, and managae climate-related risks.

Metrics and targets
The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

Governance	Strategy	Risk management	Metrics & targets
Disclose the organisation's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy, and financial planning where such information is material.	Disclose how the organisation identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate related risks and opportunities where such information is material
Recommended disclosures	**Recommended disclosures**	**Recommended disclosures**	**Recommended disclosures**
a) Describe the board's oversight of climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	a) Describe the organisation's processes for identifying and assessing climate related risks.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.
b) Describe the management's role in assessing and managing climate-related risks and opportunities.	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	b) Describe the organisation's processes for managing climate related risks.	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	c) Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organisation's overall risk management.	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

1. Governance

Disclose the organisation's governance around climate-related risks and opportunities.

A) DESCRIBE THE BOARD'S OVERSIGHT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES

Oversight by the board of directors
The board recognises the importance of understanding and managing the impact of potential climate-related risks and opportunities on Rana Gruber's business and strategy. The board therefore supports the recommendations of the TCFD.

The board of directors has the ultimate responsibility for the company management, including oversight of climate-related strategic planning, and risk and opportunity management. The chair of the board has the overall responsibility for the management of climate-related issues. The board has a responsibility to ensure that the company`s activities regarding climate issues are included in the company's strategy, and that climate-related targets are defined. The board will receive regular updates from the management team. The board is responsible for ensuring that the company's risk management and internal control systems are adequate in relation to the regulations governing the business.

The board reviews the company's main risk areas and internal control systems annually, including the company's values, code of conduct, and corporate responsibility. The board reports on the climate impacts and risks that the company faces on an annual basis as part of the board of directors' report.

B) DESCRIBE THE MANAGEMENT'S ROLE IN ASSESSING AND MANAGING CLIMATE-RELATED RISKS AND OPPORTUNITIES

Oversight by the management
The CEO has the highest operational level responsibility for climate-related issues, risks, and opportunities and is responsible for both assessing and managing climate-related risks and opportunities. The environment and sustainability manager reports directly to the CEO.

The process for managing climate-related opportunities often occurs in tandem with climate-related risk management. The CEO is responsible for proposing, implementing, and following up climate-related opportunity initiatives.

2. Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

A) DESCRIBE THE CLIMATE-RELATED RISKS AND OPPORTUNITIES THE ORGANISATION HAS IDENTIFIED OVER THE SHORT, MEDIUM, AND LONG TERM

B) DESCRIBE THE IMPACT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES ON THE ORGANISATION'S BUSINESSES, STRATEGY, AND FINANCIAL PLANNING

Identified climate-related risks and opportunities
In line with the recommendations laid out by the TCFD, Rana Gruber has in 2022 conducted a process to assess how – and to what extent – the company is exposed to climate risk. The management team participated in a series of workshops to identify significant physical risk, transition risk, and opportunities caused by climate change. In the series of workshops, the identified risks and opportunities were assessed in a strategic and financial context, in three different time horizons and in three different climate scenarios (more information about the scenario analyses is disclosed in section 2c).

As climate-related risks and opportunities impact Rana Gruber's strategic and financial planning differently in the short, medium, and long term, Rana Gruber considered these three-time horizons in the workshops. The following definitions of time horizons are applied:

Time horizon	Year
Short-term	2022-2025
Medium-term	2025-2035
Long-term	2035-2050

For Rana Gruber, it is important to identify the most significant climate-related risks and opportunities it faces, as it can help the company to make informed decisions about how to mitigate or take advantage of these factors. Rana Gruber supports the ambition to limit the long-term global temperature increase to well-below 2°C, in line with the Paris agreement. To help achieve this target, Rana Gruber must mitigate emissions and take advantage of the most important opportunities.

To identify the most critical risk factors, the management team assessed how the factors could potentially impact the operations negatively and the probability of occurrence. To identify the opportunities with the highest potential, the management team assessed how the factors could potentially impact the company positively and the degree of difficulty to take advantage of the opportunity.

Most critical risks:
- Uncertainty related to the EU Taxonomy and how this will impact Rana Gruber
- Technical viability of decarbonisation strategy
- Growing awareness of the use of coal in the mining industry, which may harm the overall reputation of the sector, including Rana Gruber

Opportunity with highest potential:
- Location close to the European market

The following table summarises all the risks and opportunities considered significant in Rana Gruber's climate-related risk assessment for 2022. It also provides and overview over potential strategic and financial impact, and what Rana Gruber is currently doing to mitigate risks and to take advantage of opportunities. In the table at the end of this statement, the potential financial impact is assessed in more detail.

ACUTE PHYSICAL RISK

Acute physical risks, such as risks of storms, floods, and heavy precipitation of rain and snow are considered highly relevant for Rana Gruber. Such events may impact Rana Gruber's direct operations, or cause disruptions in the supply chain. For Rana Gruber, any events delaying production have a financial impact. The company identified the following as the most significant acute physical risks:

Identified risk	Description of risk	Potential non-financial impacts	Potential financial impacts	Most relevant climate scenario	Time horizon	Mitigation strategy
Increased severity and frequency of heavy rains and floods	Climate change can affect the intensity and frequency of precipitation. Warmer oceans increase the amount of water that evaporates into the air. When more moisture-laden air moves over land or converges into a storm system, it can produce more intense precipitation—for example, heavier rain and snowstorms. Increases in both extreme precipitation and total precipitation have contributed to increases in severe flooding events in the Nordics.	■ Flooding ■ Rockfalls ■ Material damage to assets ■ Material damage to the transport route ■ Increased water intake in the mine ■ Operational disruptions	Decrease in production capability will have a direct impact on revenue and increased costs associated with asset repair and additional labour. In addition, there will be increased investment needs to mitigate impacts, for example relating to equipment to pump water out of the mine.	All scenarios, especially slow adaption scenario and climate chaos scenario in the climate chaos scenario and slow adaptation scenario.	Short-term. The company already observes annual cases of large amounts of rainfall. This risk may also impact the value-chain over the medium to short term.	■ Mine infrastructure designed to meet the future risk of heavy rains and floods ■ Undertaken investments of NOK 20 million to pipe the river to ensure stable power supply and about NOK 3-4 million to secure the railway

Risk	Description of risk	Potential non-financial impacts	Potential financial impacts	Most relevant climate scenario	Time horizon	Mitigation strategy
Increased frequency and intensity of strong wind, storms, and hurricanes	Climate change and temperature increases may lead to more energy and moisture in the climate system. As a result of this, the wind speed is expected to increase, and the air will contain more moisture. This will lead to more occurrences of strong winds, storms, and hurricanes in the future.	■ Sand and dust spreading causing material damage to assets ■ Closing of the transport road (Saltfjellet), which could lead to a lack of labour and halt in production ■ Reputational damage related to dust in the neighbourhood around the processing plant, and damage caused by assets moving out of control. ■ Short-term stops in power supply, halting production ■ Short-term stops in ship transportation if the port becomes inaccessible to ships	Decrease in production capability will have a direct impact on revenue and increased costs associated with asset repair and additional labour. In addition, there will be increased investment needs to mitigate impacts, for example relating to equipment to pump water out of the mine.	All scenarios, especially slow adaption scenario and climate chaos scenario	Short-term. The company already observes annual cases of strong winds. This risk may also impact the value-chain over the medium to long term.	■ Mine infrastructure designed to meet the future risk of strong wind, storms, and hurricanes ■ Undertaken investments of NOK 20 million to pipe the river to ensure stable power supply, and about NOK 3-4 million to secure the railway

CHRONIC PHYSICAL RISK

Chronic physical risks refer to longer-term shifts in climate patterns, such as sustained higher temperatures that may cause the sea level rise or chronic heat waves. The company identified the following as the most significant chronic physical risks:

Risk	Description of risk	Potential non-financial impacts	Potential financial impacts	Most relevant climate scenario	Time horizon	Mitigation strategy
Changes in temperature patterns	Climate change is expected to lead to increased temperatures and more mild weather in Norway.	■ Increased severity of extreme weather events such as cyclones and floods ■ Mild winters with more rain and risk of floods	■ Reduced revenues from lower production/sales. ■ Increased capital costs (relating to e.g. damage to facilities) ■ Increased insurance premiums	Climate chaos scenario and slow adaptation scenario.	Medium- and long-term	■ Strategy to build resilience into the operations to protect assets and minimise operational downtime ■ Annual risk assessments that consider the future physical impacts of climate change
Rising sea levels	Sea levels may rise due to expanding ocean volumes from temperature increases and from melting glaciers and ice sheets. It is estimated that changes in water density and ocean currents will raise the sea level by 31 cm along the Norwegian coast, which is somewhat more than the global average. The company sees this risk factor to be more significant for the value chain than Rana Gruber's direct operations – especially in Rotterdam in the Netherlands.	■ Floods ■ Relocation of the processing plant and port infrastructure	■ Reduced revenues from lower production/sales ■ Loss of customers if the sea level is increased in other regions (e.g., Rotterdam) ■ Increased operating costs	Climate chaos scenario	Medium-term	■ Port infrastructure in Mo i Rana constructed to meet the risk of extreme weather events and rising sea levels ■ Investments in a few other measures as of 2022

TRANSITION RISK – POLICY AND LEGAL

Transitioning to a lower-carbon economy may involve extensive policy-related and legal changes to address mitigation of impacts and adaptation requirements related to climate change. The company identified the following as the most significant policy-related and legal transition risks:

Risk	Description of risk	Potential non-financial impacts	Potential financial impacts	Most relevant climate scenario	Time horizon	Mitigation strategy
Uncertainty related to the EU Taxonomy and how this will impact Rana Gruber	As the hydropower sector is among the sectors for which the EU Taxonomy criteria are yet to be developed, there is uncertainty associated with what share of Rana Gruber's business activities will be classified as "green".	■ Rana Gruber is dependent on hydropower in its current production method, so if hydropower is not viewed as "green", this may lead to loss in competitive advantages ■ Key customers may not see benefits of using hydropower in production compared to other sources of energy (e.g. coal)	■ Loss of customers/sales ■ If a significant percentage of activities (and thereby products) are deemed to not be Taxonomy-aligned, this may affect the access to capital	Low emission scenario and slow adaption scenario.	Short-term	■ Close dialogue with key customers and actively following changes in the EU ■ Getting all relevant reporting on track, in line with best-practice procedures
Increased carbon pricing and taxes	The carbon tax and the Greenhouse Gas Emission Trading Act are Norway's most important cross-sectoral climate policy instruments for cost-effective cuts in greenhouse gas emissions.	■ Implementation of additional taxes related to the environment and climate (e.g. resource rent tax)	■ Decreased demand for Rana Gruber products ■ Increased operating costs	Low emission scenario and slow adaption scenario.	Short-term, especially until the company's target to achieve zero carbon emissions is reached.	Substitution of fossil-driven transport and machinery with sustainable alternatives.
Stricter requirements for operations and certifications (i.e. ISO certifications)	It is important for Rana Gruber to continue to meet the criteria for the ISO certifications.		■ Loss of market share ■ Reduced revenues from lower production/sales ■ Decreased profitability	Low emission scenario.	Medium- and long-term	Cooperation with industry organisations, peers, governments, and communities to ensure an effective regulatory framework.

TRANSITION RISK - TECHNOLOGY

Technological improvements or innovations that support the transition to a lower-carbon and energy-efficient economic system can have a significant impact on organisations. The company identified the following as the most significant technology-related transition risks:

Risk	Description of risk	Potential non-financial impacts	Potential financial impacts	Most relevant climate scenario	Time horizon	Mitigation strategy
Technological changes in customers' steel production	The global focus on reducing GHG emissions may negatively impact the attractiveness of Rana Gruber's products, as key customers in the steel sector require new types of products and quality to meet their emission reduction targets.	■ Changed customer preferences regarding the quality of Rana Gruber's products ■ Changes in Rana Gruber's product mix with a focus on higher quality (Fe65) ■ Increased energy demand	■ Failure to adapt to the changed demand for higher quality products may involve lower sales and price achievement ■ Increased investments to restructure the operations	Low emission scenario and slow adaption scenario.	It is expensive to change the production in the short term, but it can be beneficial in the longer term. The company believes the opportunity is greater than the costs/risk in the short term.	■ Close dialogue with key customers ■ Three strategic priorities: the Fe65 project, the magnetite project, and the zero carbon emissions project
Technical viability of decarbonisation strategy	Technical challenges and lack of technological solutions among Rana Gruber's suppliers may impact the company's ability to decarbonise and meet the zero carbon emissions target by the end of 2025.	■ Failure to meet target before the end of 2025 ■ Customers do not meet their emissions targets	■ Increased costs ■ Too high investment cost relative to expected return on capital ■ Weakened confidence in the capital market because of failure to reach announced targets ■ Changed framework conditions for financing	All scenarios, especially slow adaption scenario and climate chaos scenario.	Short-term	■ Investments to decarbonise trucks, trains, and other heavy mechanical equipment ■ Close dialogue with suppliers, including Sandvik
Cost related to transition to lower emission technology	Rana Gruber is dependent on suppliers and contractors. Increased costs may arise given that suppliers must make adjustments in their production/delivery in order to reach their emissions targets.	■ Stop in production	■ Lower revenues as a result of downtime in production ■ Costs related to finding replacements/ other solutions ■ Increased investments to adapt production to alternative input factors	Slow adaption scenario and climate chaos scenario.	Medium- and long-term	Focus on close dialogue with key customers.

TRANSITION RISK - MARKET

While the ways in which markets could be affected by climate change are varied and complex, one of the major ways is through shifts in supply and demand for certain commodities, products, and services as climate-related risks and opportunities are increasingly taken into account. The company identified the following as the most significant market-related transition risk:

Risk	Description of risk	Potential non-financial impacts	Potential financial impacts	Most relevant climate scenario	Time horizon	Mitigation strategy
Changing customer behaviour and uncertainty in market signals	The transition to a zero-emissions society will place stricter demands on the company's customers and their steel production. The company expects a major conversion from coal to hydrogen, which will require higher purity and quality of the product. If this conversion does not take place, there is a risk that the company develops products the market is not ready for, and thus will not pay a price that corresponds to the undertaken effort.	■ Reduced demand for Rana Gruber's products ■ Loss of market share and weakened competitiveness	■ Increased production cost due to changing input prices and output requirements ■ Changes in revenue mix and sources, resulting in decreased revenues ■ Re-pricing of assets	Slow adaption scenario and climate chaos scenario.	Short-term	Close dialogue with key customers to ensure the environmental performance of Rana Gruber's products meets customer requirements.

TRANSITION RISK – REPUTATION

There is a reputational risk related to changing customer or community perceptions of an organisation's contribution to or detraction from the transition to a lower-carbon economy. Rana Gruber has defined the following risks as most significant:

Risk	Description of risk	Potential non-financial impacts	Potential financial impacts	Most relevant climate scenario	Time horizon	Mitigation strategy
Growing awareness of the use of coal in the mining industry, which may harm the overall reputation of the sector, including Rana Gruber	Even though Rana Gruber does not use coal in its production, the use of coal in general in the sector can involve a reputational risk for the entire sector, including Rana Gruber.	Failure to attract talents	Reduced revenue from decreased demand for goods/services	Low emission scenario and slow adaption scenario	Medium-term	Close dialogue with key customers
Stigmatisation of the sector and negative PR	Rana Gruber depends on a good reputation among all its stakeholders, including in the local community, to attract and retain workers, and to have permission to discharge waste in the fjord.	Changes in permits to operate as Rana Gruber does today	■ Reduced revenue from decreased demand for goods/services, decreased production capacity, or negative impacts on workforce, management, and planning (e.g. lack of employee attraction and retention) ■ Reduced capital availability	All scenarios	Medium- and long-term	Target to be carbon free before the end of 2025, including implementation of an aggressive decarbonisation strategy

RESOURCE EFFICIENCY

There is growing evidence that it is possible for organisations to reduce operating costs by improving efficiency across production and distribution processes, buildings, machinery/appliances, and transport/mobility. Rana Gruber has identified the following opportunity as significant:

Opportunity	Description of opportunity	Potential non-financial impacts of taking advantage of the opportunity	Potential financial impacts	Most relevant climate scenario	Time horizon	Positioning strategy
Location close to the European market	■ Rana Gruber is located at a strategically favourable location. Proximity to the market is something that can contribute to shorter transport routes and more efficient shipping in Europe. ■ The location is an advantage as the market wants to become more independent of Asia, and to produce more short-distance products. ■ However, Rana Gruber is a small player in a large global market and cannot supply all iron ore demand in Europe.	■ Competitive advantage against Europe ■ Shorter transport distances	■ Increased demand/ sales and market shares ■ Increased price achievement ■ Lower costs in the long-term relative to competitors	Low emission scenario	Medium- and long-term	Focus on opportunity in communication with stakeholders. Rana Gruber has a close dialogue with key customers and ensures that its attractive location in a climate perspective is addressed at all sales meetings.

ENERGY SOURCES

There is a significant global trend toward decentralised clean energy sources, rapidly declining costs, and improved storage capabilities. Organisations that shift to low emission energy sources could potentially save energy costs. The company has identified the following opportunity:

Opportunitiy	Description of opportunity	Potential non-financial impacts of taking advantage of the opportunity	Potential financial impacts	Most relevant climate scenario	Time horizon	Positioning strategy
Use of low-emission sources of energy in operations	The world is switching to renewable energy and electrical operating solutions that reduce the emission of CO_2	■ Competitive advantage relative to peers ■ Increased market share	■ Increased sales ■ Lower costs relative to peers	Low emission scenario and slow adaption scenario	Medium- to long-term	Decarbonisation strategy and related investments

PRODUCTS AND SERVICES

Organisations that innovate and develop new low-emission products and services may improve their competitive position and capitalise on shifting consumer and producer preferences. Rana Gruber has identified the following opportunities within products and services:

Opportunities	Description of opportunity	Potential non-financial impacts of taking advantage of the opportunity	Potential financial impacts	Most relevant climate scenario	Time horizon	Positioning strategy
Development and increased sale of high-quality products	Demand for hematite products with a higher iron content is expected to increase in a low-emission economy. In addition, magnetite is an important component in batteries.	▪ Competitive advantage ▪ Increased market share	▪ Increased sales ▪ Increased price achievement ▪ Lower costs in the long-term relative to peers	Low emission scenario	Medium- and long-term	Upgrade to Fe65
New biproducts and sale to new markets	Increased demand for new biproducts based on Rana Gruber's current production and solutions could also give access to new and emerging markets.	Increased additional sales through for instance: ▪ Concrete industry: sale of waste/stone mass currently dumped ▪ Health industry: sale of magnetite for vaccines and medicines ▪ Cooling industry: sale of Colorana for cooling elements ▪ Battery manufacturing	▪ Increased revenues ▪ Increased price achievements ▪ Lower costs in the long-term relative to peers	Low emission scenario	Long-term	Increased production of magnetite

MARKETS

Organisations that proactively seek opportunities in new markets or types of assets may be able to diversify their activities and better position themselves for the transition to a lower-carbon economy. In particular, there are opportunities for organisations to access new markets through collaborating with governments, development banks, small-scale local entrepreneurs, and community groups. Rama Gruber has identified the following opportunity:

Opportunity	Description of opportunity	Potential non-financial impacts of taking advantage of the opportunity	Potential financial impacts	Most relevant climate scenario	Time horizon	Positioning strategy
New climate neutral steel producers in Europe and the Nordics	The world will become warmer with climate change, which involves more rainfall and extreme weather close to equator. Mines near equator might not be able to offer the same dry processes in the future, and this will affect the quality of the products from these mines. Rana Gruber's location is therefore more robust relative to those near equator.	▪ Competitive advantage and potential to increase market share ▪ Shorter value-chain which provides all stakeholders with better transparency in all stages of production	▪ Increased sales ▪ Increased price achievement ▪ Increased additional sales	Low emission scenario and slow adaption scenario	Medium-term	Upgrade to Fe65 and strategy to reach carbon free production

RESILIENCE

The concept of climate resilience involves organisations developing adaptive capacity to respond to climate change to better manage the associated risks and seize opportunities, including the ability to respond to transition risks and physical risks. Opportunities include improving efficiency, designing new production processes, and developing new products. Opportunities related to resilience may be especially relevant for organisations with long-lived fixed assets or extensive supply or distribution networks; those that depend critically on utility and infrastructure networks or natural resources in their value chain; and those that may require longer-term financing and investment.

Opportunities	Description of opportunity	Potential non-financial impacts of taking advantage of the opportunity	Potential financial impacts	Most relevant climate scenario	Time horizon	Positioning strategy
Rana Gruber to be carbon free by end of 2025	To face the climate crisis, the world must use its energy reserves more efficiently. For companies, this means reducing greenhouse gas emissions and thereby the adverse climate-related impacts of their operations on people and the planet.	▪ Competitive advantage	▪ Increased sales ▪ Increased price achievement ▪ Reduced operating costs ▪ Increased investment activity	Low emission scenario and slow adaption scenario	Medium-term	Substitution of fossil-driven machinery and transport with sustainable alternatives.
Rana Gruber has the resources to operate for several decades	With climate change, the world will become warmer, which involves more rainfall and extreme weather close to equator. Mines near equator (e.g. in Brazil) might not be able to offer the same dry processes in the future, and this will affect the quality of the products from these mines. Rana Gruber's location is therefore more robust in terms of quality and access to resources compared to mines near equator.	▪ Increased reliability of supply chain and ability to operate under various conditions	▪ Increased sales ▪ Increased price chievement ▪ Increased investment activity	Climate chaos scenario	Medium-term	According to the ore estimate from November 2021, Rana Gruber's total resources amount to ~444 mt and reserves amount to ~94mt. The company's existing infrastructure is also sufficient for the long-term mine plan.

C) DESCRIBE THE RESILIENCE OF THE ORGANISATION'S STRATEGY, TAKING INTO CONSIDERATION DIFFERENT CLIMATE-RELATED SCENARIOS, INCLUDING A 2°C OR LOWER SCENARIO

Scenario analysis

In line with the recommendations laid out by the TCFD, Rana Gruber conducted a qualitative scenario analysis in 2022 of all identified risks and opportunities as part of the climate-risk assessment. The assessment was made on different global warming impact scenarios as presented by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC), as well as sector-specific sources such as the McKinsey-article, "Climate risk and decarbonization: What every mining CEO needs to know" by Lindsay Delevingne, Will Glazener, Liesbet Grégoir, and Kimberly Henderson, published January 28, 2020. The following scenarios were applied in the assessment: "Low-emission society", "Slow adaption society", "Climate chaos Society":

SCENARIO

Low-emission society	In this scenario, we assume that all the goals of the Paris Agreement are met, and the global temperature increase is limited to 1.5 °C compared to preindustrial levels. The scenario presumes a rise in climate policy ambitions and the pace of climate regulation is high. The scenario also assumes that global CO_2 emissions decline fast and that technological solutions are developed to cut emissions rapidly.	A high carbon price is introduced in most economies, and global power is mainly generated using renewables. Customers, suppliers, investors, and societies are increasingly becoming climate-conscious and demand more sustainable products and operations. Transitional risks and opportunities dominate the low-emission society scenario, and the physical risks are of less magnitude than expected in the early 2020s.
Slow adaption society	In the slow adaption society scenario, the global temperature increase is limited to 2 degrees. However, it takes time before the world's countries deliver emission reductions in line with the Paris Agreement. But, because of stricter climate policy around year 2030, the global temperature increase stabilised at 2 °C compared to preindustrial levels in 2050.	The costs of phasing out fossil fuels is higher than in the low-emission society scenario, due to lack of financial incentives to transform. Gradually, ground-breaking technology is introduced that accelerates the low-carbon development. The scenario is dominated by increasing physical risks due to a lack of coordinated policy actions to limit climate change, but an increasing focus on transitional risks and opportunities around year 2030.
Climate chaos society	In a climate chaos society scenario, the global average temperature is projected to increase by 4°C or more by the end of this century, compared to preindustrial levels. This scenario is based on the assumption that there will be no significant efforts to reduce greenhouse gas emissions and that the global economy will continue to operate as it does today.	Under the climate chaos society scenario, the impacts of climate change are expected to be severe and widespread. There could be significant disruption to global food production, leading to shortages and price increases. There could also be more frequent and intense heatwaves, droughts, and extreme weather events, such as floods and hurricanes, which could cause physical damage to infrastructure and disrupt economic activity. In addition, sea levels are likely to rise, leading to increased coastal flooding and erosion, and threatening low-lying areas and small islands. The impacts of the BAU 4°C scenario are expected to disproportionately affect vulnerable communities and ecosystems.

In the scenario analysis, the short-, medium-, and long-term time horizons have been assessed for each identified risk and opportunity factor. For the identified acute physical risks, it was most relevant to consider Rana Gruber's short-term mitigation strategies. For the identified chronic physical risks, Rana Gruber's medium and long-term strategies were most relevant. For the identified transition risks and opportunities, scenarios were analysed in both a short-, medium- and long-term time horizon.

3. Risk management

Disclose how the organization identifies, assesses, and manages climate-related risks

A) DESCRIBE THE ORGANISATION'S PROCESSES FOR IDENTIFYING AND ASSESSING CLIMATE-RELATED RISKS

B) DESCRIBE THE ORGANISATION'S PROCESSES FOR MANAGING CLIMATE-RELATED RISKS

C) DESCRIBE HOW PROCESSES FOR IDENTIFYING, ASSESSING, AND MANAGING CLIMATE-RELATED RISKS ARE INTEGRATED INTO THE ORGANISATION'S OVERALL RISK MANAGEMENT

The identification, assessment, and management of climate-related risks and opportunities is an integral part of Rana Gruber's multidisciplinary risk and opportunity management. Rana Gruber's board of directors and management will conduct regular reviews of the company's activities for identifying, assessing, and responding to climate-related risks and opportunities. The risk management process will also be reviewed on an annual basis.

2022 was the first year of implementation of the climate-risk management process recommended by TCFD, and a material risk and opportunity matrix system developed by Tavler AS was used as a foundation for this process. The identification and assessment process were conducted through in-depth interviews and workshops with the management and other relevant employees representing different organisational levels and functions (internally), thus providing an accurate and balanced picture of the risks and opportunities faced by Rana Gruber.

In the matrix, the impact (large, relatively large, relatively easy, easy) and likelihood (high/low) of each risk and opportunity are determined. Based on each risk's categorisation, Rana Gruber develops, reviews, and implements response plans to mitigate risks and maximise opportunities.

4. Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material

A) DISCLOSE THE METRICS USED BY THE ORGANISATION TO ASSESS CLIMATE-RELATED RISKS AND OPPORTUNITIES IN LINE WITH ITS STRATEGY AND RISK MANAGEMENT PROCESS

B) DISCLOSE SCOPE 1, SCOPE 2 AND, IF APPROPRIATE, SCOPE 3 GREENHOUSE GAS (GHG) EMISSIONS AND THE RELATED RISKS

C) DESCRIBE THE TARGETS USED BY THE ORGANISATION TO MANAGE CLIMATE-RELATED RISKS AND OPPORTUNITIES AND PERFORMANCE AGAINST TARGETS

Rana Gruber's ambition is to lead the way for the decarbonisation of the global steel industry. To this end, the company has set ambitious goals and aims to become the world's first iron-ore producer with zero CO_2 emissions by the end of 2025. The company seeks sustainable solutions in its daily activities and today, the company is one of the iron ore producers with the lowest CO_2 emissions across all geographies.

Rana Gruber has a reporting system that includes a large number of metrics and targets to assess and manage relevant climate-related risks and opportunities in the operations. The company discloses sustainability data in accordance with the GRI Universal Standards. The following climate-related metrics are disclosed in the ESG-report of 2022:

- GHG emissions, see page 88
- Energy consumption, see page 90

POTENTIAL FINANCIAL IMPACT

LOW	MEDIUM	HIGH

Risk category	Risk	Identified risk	Short time horizon	Medium time horizon	Long time horizon
Physical	Acute	Extreme weather with heavy rain			
		Floods			
		Extreme wind and storms			
	Chronic	Changing temperatures			
		Rising sea level			
Transition	Policy and legal	EU Taxonomy			
		Increased carbon pricing and emission taxes			
		Stricter requirements for ESG certifications (i.e. ISO)			
	Technology	Technological changes in customers' steel production			
		Technical viability of decarbonisation strategy			
		Cost of transition to lower emission technology			
	Market	Changing customer behaviour			
	Reputation	Shifts in consumer preferences			
		Stigmatisation of sector and negative PR			

Opportunity category	Identified opportunity	Short time horizon	Medium time horizon	Long time horizon
Resource efficiency	Location close to the European market			
Energy sources	Use of renewable energy in operations			
Products and services	Increased sales of high-quality products			
	New bi-products			
Markets	New climate neutral steel producers in Europe and the Nordics			
Resilience	Rana Gruber to reach climate neutrality within 2025			
	Rana Gruber has the resources to operate for several decades			

APPENDIX 4

Equality statement

About the statement
Part 1 of this statement describes a mapping of salary and involuntary part-time work. The figures for salary and explanatory comments apply to 2021, and the company has not updated these for 2022 (except the numbers of male and female employees, which are updated). The mapping of involuntary work was done at a workshop on 16 November 2022, where two representatives from the company's HR department and the environment and sustainability manager were present, and between 14 and 18 January 2023.

Part 2 of describes the company's work to promote equality and diversity, and to prevent discrimination and harassment, in accordance with the Equality and Anti-Discrimination Act. As part of this work, the company carried out a mapping in January 2022. The mapping was done in accordance with the working method described in the Act and includes all areas of discrimination and personnel described in the Act.

The board and management of Rana Gruber are aware of and involved in the company's work with equality and anti-discrimination, and a description of this can be found in the board of directors' report.

PART 1: SALARY DIFFERENCES AND PART-TIME WORK

A total of 48 women and 238 men worked at Rana Gruber in 2022. The proportion of women per 31 December 2022 was 16.8 per cent.

Women	Men
48	286*

* *Corresponding to 233.24 man years, since some have part time contracts.*

The company has assessed salary differences between men and women in four different employee categories (operators, office/mercantile positions, technical supervisors, and managers) based on average annual salary, including fixed pay, overtime pay, and variable pay.

The results for each employee category are displayed in the tables below, and explanatory comments are found below each table.

Operators	Women	Men
Employees	31	187
Average salary (NOK)	564 633	594 648
Payments in kind (NOK equivalent)	1 460	1 460

The operators category includes team leaders, core workers, specialised workers, and auxiliary workers from all departments of the operations.

This category is covered by both general and company-specific collective agreements, which regulate how the salaries for this group are determined. Specifically, salaries and supplements are determined according to working conditions, seniority, and responsibilities, independent of other potential differences between individual employees. This means that operators who work in the same place, have the same responsibilities, and the same level of seniority, have the same salary.

The difference in average salary for women and men is largely based on the collective agreement's provisions for seniority supplements, as there are relatively few women with more than ten years of employment in the company. The difference can also be traced to the fact that there are fewer female team leaders, whose responsibility implies salary compensation, and to the fact that there are fewer women working in the underground mine, which involves working conditions with an associated compensation.

All employees received a bonus for 2022.

Payments in kind consist of insurance schemes, which are the same for all employees in the company, regardless of position.

Office/mercantile positions	Women	Men
Employees	5	10
Average salary (NOK)	696 796	637 475
Payments in kind (NOK equivalent)	1 460	1 460

The office/mercantile positions catergory includes office positions, mercantile positions, and positions within IT, warehousing, purchasing, marketing, HR, and finance. Some positions are covered by both general and company-specific collective agreements, while others do not fall under any collective agreement.

In this group, there is a relatively large proportion of women with several years of employment in the company compared to men, which has effects on the average salary.

Technical supervisors	Women	Men
Employees	7	23
Average salary (NOK)	695 903	745 029
Payments in kind (NOK equivalent)	1 460	1 460

The technical supervisor category includes employees with engineering background or vocational school background.

Women and men with the same education, experience and responsibilities have similar salaries in this category. However, several men are seniors who have gone from management positions to technical supervisor positions, while keeping the same salary, which explains the difference in average salary.

Managers	Women	Men
Employees	5	13
Average salary (NOK)	1 070 517	998 921
Payments in kind (NOK equivalent)	1 460	1 460

The managers category includes operations managers to top management positions, except the CEO.

Most female managers belong to the higher management levels, while most male managers belong to lower management levels, which explains the difference in average salaries.

Involuntarily part-time work
Part-time positions have only been established on request from employees for seniority or health reasons. The company has never advertised part-time positions.

Employees		Temporary positions		Parental leave		Part time positions		Involuntary part-time positions	
Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
48	238*	4	8	90	106	0	9	0	0

* *Corresponding to 233.24 man years, since some have part time contracts.*

Part time positions

Department	Employees	Percentage of full time
Research and development	1	0.12
Loading and transport ore	2	0.50 and 0.95
Technical maintenance processing plant	1	0.40
Colorana production	1	0.65

PART 2: WORK FOR EQUALITY AND ANTI-DISCRIMINATION

The company's principles and guidelines
- Rana Gruber shall avoid discriminatory practices relating to gender, age, race, and religion, and the company does not tolerate physical, verbal, or sexual abuse or harassment in the workplace.
- The company should select the best qualified and most suitable candidate for all positions.
- The HR department should have the final say for recruitments. This is to ensure that considerations related to gender equality and diversity are taken into account in the recruitment process. Relevant union representatives shall look at the list of applicants and provide input. First-line managers (i.e. managers of shifts and departments) shall participate in interviews together with the relevant line manager and HR manager. The final decision shall be made by the HR manager, and the union representative shall be informed of the decision.
- Considerations of equality and non-discrimination shall be taken into account in the personnel policy.
- The management shall collaborate with union representatives to ensure that matters worthy of criticism are communicated through the whistleblowing system.
- Rana Gruber shall conduct work environment assessments annually at various locations at the company's sites, and a health examination shall be conducted every three years. The work environment

assessments should be based on the Norwegian Labour Inspection Authority's guidelines and standards.
- All employees shall receive the company's handbook describing safety routines.

Employees' influence on work to ensure equality and non-discrimination

At Rana Gruber, there is an active collaboration between the management of the company and representatives of the employees through the trade unions and the union representatives. There is also a close cooperation in the company's work environment committee.

Almost 100 per cent of the company's employees are members of a trade union and the company has a close collaboration with the trade unions. The company's management has regular meetings with union representatives, the work environment committee, and the company development committee to collaborate on work regulations for e.g. employment and dismissal, working hours, wages, and rules of order for the company. The company hired a full-time chief safety officer in March 2022.

The employees also have a significant influence on the company's decisions through board directorship and through the annual general meeting as shareholders of the company.

The collaboration described above may be one of the reasons why the company has not previously seen a need to systematise the work for equality and non-discrimination.

The company's working group

On 11 January 2022, the company established a working group with representatives from the executive management and the employees. The working group did the following:

- Went through a checklist that the equality representative has created to map which goals and measures the company has in place relating to equality and anti-discrimination.
- Discussed the physical conditions at the workplace to assess the degree of accessibility required by law.
- Conducted a risk assessment according to the ISO 31000 standard to examine the risk of discrimination and inequality. The assessment included all areas of discrimination and personnel, as well as work against general harassment, sexual harassment, and gender-based violence.
- Proposed measures based on the risk assessment and assessed the long-term effect of the measures.
- Mapped salary and involuntary part-time work.

The observations of the working group and subsequent measures

- The vision, guidelines, and work with equality and diversity have been communicated to the team leaders. In 2023, the company will strive to communicate this widely throughout the organisation.
- The company has established routines for handling personnel issues, whistleblowing channels, and cooperation with union representatives. The working group recommended that these measures be systematised and communicated clearly throughout the organisation. The recommendation was met by establishing a platform for information which included e.g. the minutes from the meetings of the work environment committee. In addition, the company established a channel on Sharepoint and simplified the structure of EK. The company is also looking at other opportunities and platforms to communicate to employees.
- Mining and processing facilities are inherently limiting in terms of availability. The administration building in Gullsmedvik from 2012 is adapted to several mercantile functions and meets the requirements for universal design.
- The company facilitates adjustments for minorities, for example serving food adapted to religious and health-related preferences.
- It is challenging to secure flexible working hours since the company is largely based on shift work. This challenge can help prevent equality. But the company has made adaptations in several cases for families where both parents work in the company. The company has also made adaptations in the work conditions due to age, illness, stage of life, etc.
- The jargon in the workplace can seem exclusionary. The company is a male-dominated business and the communication in the workplace can be perceived as rough. To prevent discrimination and inequality, the working group called for raised awareness about this and concrete plans which should be communicated throughout the organisation. The company therefore established internal groups on social media to discuss exclusion and unnecessary word usage.
- The company should establish measures that address the corporate culture and behaviour of employees. These topics have been discussed with the executive management through various interviews and meetings relating to the work with lean mining.
- The company has a requirement that all employees speak Norwegian. This requirement is due to HSE requirements, the internal control regulation, and the guidelines of the Norwegian Labour Inspection Authority. Due to a challenging labour market, the company will try to identify positions that can be done regardless of language.
- The work tasks in mining are characterised by requirements for good health and physique. This can contribute to discrimination.
- There are no significant challenges related to equal pay. Most planners have more or less the same salary. Any differences are explained in part 1 of this equality statement.
- Rana Gruber is located in a region that is not characterised by a great deal of ethnic diversity, and the company does not receive complaints from employees or others regarding lack of equality and diversity.

Measures in 2022

In the beginning of 2022, the company identified measures to meet the new requirements in the Equality and Anti-Discrimination Act. The status of these measures is as follows:

- The company established of a working group consisting of the managers of the HR department and employee representatives which started work 11 January 2022 by conducting a review of the company's work to ensure equality and prevent discrimination.
- Mapping of salary and involuntary part-time work was done in the period 14 January and 18 January 2023.
- The company plans to use the mapping of salary and involuntary part-time work as a starting point to establish a strategy with associated measures to further promote equality and prevent discrimination within all the areas described in the Equality and Anti-Discrimination Act. The strategy shall be discussed with the company's work environment committee.
- The company is taking measures to motivate employees to increase their competence and responsibility regardless of gender. Still, the company acknowledges that there is room for more work in this area.
- The company plans to survey and initiate physical measures that can comply with requirements for universal design and other physical measures that can contribute to promoting equality and diversity. This concerns ergonomics for employees, procurement of more workstations that can be lowered and raised, lighter helmets, office chairs adapted to each individual, adjustments in vehicles, and presence of the chief safety officer when purchasing machines to test exposure to noise and vibrations. In addition, the company plans to systematise these measures and communicate the measures in a good way so that everyone is aware of the arrangements.
- The company has worked systematically to establish a corporate culture for employees' wellbeing in the workplace. Managers and team leaders have discussed various topics and how to set requirements for how to behave and how to treat each other in the workplace. This has also been done in view of the goal of a better gender balance in 2027. The company has implemented training of all managers to ensure that all employees are informed of this.
- The company has announced the gender balance target in job adverts. Representatives from the HR department and employees from the mining department have visited upper secondary schools to engage pupils, and plan to visit secondary schools to communicate the target to girls.
- The management team has been informed of Lean process and presentation. Through the work with lean mining, the company seeks to create a health-promoting work culture. All employees shall work according to the method and lean mining is communicated at meetings with employees and management meetings.
- Salary and salary differences are continuously monitored, and the company has good control in this area. The company reviews this together with employee representatives every year. Through regular salary adjustments, salary differences in the company are routinely equalised. No deviations and changes have been found in 2022. The company has had several women who have taken up representational positions, become safety representatives, team leaders etc. More work has been done on raising awareness in processes related to promotion. The company got a female employee representative in the board of directors in autumn of 2022.
- The company has implemented several adjustments of working conditions. The corporate health service provider has contributed in relation to ergonomics relating to the machines. Thanks to this, sick leave has decreased in the relevant employee group.
- The company strives to help with relevant equipment (shoes, desks, etc.), to protect pregnant women (extending seat belts, etc.), and to make it easy to contact those responsible for health and safety to adjust working conditions when needed.
- The HR department was strengthened and was given broader responsibility for competence and work capacity. One HR adviser works on a sick leave project in which the employer, the Norwegian Labour and Welfare Organisation, and employees' trade unions participate. The project involves a review of relevant policy and routines related to sick leave, and

how employers should communicate to employees the handling of sick leave to employees. The project has been discussed at meetings with employees, meetings between the management and trade unions, meetings with the work environment committee, and meetings in the management team. The board is also aware of the project.

Ambitions for 2023:

- By the end of June 2023, the company will create a separate strategy to meet the requirements in the Equality and Anti-Discrimination Act. The equality strategy will be based on a workshop with the executive management, department managers, union representatives, and the work environment committee. The ambition is to have 33 per cent female employees by 2027. The strategy with associated measures and guidelines shall be communicated broadly in the company, and the company shall establish a separate plan for training in equality and diversity work. The company shall also establish good routines for involving the board, the management, and the trade unions.
- In line with the inclusive work life agreement which applies to all Norwegian companies, the company has a goal of giving unskilled people an opportunity to enter work life via Rana Gruber. The company collaborates with the Norwegian Labour and Welfare Organisation and the companies Driv Karriere and Friskgården, which train people to get ready for work life. The ambition is to take on a minimum of 4 people for work trials.

APPENDIX 5

Numbers and statistics

CATEGORY	Unit	2022	Comment
ENVIRONMENT			
New suppliers screened using environmental criteria	Per cent	**0**	In progress
IUCN Red List species and national conservation list species with habitats in areas affected by operations	Numbers	**1**	The company has a map of where these mushrooms are and they grow in the outskirts of the production area.
Significant spills			Water quantities is operating water from the Rana river and water from the municipality
Spills to Ranfjorden			
Water	m^3	**24 027 474**	
Waste mass and tailings	Tonnes	**2 946.804**	
Material use	Kilograms	**3811**	Limited to materials used for packaging of Colorana products. Non-renewable material.
Water withdrawal			Water outtake is from the Rana River for use in production. This is all fresh water (≤1000 mg/L total dissolved solids).
Surface water	m^3	**0**	
Groundwater	m^3	**0**	
Seawater	m^3	**0**	
Produced water	m^3	**0**	
Third-party water	m^3	**23 931 280**	
Water discharge			Both water from the municipality and water from Rana river run into the Rana fjord.
Surface water	m^3	**0**	
Groundwater	m^3	**0**	
Seawater	m^3	**0**	
Produced water	m^3	**0**	
Third-party water	m^3	**24 027 474**	
Water consumption			Used for water in buildings (cloakrooms, toilets, drinking water, etc.), fire hoses, and water outlets (when operating water is disconnected), as well as emergency incidents.
Third-party water from the municipality	m^3	**96 194**	
Waste generated			Please see pages 68-69 for more information about waste handling.
Total waste	Tonnes	**657**	
Complex iron	Tonnes	**401**	
Class iron	Tonnes	**70**	
Paper and coardboard	Tonnes	**30**	
Plastic	Tonnes	**7**	
Glass	Tonnes	**0.8**	
Electronic waste	Tonnes	**13**	
Mixed cabel	Tonnes	**2.5**	
Mineral wool	Tonnes	**0.1**	
Styrofoam/EPS	Tonnes	**0.01**	
Sorted waste	Tonnes	**9**	
Hazardous waste	Tonnes	**124**	

WASTE DIVERTED FROM DISPOSAL

Total waste			
Material recovery	Tonnes	**536**	Please see pages 68-69 for more information about waste handling.
Energy recovery	Tonnes	**393**	
Reuse	Tonnes	**24**	
Composting	Tonnes	**10**	
General waste			
Material recovery	Tonnes	**534**	
Energy recovery	Tonnes	**270**	
Reuse	Tonnes	**24**	
Composting	Tonnes	**10**	
Hazardous waste			
General waste	Tonnes	**2**	
Hazardous waste	Tonnes	**123**	
Waste directed to disposal			Please see pages 65-69 for more information about waste handling.
General waste	Tonnes	**65**	
Hazardous waste	Tonnes	**0**	

SOCIAL MATTERS

Employees		
All employees		
Total	Numbers	**286**
Women	Numbers	**48**
Men	Numbers	**238**
Executive management		
Total	Numbers	**4**
Women	Numbers	**1**
Men	Numbers	**3**
Management		
Total	Numbers	**18**
Women	Numbers	**5**
Men	Numbers	**13**
Office and mercantile positions		
Total	Numbers	**15**
Women	Numbers	**5**
Men	Numbers	**10**
Technical supervisors		
Total	Numbers	**30**
Women	Numbers	**7**
Men	Numbers	**23**
Operators		
Total	Numbers	**218**
Women	Numbers	**31**
Men	Numbers	**187**
Workers who are not employees		
Temporary employees		
Total	Numbers	**12**
Women	Numbers	**4**
Men	Numbers	**8**
Apprentices		
Total	Numbers	**14**
Women	Numbers	**4**
Men	Numbers	**10**

New employee hires		
Total	Numbers	**17**
Women	Numbers	**4**
Men	Numbers	**13**
Age groups		
<30	Numbers	**8**
30-50	Numbers	**8**
>50	Numbers	**1**
Turnover		
Total	Numbers	**21**
Women	Numbers	**2**
Men	Numbers	**19**
Age groups		
<30	Numbers	**9**
30-50	Numbers	**6**
>50	Numbers	**6**

Parental leave		
Employees that were entitled to parental leave		
Total	Numbers	**16**
Women	Numbers	**6**
Men	Numbers	**10**
Employees that took parental leave		
Total	Numbers	**16**
Women	Numbers	**6**
Men	Numbers	**10**
Employees that returned to work after parental leave ended		
Total	Numbers	**12**
Women	Numbers	**5**
Men	Numbers	**7**
Employees that returned to work after parental leave ended that were still employed 12 months after their return to work		
Total	Numbers	**2 (100%)**
Women	Numbers	**2**
Men	Numbers	**0**
Return to work and retention rates of employees that took parental leave, by gender		
Total	Per cent	**100%**
Women	Per cent	**100%**
Men	Per cent	**100%**

DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

Board of directors (women)		
<30	Per cent	**-**
30-50	Per cent	**-**
>50	Per cent	**25%**
Board of directors (men)		
<30	Per cent	**-**
30-50	Per cent	**50%**
>50	Per cent	**25%**
Executive management (women)		
<30	Per cent	**-**
30-50	Per cent	**-**
>50	Per cent	**25%**
Executive management (men)		
<30	Per cent	**-**
30-50	Per cent	**25%**
>50	Per cent	**50%**

Management (women)		
<30	Per cent	**-**
30-50	Per cent	**16%**
>50	Per cent	**16%**
Management (men)		
<30	Per cent	**-**
30-50	Per cent	**42%**
>50	Per cent	**26%**
Office and mercantile positions (women)		
<30	Per cent	**-**
30-50	Per cent	**13%**
>50	Per cent	**20%**
Office and mercantile positions (men)		
<30	Per cent	**-**
30-50	Per cent	**47%**
>50	Per cent	**20%**
Technical supervisors (women)		
<30	Per cent	**10%**
30-50	Per cent	**10%**
>50	Per cent	**3%**
Technical supervisors (women)		
<30	Per cent	**3%**
30-50	Per cent	**45%**
>50	Per cent	**29%**
Operators (women)		
<30	Per cent	**4%**
30-50	Per cent	**4%**
>50	Per cent	**5%**
Operators (men)		
<30	Per cent	**14%**
30-50	Per cent	**41%**
>50	Per cent	**32%**

RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN AND MEN

Per cent difference within employee category

Executive management	40%	In this category there are 3 managers with equal salary. The CEO has a higher salary than the managers. The bonus is equal for the executive management. There is not a difference in salary or bonuses between genders.
Office and mercantile positions	30-40%	There is a 30-40 per cent difference between highest and lowest salary within this group. There are not objectionable gender differences when it comes to salary. Any differences are related to seniority, age, and tasks.
Technical supervisors	30-40%	There is a 30-40 per cent difference between highest and lowest salary within this group. There are not objectionable gender differences when it comes to salary. Any differences are related to seniority, age, and tasks.

Average hours of training per year per employee			
Total	Numbers	**16**	
Women	Numbers	**16**	
Men	Numbers	**16**	
Percentage of employees received regular performance and career development reviews			
Total	Per cent	**95%**	
Workers covered by an occupational health and safety management system	Per cent	**100%**	
Sick leave	Per cent	**7.48%**	
Work-related injuries	Numbers	**7**	See page 82 for more information
Work-related ill health	Numbers	**2**	16 days in total
New suppliers that were screened using social criteria	Per cent	**0**	In progress
Negative social impacts in the supply chain and actions taken	Numbers and per cent	**-**	In progress
Incidents of discrimination and corrective actions taken	Numbers	**0**	
Operations assessed for risks related to corruption	Numbers and per cent	**0**	In progress
Communication and training about anti-corruption policies and procedures			All of the three business partners have received the anti-corruption policies and procures upon request.
Governance body members			
Total	Numbers	**8%**	
Percentage of all employees	Per cent	**100%**	
Employees			
Total	Numbers	**286**	
Percentage of all employees	Per cent	**100%**	
Business partners			
Total	Numbers	**-**	
Percentage of all employees	Per cent	**-**	
Confirmed incidents of corruption and actions taken	Numbers	**0**	
Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Numbers	**0**	
Operations with local community engagement, impact assessments, and development programs	Per cent	**-**	In progress

APPENDIX 6

GRI Universal Standards Index

DISCLOSURE		LOCATION	COMPLETENESS	COMMENTS
GENERAL DISCLOSURES				
GRI 2: General disclosures				
GRI 2-1	Organisational details	p. 2	Complete	
GRI 2-2	Entities included in the organisation's sustainability reporting	p. 48	Complete	
GRI 2-3	Reporting period, frequency, and contact point	p. 48	Complete	
GRI 2-4	Restatements of information	p. 48	Complete	
GRI 2-5	External assurance	p.48	Complete	
GRI 2-6	Activities, value chain, and other	p. 9	Complete	
GRI 2-7	Employees	p.112	Complete	
GRI 2-8	Workers who are not employees	p. 17 and p.112	Complete	
GRI 2-9	Governance structure and composition	p.17	Complete	
GRI 2-10	Nomination and selection of the highest governance body	p. 42-43	Complete	
GRI 2-11	Chair of the highest governance body	p. 17	Complete	
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	p. 55	Complete	
GRI 2-13	Delegation of responsibility for managing impacts	p. 55	Complete	
GRI 2-14	Role of the highest governance body in sustainability reporting	p. 55	Complete	
GRI 2-15	Conflicts of interest		Incomplete	
GRI 2-16	Communication of critical concerns	p. 43 and 55	Incomplete	No mention of total number and nature of critical concerns communicated
GRI 2-17	Collective knowledge of the highest governance body		Incomplete	
GRI 2-18	Evaluation of the performance of the highest governance body		Incomplete	
GRI 2-19	Remuneration policies		Incomplete	Guidelines for remuneration to be approved at the ordinary general meeting in 2023
GRI 2-20	Process to determine remuneration	p. 44	Incomplete	More information in guidelines for remuneration to be approved at the general meeting in 2023
GRI 2-21	Annual total compensation ratio		Incomplete	
GRI 2-22	Statement on sustainable development strategy	p. 6 and p. 54	Complete	
GRI 2-23	Policy commitments	p.79	Incomplete	Limited to human rights
GRI 2-24	Embedding policy commitments	p. 79	Incomplete	Limited to human rights
GRI 2-25	Processes to remediate negative impacts		Incomplete	
GRI 2-26	Mechanisms for seeking advice and raising concerns	p.73	Complete	
GRI 2-27	Compliance with laws and regulations	p. 39	Incomplete	No mention of number and nature of instances of non-compliance
GRI 2-28	Membership associations	p. 51	Complete	
GRI 2-29	Approach to stakeholder engagement	p. 51	Complete	
GRI 2-30	Collective bargaining agreements	p. 72	Complete	

DISCLOSURE		LOCATION	COMPLETENESS	COMMENTS
MATERIAL TOPICS				
GRI 3: Material topics				
GRI 3-1	Process to determine material topics	p. 50	Complete	
GRI 3-1	List of material topics	p. 52	Complete	
GRI 3-1	Management of material topics	p. 62-66, 67-69, 71-73, 74-76, 77-78, 79-81, 82-84, 86		
CLIMATE				
GRI 305: Emissions				
305-1	Direct (Scope 1) GHG emissions	p. 88-89	Complete	
305-2	Energy indirect (Scope 2) GHG emissions	p. 88-89	Complete	
305-3	Other indirect (Scope 3) GHG emissions	p. 88-89	Complete	
305-4	GHG emissions intensity	p.89-91	Complete	
305-5	Reduction of GHG emissions	p. 88-89	Complete	
305-6	Emissions of ozone-depleting substances (ODS)	N/A	Not applicable	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	N/A	Not applicable	
GRI 302: Energy				
302-1	Energy consumption within the organisation	p. 90-91	Complete	
302-2	Energy consumption outside of the organisation		Incomplete	In progress
302-3	Energy intensity	p. 90-91	Complete	
302-4	Reduction of energy consumption	p. 90-91	Complete	
302-5	Reductions in energy requirements of products and services		Incomplete	In progress
GRI 201: Economic performance				
201-2	Financial implications and other risks and opportunities due to climate change	p. 94	Complete	TCDF disclosure
NATURE				
GRI 304: Biodiversity				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	p.64-65	Complete	
304-2	Significant impacts of activities, products, and services on biodiversity	p.64-65	Complete	
304-3	Habitats protected or restored	p. 66	Complete	
304-4	IUCN red list species and national conservation list species with habitats in areas affected by operations	p. 117	Complete	
GRI 308: Supplier environmental assessment				
308-1	New suppliers that were screened using environmental criteria	p. 117	Incomplete	In progress
308-2	Negative environmental impacts in the supply chain and actions taken		Incomplete	In progress

DISCLOSURE		LOCATION	COMPLETENESS	COMMENTS
GRI 306: Effluents and waste				
306-3	Significant spills	p. 65 and 117	Complete	
RESOURCE UTILISASTION				
GRI 301: Materials				
301-1	Materials used by weight or volume	p. 117	Incomplete	Limited to materials used for packaging of Colorana
301-2	Recycled input materials used	p. 117	Incomplete	Limited to materials used for packaging of Colorana
301-3	Reclaimed products and their packaging materials	N/A	Not applicable	
GRI 303: Water and effluents				
303-1	Interactions with water as a shared resource	p. 69	Complete	
303-2	Management of water discharge-related impacts	p. 69	Complete	
303 -3	Water withdrawal	p. 117	Complete	
303-4	Water discharge	p.117	Complete	
305-5	Water consumption	p.117	Complete	
GRI 306: Waste				
306-1	Waste generation and significant waste-related impacts	p. 68-69	Complete	
306-2	Management of significant waste-related impacts	p. 68-69	Complete	
306-3	Waste generated	p. 117	Complete	
306-4	Waste diverted from disposal	p. 118	Complete	
306-5	Waste directed to disposal	p.118	Complete	
DECENT WORKING CONDITIONS				
GRI 401: Employment				
401-1	New employee hires and employee turnover	p. 118-119	Complete	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 72	Complete	
401-3	Parental leave	p.119	Complete	
EQUALITY				
GRI 405: Diversity and equal opportunity				
405-1	Diversity of governance bodies and employees	p.119-120	Complete	
405-2	Ratio of basic salary and remuneration of women to men	p. 120	Complete	
GRI 406: Non-discrimination				
406-1	Incidents of discrimination and corrective actions taken	p.121	Complete	

DISCLOSURE		LOCATION	COMPLETENESS	COMMENTS
COMPETENCE AND DEVELOPMENT				
GRI 404: Training and education				
404-1	Average hours of training per year per employee	p. 121	Complete	
404-2	Programs for upgrading employee skills and transition assistance programs	p.78	Complete	
404-3	Percentage of employees receiving regular performance and career development reviews	p. 121	Complete	
HUMAN RIGHTS				
GRI 414: Supplier social assessment				
414-1	New suppliers that were screened using social criteria	p.121	Incomplete	In progress
414-2	Negative social impacts in the supply chain and actions taken	p.121	Incomplete	In progress
GRI 408: Child labour				
408-1	Operations and suppliers at significant risk for incidents of child labour	p.80	Incomplete	In progress
GRI 409: Forced or compulsory labour				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	p.80	Incomplete	In progress
GRI 407: Freedom of association and collective bargaining				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	p.80	Incomplete	In progress
GRI 403: OCCUPATIONAL HEALTH AND SAFETY				
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p.80	Incomplete	In progress
SAFETY				
GRI 403: Occupational health and safety				
403-1	Occupational health and safety management system	p.83	Complete	
403-2	Hazard identification, risk assessment, and incident investigation	p. 83	Complete	
403-3	Occupational health services	p. 72	Complete	
403-4	Worker participation, consultation, and communication on occupational health and safety	p. 83	Complete	
403-5	Worker training on occupational health and safety	p. 83	Complete	
403-6	Promotion of worker health	p.72		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		Incomplete	In progress
403-8	Workers covered by an occupational health and safety management system	p. 121	Complete	
403-9	Work-related injuries	p.121	Complete	
403-10	Work-related ill health	p.121	Complete	

DISCLOSURE		LOCATION	COMPLETENESS	COMMENTS
LOCAL VALUE CREATION				
GRI 413: Local communities				
413-1	Operations with local community engagement, impact assessments, and development programs	p. 121	Incomplete	In progress
413-2	Operations with significant actual and potential negative impacts on local communities	p. 84.86	Incomplete	In progress
DISCLOSURES NOT RELATED TO MATERIAL TOPICS				
GRI 205: Anti-corruption				
GRI 205-1	Operations assessed for risks related to corruption	p. 121	Incomplete	In progress
GRI 205-2	Communication and training about anti-corruption policies and procedures	p. 121	Complete	
GRI 205-3	Confirmed incidents of corruption and actions taken	p. 121	Complete	
GRI 206: Anti-competitive behaviour				
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p. 121	Complete	

Financial statements 2022

RANA GRUBER

STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 December 2022

Amounts in NOK thousand	Notes	2022	2021
Revenue	*5*	**1 423 319**	1 668 429
Changes in inventories	*16*	**57 028**	44 190
Raw materials and consumables used		**(398 305)**	(327 567)
Employee benefit expenses	*24*	**(288 089)**	(258 611)
Depreciation	*11, 12, 13*	**(158 736)**	(174 247)
Other operating expenses	*6*	**(226 763)**	(189 106)
Operating profit/(loss)		**408 454**	763 088
Financial income	*7*	**9 383**	541
Financial expenses	*7*	**(11 358)**	(12 439)
Other financial gains/(losses)	*8*	**230 383**	8 555
Financial income/(expenses), net		**228 408**	(3 343)
Profit/(loss) before income tax		**636 862**	759 745
Income tax expense	*9*	**(152 636)**	(167 697)
Profit/(loss) for the year		**484 226**	592 048
Other comprehensive income from items that will not be reclassified to profit or loss:			
Actuarial gains and losses		**-**	(1 296)
Tax on items not reclassified to profit or loss		**-**	285
Net other comprehensive income/(loss)		**-**	(1 011)
Comprehensive profit for the year		**484 226**	591 037
Earnings per share (in NOK):			
Basic and diluted earnings per ordinary share	*10*	**13.05**	15.86

STATEMENT OF FINANCIAL POSITION

At 31 December 2022

Amounts in NOK thousand	Notes	31 Dec 2022	31 Dec 2021
ASSETS			
Non-current assets			
Mine properties	*11*	**309 096**	303 768
Property, plant, and equipment	*12*	**182 300**	153 416
Right-of-use assets	*13*	**137 893**	114 284
Other non-current financial assets	*14, 19*	**-**	1 500
Derivative financial assets	*19, 23*	**23 151**	-
Total non-current assets		**652 440**	572 968
Current assets			
Inventories	*16*	**159 919**	89 215
Trade receivables	*15, 19*	**178 670**	63 087
Other current receivables	*19*	**53 635**	36 802
Derivative financial assets	*19, 23*	**187 545**	103 247
Cash and cash equivalents	*17*	**212 837**	264 363
Total current assets		**792 606**	556 714
Total assets		**1 445 046**	1 129 682
EQUITY AND LIABILITIES			
Equity			
Share capital	*25*	**9 271**	9 348
Share premium	*25*	**92 783**	92 783
Other equity		**720 999**	479 680
Total equity		**823 053**	581 811
Liabilities			
Lease liabilities	*13*	**97 199**	82 601
Net deferred tax liabilities	*9*	**146 046**	30 351
Provisions	*28*	**15 000**	15 000
Other non-current liabilities		**2 265**	1 553
Net defined benefit liabilities	*24*	**-**	975
Total non-current liabilities		**260 510**	130 480
Trade payables	*21*	**160 614**	119 115
Lease liabilities (current portion)	*13*	**40 935**	31 107
Current tax liabilities	*9*	**109 029**	145 653
Derivative financial liabilities	*19, 23*	**-**	7 680
Other current liabilities	*21*	**50 905**	113 836
Total current liabilities		**361 483**	417 391
Total liabilities		**621 993**	547 871
Total equity and liabilities		**1 445 046**	1 129 682

Mo i Rana, Norway, 15 March 2023
The board of directors and CEO – Rana Gruber ASA

Morten Støver
Chair

Kristian Adolfsen
Director

Frode Nilsen
Director

Ragnhild Wiborg
Director

Hilde Rolandsen
Director

Henriette Zahl Pedersen
Director

Johan Hovind
Director

Lasse O. Strøm
Director

Gunnar Moe
CEO

STATEMENT OF CASH FLOWS

For the period ended 31 December 2022

Amounts in NOK thousand	*Notes*	**2022**	2021 restated[1]
Cash flow from operating activities:			
Profit before income tax		**636 862**	759 745
Adjustments for:			
Movements in provisions, pensions, and government grants		**(1 178)**	(554)
Depreciation of tangible assets	*11, 12, 13*	**158 736**	174 247
(Gain)/loss on sale of tangible assets			
Unsettled loss/(gain) on derivative financial instruments	*23*	**(210 696)**	(95 567)
Fair value change on settled derivatives	*23*	**95 567**	(157 746)
Net finance income/expense	*7*	**3 712**	11 898
Working capital changes:			
Change in inventories	*16*	**(70 704)**	(54 109)
Change in receivables and payables	*15, 21*	**(151 635)**	276 845
Income tax paid	*9*	**(73 362)**	(33 265)
Interests received	*7*	**7 647**	541
Interests paid	*7*	**(11 359)**	(13 589)
Net cash flow from operating activities		**383 590**	868 446
Cash flow from investment activities:			
Expenditures on mine development	*11*	**(96 022)**	(67 011)
Expenditures on property, plant, and equipment	*12*	**(65 698)**	(58 642)
Cash receipt from repayment of loans	*14*	**-**	133 939
Net cash flow from investing activities		**(161 720)**	8 286
Cash flow from financing activities:			
Acquisition of treasury shares	*25*	**(14 163)**	(9 793)
Cash receipts from sale of treasury shares	*25*	**-**	6 958
Payment of principal portion of lease liabilities	*18*	**(30 412)**	(25 653)
Cash repayments of amounts borrowed	*18*	**-**	(196 288)
Dividends paid	*25*	**(228 821)**	(412 587)
Net cash flow from financing activities		**(273 396)**	(637 363)
Net increase/(decrease) in cash and cash equivalents		**(51 526)**	239 369
Cash and cash equivalents at the beginning of the period	*17*	**264 363**	24 994
Cash and cash equivalents at the end of the period	*17*	**212 837**	264 363

[1] Rana Gruber has restated amounts in 2021 in relation to two line items. 'Change in receivables and payables' included a negative effect amounting to NOK 157 746 thousand for the effects that are now presented under 'Fair value change on settled derivatives'. The management believes this presentation improves the understandability of the cash flow effects from derivative financial instruments.

STATEMENT OF CHANGES IN EQUITY

For the period ended 31 December 2022

Amounts in NOK thousand	*Notes*	Share capital (Note 25)	Share premium (Note 25)	Treasury shares	Retained earnings	**Total equity**
Balance at 1 January 2021		9 348	92 783	-	276 565	**378 696**
Profit for the year		-	-	-	592 048	**592 048**
Other comprehensive income		-	-	-	(1 011)	**(1 011)**
Total comprehensive income		-	-	-	591 037	**591 037**
Cash dividends	*25.3*	-	-	-	(385 087)	**(385 087)**
Acquisition of treasury shares	*25*	-	-	(2 835)	-	**(2 835)**
Balance at 31 December 2021		9 348	92 783	(2 835)	482 515	**581 811**
Profit for the year		-	-	-	484 226	**484 226**
Total comprehensive income		-	-	-	484 226	**484 226**
Cash dividends	*25.3*	-	-	-	(228 821)	**(228 821)**
Share capital reduction		(77)	-	16 998	(16 921)	**-**
Acquisition of treasury shares		-	-	(14 163)	-	**(14 163)**
Balance at 31 December 2022		9 271	92 783	-	720 999	**823 053**

'Treasury shares' and *'retained earnings'* are presented together in the statement of financial position as *'other equity'*.

NOTES TO THE FINANCIAL STATEMENTS

Note 01 Corporate information

Rana Gruber ASA (henceforth, the 'company' or 'Rana Gruber') is a limited liability company incorporated and domiciled in Norway whose shares are traded on Oslo Stock Exchange. The company was established in 1964 and the registered office is located at Mjølanveien 29, Norway.

Rana Gruber operates its own mines with iron ore deposits. The mines are located approximately 35 kilometers northeast from the city of Mo i Rana in Norway, in Storforshei and Ørtfjell, in the Dunderland Valley. The open-pit and underground mining take place at the company's iron ore deposits at Ørtfjell. The company's processing plant is also located near Mo i Rana, more precisely in Gullsmedvik, with direct access to the company's own port and railway connection.

Rana Gruber consisted of Rana Gruber AS and its subsidiary Rana Gruber Minerals AS ('Rana Gruber Minerals'). The two group entities were merged in December 2021.

At 31 December 2022, the company had 286 employees (2021: 306), and 279 full-time equivalents in 2022 (2021: 292).

These financial statements were authorised by the board of directors and the CEO on 15 March 2023.

Note 02 Basis of preparation

Rana Gruber's financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations by the IFRS Interpretations Committee (IFRIC) as endorsed by the European Union (EU). There are no material differences between IFRS as issued by the IASB and as endorsed by the EU for the financial statements of the company.

As explained in note 1, Rana Gruber and Rana Gruber Minerals merged in December 2021. For the year ended 31 December 2021, Rana Gruber prepared a set of consolidated financial statements, and also a set of individual financial statements for the parent company (Rana Gruber AS), both under IFRS. For 2022, the company is only presenting one set of financial statements, which are those for Rana Gruber ASA.

For the 2022 financial statements, the company has decided to present the comparative period (i.e. 2021) using the information contained in the consolidated financial statements, as the management believes it better represents the continuation of the business from one period to another.

The 2022 financial statements have been prepared based on the going concern assumption. When preparing financial statements, the management has made an assessment of the company's ability to continue as a going concern. There are no material uncertainties related to events or conditions that may cast significant doubt upon the company's ability to continue as a going concern.

2.1. HISTORICAL COST CONVENTION

The financial statements have been prepared on a historical cost basis, except for the following items being measured at fair value:

- Trade receivables subject to provisional price mechanisms (see note 3.7).
- Derivative instruments (see note 3.8).

2.2. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES, AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions change. The management believes the underlying assumptions are appropriate. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 30 *critical judgements and estimates.*

2.3. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Certain new accounting standards, amendments to accounting standards and interpretations have been published. These are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the company. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Note 03 Significant accounting principles

3.1. FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The financial statements are presented in NOK which is also the functional currency of the company. See note 30.2.1 for further details on the judgements made in this respect.

All amounts are rounded to the nearest NOK thousand, unless stated otherwise.

3.2. TRANSACTIONS AND BALANCES IN FOREIGN CURRENCY

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in profit or loss.

Gains and losses on derivative financial instruments are presented in the statement of comprehensive income within 'other financial gains/(losses)'. Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income within finance expenses. All other foreign exchange gains and losses are presented within 'other financial gains/(losses)'.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

3.3. REVENUE RECOGNITION

Please find a description of the nature of revenues for Rana Gruber in note 5.

Rana Gruber recognises revenue at the agreed transaction price in the contract with the customer at the time when the company transfers the control of a distinct product or service to a customer. Revenue is measured at the fair value of the consideration received or receivable.

Revenue from the sale of hematite is subject to a provisional price mechanism. The company recognises revenue when the amount of revenue can be reliably measured in accordance with note 5, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results and current market data, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Revenue is recognised net of VAT, discounts and foreign exchange effects if the transaction is in a foreign currency. Consideration payable to customers for distinct (e.g. consulting) services are treated in the same way as regular purchases from suppliers for the amount reflecting its fair value.

The nature of Rana Gruber's revenue recognition is disaggregated as follows:

- Revenue related to sales of hematite.
- Revenue related to sales of magnetite.
- Revenue related to sales of specialty products (Colorana).

The majority of revenue from contracts with customers arise from the sale of hematite products. Further disclosures on the accounting policies, judgements and estimates for this revenue stream are included in note 5.

3.4. LEASES

The company recognises right-of-use assets and lease liabilities for all lease contracts, except leases that are considered short-term (lease term of 12 months or less), or for which underlying assets are of a low value when new.

3.4.1. Right-of-use assets

The company recognises right-of-use assets at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, adjusted for initial direct costs and lease incentives received. The right-of-use assets are subsequently depreciated using the straight-line method over the shorter of the lease term or the useful life of the underlying asset. In addition, the right-of-use assets are reduced by any impairment charges and adjusted for certain remeasurements of the lease liabilities.

3.4.2. Lease liabilities

The company recognises lease liabilities at the lease commencement date. The lease liabilities are measured at the present value of future lease payments at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Rana Gruber utilises the incremental borrowing rates as the discount rate for virtually all lease agreements. The company has elected to separate lease and non-lease components included in lease payments for property leases. Lease payments included in the measurement of the lease liabilities comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate; initially measured using the index or rate at the commencement date;
- (if any) amounts expected to be payable under a residual value guarantee;
- (if any) lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liabilities are measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if the company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liabilities are remeasured, a matching adjustment is made to the carrying amount of the right-of-use assets.

3.5. IMPAIRMENT OF NON-FINANCIAL ASSETS

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Rana Gruber reviews the estimated residual values and expected useful lives of assets at least annually. In particular, the company considers the impact of health, safety, and environmental legislation in its assessment of expected useful lives and estimated residual values. The company assesses where climate risks could have a significant impact, such as the introduction of emission-reduction legislation that may increase manufacturing costs. These risks in relation to climate related matters are included as key assumptions where they materially impact the measure of recoverable amount and these assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts.

3.6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents presented in the statement of cash flows includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are held for the purpose of meeting short-term cash commitments and are subject to an insignificant risk of changes in value, and bank overdrafts.

An integral part of the company's cash management policies is to hold bank overdrafts. Overdrafts are repayable on demand and the bank balance often fluctuates from being positive to overdrawn. Bank overdrafts are included as a component of cash and cash equivalents, and they are presented in the statement of financial position net of other cash at bank and in hand.

3.7. OTHER FINANCIAL ASSETS

Trade receivables related to provisional pricing arrangements are measured at fair value through profit or loss from initial recognition and until the date the final invoice has been issued, which is the moment when the final price of the iron ore is known. When the price is known, the trade receivables are reclassified to trade receivables which are not subject to provisional price mechanisms. Please see note 5 for further details.

All other financial assets, excluding derivatives, meet the SPPI (solely payments of principal and interest) criteria and are managed in a business model of Hold to Collect. These financial assets are in the measurement category amortised cost. The company initially measures trade receivables not subject to provisional pricing arrangements at fair value, being the amount of consideration that is unconditional from the customer. Subsequent to initial recognition, these assets are measured at amortised cost using the effective interest method. Income from these financial assets is calculated on an effective yield basis and is recognised in the statement of comprehensive income.

Financial assets are classified as current assets, except for those where the management has the intention to hold the investment for over 12 months or financial assets with maturities later than 12 months after the balance sheet date. These assets are classified as non-current assets.

3.8. DERIVATIVES

The company enters into derivative agreements to reduce cash flow risk arising from changes in exchange rates, iron ore prices and electric power prices. Derivatives are measured at fair value through profit or loss (FVTPL) at each reporting period.

The corresponding effects from derivatives are presented within 'other financial gains and losses' line item in the statement of comprehensive income.

The fair value of these derivatives is derived from observable prices in quoted markets. See additional information in note 23.

3.9. IMPAIRMENT OF FINANCIAL ASSETS

The company assesses on a forward-looking basis the expected credit loss associated with its other non-current financial assets, applying the general approach for the recognition of expected credit losses. Under the general approach, the loss allowance for each financial instrument is measured at an amount equal to the 12-month expected credit losses, unless the credit risk of the financial instrument has increased significantly after initial recognition. The company does not hold any financial assets measured using the general approach whose credit risk has been significantly increased.

While cash and cash equivalents also are subject to the impairment requirements, the expected credit losses are immaterial. For trade receivables and contract assets, the company applies the simplified approach to measuring expected credit losses, which uses a lifetime expected impairment provision for all trade receivables and contract assets.

3.10. BORROWING COSTS

Borrowing costs directly attributable to the construction of an asset that necessarily takes a substantial period of time to get ready for its intended use (a qualifying asset) are capitalised as part of the cost of the respective asset. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. As a general rule, exploration and evaluation assets (see note 3.13 for further information) are not considered qualifying asset by the company, as the company can only rarely conclude that probable economic benefits can be expected.

Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the company during the period.

All other borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

3.11. STATEMENT OF CASH FLOWS

The cash flow statement is prepared using the indirect method.

Interest paid on trade payables and interest received on trade receivables are presented as operating cash flows. Interests paid on borrowings are classified as operating cash flows.

Cash flows are only classified as investing activities if they result in the recognition of an asset in the statement of financial position. Cash payments for the principal portion of the lease liabilities are presented as cash flows from financing activities, whereas cash payments for short-term lease payments, and payments for leases of low-value assets that are not included in the measurement of the lease liabilities are presented as cash flows from operating activities.

3.12. INVENTORIES

Iron ore stockpiles are measured and valued at the lower of cost or net realisable value. Net realisable value is the estimated future sales price of the product the company expects to realise when the product is processed and sold, less estimated costs to complete production and bring the product to sale.

Cost of inventories, other than consumables, is comprised of direct production costs including an appropriate portion of fixed and variable overhead costs, including depreciation, incurred in converting materials into finished goods, based on the normal production capacity. Cost for iron ore produced which is stored on the ground in the open pit is valued to costs from open-pit operations, while cost for iron ore stored in the silo is valued to a combination of cost for both open pit and underground production.

Materials and supplies are measured at the lower of cost or net realisable value. Any provision for obsolescence is determined by reference to specific items of stock. A regular review is undertaken to determine the extent of any provision for obsolescence.

Costs of finished goods and iron ore stockpiles are assigned using the weighted average cost formula, whereas the costs of production supplies and spare parts are assigned using the first-in, first-out (FIFO) method. to determine the extent of any provision for obsolescence.

3.13. EXPLORATION AND EVALUATION ASSETS

The company recognises expenditures incurred during the exploration and evaluation (E&E) phase of its mining projects as assets, according to their tangible or intangible nature. These are measured initially at cost. E&E assets are not subsequently depreciated but are periodically assessed for impairment.

Expenditures that are assessed for recognition have mainly included activities related to exploratory sample drilling and subsequent geological analysis carried out to determine the economic viability and technical feasibility of the mineral resources.

After the company can demonstrate the technical feasibility and commercial viability of extracting the iron ore, E&E assets are reclassified into mines under construction. If the conclusion is that this cannot be demonstrated, E&E assets are expensed.

E&E assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. Such circumstances include changes to operational mining plans, lack of commercially viable quantities of mineral resources for the areas in which E&E activities have taken place and changes to market prices affecting the investments plans for new mining areas.

3.14. MINE PROPERTIES (EXCLUDING E&E ASSETS) AND PROPERTY, PLANT, AND EQUIPMENT

The company carries out mining operations in both underground and open-pit mines. Mine properties and property, plant, and equipment ('PPE') are measured at cost less accumulated depreciation and any accumulated impairment losses. Mines under construction are reclassified into producing mines when the development phase of the mine is finalised, which is the point where the production phase starts.

The cost of mine properties and PPE includes:

- its construction cost or purchase price, respectively;
- any directly attributable costs;
- the initial estimate of restoration costs;
- any borrowing costs incurred when constructing the qualifying assets (see note 11); and
- any reclassified E&E assets, at the point in time when the new mine operation is considered to be commercially viable and technically feasible.

Costs are capitalised until the moment mine properties and PPE assets are in the location and condition necessary for them to be capable of operating in the manner intended by the management. Subsequent expenditure in mine properties and PPE is capitalised to the extent it is probable that future economic benefits associated with the item will flow to the entity; and the cost of the item can be measured reliably, following the criteria above. All other repairs and maintenance costs are charged to profit or loss during the reporting period in which they are incurred.

3.14.1. Depreciation

PPE assets (except land) are depreciated to their residual values over their economic useful life. The remaining useful life of PPE is reviewed at least annually. In doing so, the management considers factors such as the expected level of use, the expected levels of wear and tear, the planned maintenance levels, and obsolescence.

In addition, the management also considers the effects from climate-related aspects, such as plans for replacement of fossil fuel-powered machinery to electrical ones, and any other obsolescence caused by environmental regulations the company needs to comply with or the potential issue of stranded assets caused by environmental factors. Infrastructure used in the underground mining activities, such as the transportation tunnels, are depreciated using a straight-line method. Other assets relating to the producing mines assets are depreciated following the unit-of-production (UOP) method.

The unit of measure is the number of underground extraction detonations performed during each reporting period, compared to the total number of extraction detonations planned for the relevant iron ore deposit. The separate mining levels, and not the mine as a whole, are used as measurement basis when applying this method.

The estimation of total expected extraction detonations is subject to a certain level of uncertainty. However, the company estimates its number of planned extraction detonations based on production and extraction plans which are monitored and updated on an ongoing basis.

The following table summarises the useful life and depreciation method by class of asset:

	Producing mines	Transportation tunnels (underground infrastructure)	Buildings	Machinery and plants	Operating equipment
Depreciation method	UoP	Straight-line	Straight-line	Straight-line	Straight-line
Useful life	Based on estimated detonations	7–15 years	7–50 years	5–10 years	5–10 years

Each component is treated separately for depreciation purposes and depreciated over its individual useful life. When a significant component is replaced, the old component is derecognised and the new component capitalised, if its cost is recoverable.

3.14.2. Stripping activity assets
The company engages in stripping activities, which consists of the removal of waste rock to access iron ore deposits, during the production phase of a surface (open pit) mine. The company recognises stripping activity assets to the extent that it gets an improved access to the ore body that will be consumed over a period of more than one year, it can identify the component of ore body for which access has been improved; and it can measure the associated costs reliably.

Stripping activities performed for the financial reporting periods 2022 and 2021 have not been recognised within the mine properties assets due to its short-term nature. All stripping costs have consequently been included as direct costs of inventory in the period they were incurred.

3.15. RESEARCH AND DEVELOPMENT EXPENDITURES
Research activities are expensed in the period they are incurred. Development expenditures are capitalised when all the following can be demonstrated, at the time or shortly after the expenditure is incurred:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale.
- its intention to complete the intangible asset and use or sell it.
- its ability to use or sell the intangible asset.
- how the intangible asset will generate probable future economic benefits.
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Expenditure on an intangible item that was initially recognised as an expense is not recognised as part of the cost of an intangible asset at a later date.

3.16. EMPLOYEE BENEFITS
During 2021, and until the beginning of January 2022, the company operated defined benefit pension plans for its employees. The company had a collective defined benefit scheme comprising 429 persons at year-end 2021, of which 292 were working individuals. As of January 2022, the company replaced its defined benefit pension plan with a defined contribution plan.

The company recognised the loss on settlement, at the date of settlement, as part of the employee benefit expenses for 2022. This loss was derived from the difference between the present value of the defined benefit obligation at the date of the settlement and the settlement price (including plan assets transferred in connection with the settlement).

Under its defined contribution plans, the company is not subject to actuarial risk, and the company has no further payment obligations once contributions are paid. Therefore, the company recognises liabilities for the accrued costs from these plans, for the amount corresponding to the services rendered by the employees, net of contributions paid. These costs are recognised as expenses unless they can be capitalised as part of the cost of another asset (e.g. inventories).

See note 24 for further information on the defined contribution plans of the company.

3.17. INCOME TAXES
The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for the relevant tax jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Deferred tax/tax assets are calculated at 22 per cent of the temporary differences between book value and tax values, in addition to tax losses to carry forward at the end of the accounting year. Tax increasing and tax reducing temporary differences that reverse or can reverse in the same period are netted.

The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income taxes are determined by using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets are realised, or the deferred income tax liabilities are settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and tax losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Current and deferred taxes are recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3.18. PROVISIONS
Provisions for legal claims and future rehabilitation activities are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the management's best estimate of the expenditure required to settle the present obligation in the future. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The impact of climate-related matters on remediation of environmental damage is considered with determining the decommissioning liabilities on the mining assets which has been disclosed in note 28 *provisions*.

3.19. EARNINGS-PER-SHARE
3.19.1. Basic earnings per share
Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the parent company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for treasury shares (see note 25).

3.19.2. Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

A potential ordinary share is a financial instrument or other contract that may entitle its holder to ordinary share, and whose conversion into an ordinary share would lead to a reduction in earnings per share or an increase in loss per share from continuing operations.

3.20. GOVERNMENT GRANTS AND PAYMENTS TO AUTHORITIES
Government grants relating to the purchase of property, plant, and equipment are normally included in non-current liabilities as deferred income and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

The company received NOK 0.2 million in 2022 (2021: NOK 0.6 million) in grants from the tax incentive scheme.

In accordance with the Norwegian Accounting Act, section 3-3d, Rana Gruber has prepared a report on payments to authorities. According to the regulations, companies with activities in the extractive industry or forestry shall disclose such payments. Rana Gruber has in 2022 paid NOK 73 480 thousand as corporate income tax (2021: NOK 32 299 thousand), NOK 33 thousand to Rana Kommune (2021: NOK 0 thousand), NOK 202 thousand to the Norwegian Institute for Water Research (2021: NOK 0 thousand) and NOK 172 thousand to the Norwegian Directorate of Mining (2021: NOK 114 thousand). In addition, Rana Gruber paid NOK 34 thousand to the Norwegian Environment Agency in 2021.

Note 04 Segment information

Rana Gruber's business is primarily related to the excavating, processing and sale of iron oxide in the form of hematite, magnetite and iron oxide pigments. Hematite is used for iron and steel production in smelting plants in Europe and magnetite is used in industrial water purification processes.

Operating segments are components of the company regularly reviewed by the chief operating decision maker to assess performance and be able to allocate resources. The company's CEO (chief executive officer) is the chief operating decision maker at Rana Gruber. The company as a whole is operated as a single segment. See note 5 for a disaggregation of revenue from external customers by product.

Rana Gruber's main customer during 2022 and 2021 constitute circa 90-95 per cent of the total annual iron ore production volumes. The total revenue from that single customer, based in the Singapore amounted to NOK 1 234 765 thousand in 2022 (2021: NOK 1 460 095 thousand). Substantially all of the company's goods sold to this customer are delivered to end users based in the European Union and United Kingdom area. Domestic sales to external customers accounted for less than two per cent and one per cent of total revenue for the years 2022 and 2021, respectively.

All non-current assets held by the company are located in Norway.

Note 05 Revenue

5.1. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES: REVENUE FROM SALES OF HEMATITE
Revenue from sales of hematite accounts for substantially all revenue from contracts with customers.

Rana Gruber recognises revenue from its sales of hematite to its customers, acting as a principal to the transactions. Rana Gruber does not typically provide freight, shipping or insurance services to its customers. Therefore, providing the goods is the only performance obligation identified on the contracts with customers. Each shipment of hematite is treated as a separate performance obligation.

Typically, Rana Gruber is responsible for the goods until the hematite is loaded onto the vessels chartered by the customer at the port of Mo i Rana, under the Incoterms Free on Board (FOB). This is the point in time when Rana Gruber obtains an unconditional right to payment and when control is transferred to the customer. The initial invoice is normally paid by the customer within three to five working days after the shipment date. Customer acceptance for the goods is not considered a relevant indicator for Rana Gruber, as there is certainty on the specification requirements of the goods when the hematite is loaded onboard the vessels.

The sale of hematite is typically subject to a provisional price mechanism. At the moment of the sale, invoices are issued to clients based on provisional prices, reflecting the average of past spot prices of iron ore. Final prices are derived from monthly averages of iron ore prices during the reference period (typically, three months after each shipment has taken place). Typically, the final invoice is paid by the customer within 3 to 5 working days after the invoice date.

Under IFRS, revenue is recognised at the shipment date for an amount that corresponds to the average forward prices for the month in which the invoice will be finally settled. At each reporting date after the date of the sale, the corresponding trade receivable is measured using the updated forward prices. Subsequent changes in the value of the trade receivables due to changes in the forward prices are recognised as revenue up until the date of the final settlement for the shipment. When the price is known, the trade receivables are reclassified to trade receivables which are not subject to provisional price mechanisms. For disclosures on the provisionally priced trade receivables, see note 3.8 and note 19.

The transaction price for hematite shipments is also subject to variable consideration depending on several parameters such as Fe content and moisture, which can be estimated with a high level of certainty at the moment the revenue is recognised. When variable consideration depends on factors that are outside of Rana Gruber's influence, the variable consideration is not recognised until the moment when the uncertainty is resolved, normally being shortly before the final invoice is sent to the client.

Rana Gruber uses the practical expedient of not disclosing the information required in paragraph 120 of IFRS 15 (i.e. the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period).

5.2. DISAGGREGATED INFORMATION FOR REVENUE FROM CONTRACTS WITH CUSTOMERS

The following breakdown of revenue from contracts with customers presents a disaggregation by major product line:

Revenue

(Amounts in NOK thousand)	2022	2021
Sales of hematite	**1 305 534**	1 644 212
Sales of magnetite	**111 232**	115 254
Sales of Colorana	**47 391**	43 840
Total revenue from contracts with customers	**1 464 157**	1 803 306
Effect from provisionally priced receivables	**(61 765)**	(146 195)
Other income	**20 927**	11 318
Total revenue	**1 423 319**	1 668 429

Revenue arising from other than contracts with customers includes primarily the fair value changes in the value of the trade receivables due to the provisional price mechanisms from the shipment date and up until the invoice is finally settled and other income arising primarily from sale of services related to consulting and geophysical analysis. Revenue from service transactions is recognised as the service is performed.

Note 06 Other operating expenses

Amounts in NOK thousand	2022	2021
Mining activities: extraction and maintenance	**92 259**	71 789
Expenses related to short-term and low-value leases	**13 321**	23 946
Auditor's remuneration	**2 609**	2 915
Consulting fees	**25 878**	23 074
Energy expenses (fuel, electric power, water, etc.)	**20 025**	16 619
Insurance fees	**16 971**	14 528
Shipping costs	**16 422**	14 279
Contribution Mo i Rana Airport	**13 570**	-
Other	**25 708**	21 956
Total other operating expenses	**226 763**	189 106

Expenses incurred in research and development projects have been NOK 5 434 thousand during the 2022 financial year (2021: NOK 3 786 thousand). No development expenses have been capitalised during 2022 or 2021. Research and development activities have been mostly in relation to the Rana Gruber's three key strategic projects: increasing the iron content of the hematite product; increasing magnetite production; and eliminating all carbon emissions from production by the end of 2025. Research and development expenses in relation to these projects are expected to continue in the coming year.

The auditor remuneration presents the following disaggregation:

Auditor's remuneration

Amounts in NOK thousand	2022	2021
Statutory audit fees	**2 235**	1 868
Technical assistance	**277**	1 007
Tax advisory services	**97**	77
Total auditor's remuneration	**2 609**	2 952

Note 07 Finance income and costs

Amounts in NOK thousand	2022	2021
Financial income:	**9 384**	541
Interest income from bank deposits	**7 646**	-
Interest income from related parties	**-**	-
Other financial income	**1 738**	541
Financial costs:	**(11 359)**	(13 589)
Interest on borrowings	**(4 589)**	(7 935)
Interest on lease liabilities	**(6 547)**	(5 579)
Other financial costs	**(223)**	(75)
Capitalised borrowing costs (see note 11.2)	**-**	1 150
Net finance result	**(1 975)**	(11 898)

Note 08 Other financial gains and losses

Amounts in NOK thousand	2022	2021
Net gain/(loss) on financial assets at fair value through profit or loss - derivatives on exchange rates	**(61 166)**	(38 917)
Net gain/(loss) on financial assets at fair value through profit or loss - derivatives on iron ore prices	**53 239**	23 401
Net gain/(loss) on financial assets at fair value through profit or loss - derivatives on interest rates	**-**	2 615
Net gain/(loss) on financial assets at fair value through profit or loss - derivatives on electric power	**217 768**	-
Net foreign exchange gains (losses)	**20 542**	21 456
Total other financial gains and losses	**230 383**	8 555

As a consequence of rebalancing the positions in the electric power market, and in line with the company's hedging strategies, Rana Gruber has realised a gain during 2022 of NOK 77 292 thousand, which is included in the Net gain/(loss) – derivatives on electric power. The aim for the rebalancing was to ensure a more optimal hedging strategy for the future energy consumption needed, and hence avoiding adverse impacts from future volatility in the spot market in the region where Rana Gruber is located. See note 23.3 for further details on the open positions at 31 December 2022.

Note 09 Income tax

9.1. INCOME TAX EXPENSE

Amounts in NOK thousand	2022	2021
Current income tax	**109 232**	146 207
Adjustments for tax of prior periods	**1 183**	-
Change in deferred tax	**42 221**	21 489
Total income tax expense	**152 636**	167 697

9.2. DEFERRED TAX

Deferred tax relating to OCI

Amounts in NOK thousand	2022	2021
Actuarial gains and losses	**-**	285
Total deferred tax charged to OCI	**-**	285

9.2.2. Deferred Tax Balances

Amounts in NOK thousand	**2022**	2021
Tangible fixed assets (PPE & mine properties)	**(5 726)**	(26 151)
Right-of-use assets	**105**	2 125
Derivatives	**(46 353)**	(5 572)
Inventories	**(27 324)**	189
Receivables	**(31 830)**	(3 845)
Gain and loss account	**(234)**	(292)
Provisions	**3 300**	2 970
Pension funds/-liabilities (net)	**-**	214
Prepayments	**(37 995)**	
Total deferred tax relating to temporary differences	**(146 046)**	(30 351)
Tax losses to carry forward	**-**	-
Excluded interest deduction to carry forward	**-**	-
Carrying value of deferred tax assets (liabilities)	**(146 046)**	(30 351)

Explanation of change in deferred tax

Amounts in NOK thousand	**2022**	2021
Carrying value of deferred tax at 1 January	**(30 351)**	(9 147)
Change in deferred tax liabilities	**(42 243)**	(21 206)
Uncertain tax position revenue	**(73 452)**	0
Carrying value of deferred tax at 31 December	**(146 046)**	(30 351)

9.2.3. Uncertain tax positions

Up until the 2020 tax assessment year, the company recognised revenue on an accrual basis for both accounting and tax purposes. However, due to the volatility from the provisionally priced trade receivables explained in note 5.1, the company's estimation of revenue at fiscal year-end date can vary significantly with the final revenue realised at settlement date. For this reason, the company has ongoing discussions with the tax authorities in Norway with respect to the treatment of its revenue for tax purposes.

The company's position in this respect is that the current income tax expense should be based on the actual amounts of revenue realised, in line with the principles outlined in the Norwegian income tax act.

In the financial statements issued for the period ended 31 December 2021, the company estimated the value of its current income tax expense following the approach applied for the 2020 tax assessment year, i.e., no difference between accounting and tax bases for revenue recognition. However, this estimate was changed at the moment of calculating the final tax settlement for the income tax filing for the assessment year 2021, filed in June 2022.

At the time of the issue of these financial estimates, the company estimates it is more likely than not that the currently applied tax treatment will be accepted by the tax authorities, and therefore the tax basis for revenue is based on the revenue finally settled in the period in which it occurs. The measurement of the tax balances is thus based on what the management believes is the most likely outcome from the dialogue with the Norwegian tax authorities.

For the year ended 31 December 2022, the management has not identified any other significant uncertain tax positions for the company.

9.3. RECONCILIATION OF INCOME TAX EXPENSE

Amounts in NOK thousand	**2022**	2021
Profit before tax	**636 862**	759 745
Expected income tax at statutory income tax rate of 22% (2021: 22%)	**140 110**	167 144
Permanent differences	**12 526**	553
Calculated tax expense/(income)	**152 636**	167 697

Note 10 Earnings per share (EPS)

10.1. BASIC AND DILUTED EARNINGS PER SHARE

Amounts in NOK	**2022**	2021
From continuing operations attributable to the ordinary equity	**13.05**	15.86
Total basic and diluted earnings per share attributable to the ordinary equity	**13.05**	15.86
Weighted average number of outstanding shares, excluding treasury shares	**37 119 092**	37 348 854

For the reporting periods included in these financial statements, the company had no dilutive potential ordinary shares. The change in the weighted average number of shares during 2022 relates to the acquisition and cancellation of shares disclosed in note 25.2.

Note 11 Mine properties

Amounts in NOK thousand	Exploration and evaluation assets	Mines under construction	Producing mines	**Total**
At 1 January 2021				
Cost	-		855 804	**855 804**
Accumulated depreciation and impairment	-		(509 460)	**(509 460)**
Net book amount	-	-	346 344	**346 344**
Year ended 31 December 2021				
Opening net book amount	-	-	346 344	**346 344**
Additions	8 539		58 472	**67 011**
Depreciation charge	-		(109 587)	**(109 587)**
Closing net book amount	8 539	-	295 229	**303 768**

Amounts in NOK thousand	Exploration and evaluation assets	Mines under construction	Producing mines	**Total**
At 31 December 2021				
Cost	8 539	-	914 276	**922 815**
Accumulated depreciation and impairment	-	-	(619 047)	**(619 047)**
Net book amount	8 539	-	295 229	**303 768**
Year ended 31 December 2022				
Opening net book amount	8 539	-	295 229	**303 768**
Additions	41 714	39 537	14 770	**96 021**
Transfers	(41 976)	41 976	-	**-**
Depreciation charge	-	-	(90 693)	**(90 693)**
Closing net book amount	8 277	81 513	219 306	**309 096**
At 31 December 2022				
Cost	8 277	81 513	929 046	**1 018 836**
Accumulated depreciation and impairment	-	-	(709 740)	**(709 740)**
Net book amount	8 277	81 513	219 306	**309 096**

11.1. SIGNIFICANT ADDITIONS FROM MINING ACTIVITIES DURING THE PERIOD

Most of the additions during 2022 relate to the works in the Kvannevann underground mine. During the second quarter of 2022, the company started the works on the next underground mine level (L91) in the Kvannevann underground mine, which includes the development of access tunnels and infrastructure needed to develop level 91 for the Kvannevann underground mine. The production in such mine level is expected to commence in 2024.

11.2. CAPITALISATION OF BORROWING COSTS

The company has not capitalised borrowing costs during 2022, as most of the development activities related to the exploration and evaluation assets. In 2021, the company capitalised NOK 1 150 thousand, using an average capitalisation rate of 3.41 per cent.

11.3. EXPLORATION AND EVALUATION ACTIVITIES

The company has undertaken exploration and evaluation activities during the period to assess the technical feasibility and commercial viability of starting the extraction in new areas. The assets recognised during the period mostly relate to the cost of geophysical studies, and exploratory drilling. No exploration and evaluation expenditures have been directly recognised as expense during 2022 and 2021.

During 2022, the company has transferred most of its 'exploration and evaluation assets' to 'mines under construction', as it was determined that the works in level 91 of the Kvannevann underground mine, as the technical feasibility and commercial viability of the project could be demonstrated.

Note 12 Property, plant, and equipment

Amounts in NOK thousand	Land and buildings	Machinery and plants	Operating equipment etc.	Total
At 1 January 2021				
Cost	53 168	588 919	55 379	**697 466**
Accumulated depreciation and impairment	(36 365)	(478 075)	(48 335)	**(562 775)**
Net book amount	16 803	110 844	7 044	**134 691**
Year ended 31 December 2021				
Opening net book amount	16 803	110 844	7 044	**134 691**
Additions	34 037	22 947	1 658	**58 642**
Depreciation charge	(4 093)	(33 735)	(2 089)	**(39 917)**
Closing net book amount	46 747	100 056	6 613	**153 416**
At 31 December 2021				
Cost	87 205	611 866	57 037	**756 108**
Accumulated depreciation and impairment	(40 458)	(511 810)	(50 424)	**(602 692)**
Net book amount	46 747	100 056	6 613	**153 416**
Year ended 31 December 2022				
Opening net book amount	46 747	100 056	6 613	**153 416**
Additions	20 860	41 194	3 644	**65 698**
Depreciation charge	(5 799)	(28 374)	(2 641)	**(36 814)**
Closing net book amount	61 808	112 876	7 616	**182 300**
At 31 December 2022				
Cost	108 065	653 060	60 681	**821 806**
Accumulated depreciation and impairment	(46 257)	(540 184)	(53 065)	**(639 506)**
Net book amount	61 808	112 876	7 616	**182 300**

During 2022, the company incurred in expenditures for the construction of an additional floor to its administrative building located close to its operating activities in Mo i Rana. Other additions mainly relate to the initiative of the company to the acquisition and/or replacement of machinery, and work in progress towards replacement of the tailings pipeline from the factory and investments towards the Fe65 strategic project. In sum the work in progress amounts to NOK 11.8 million.

Note 26 discloses information on the amount of property, plant and equipment that are pledged as security for borrowings.

Note 13 Leases

13.1. NATURE OF THE LESSEE'S LEASING ACTIVITIES

The company leases most of its production machines including dumper-trucks, excavator, wheeled loaders, rail wagons and other vehicles used in the iron ore extraction and transportation process.

The lease term varies normally from one to five years with options to both extend and terminate the lease contracts at the management's discretion.

13.2. RIGHT-OF-USE ASSETS

Amounts in NOK thousand	Buildings	Machinery	**Total**
At 1 January 2021	814	115 063	**115 877**
Year ended 31 December 2021			
Additions	-	23 150	**23 150**
Depreciation charge	(814)	(23 929)	**(24 743)**
Closing net book amount	-	114 284	**114 284**
At 31 December 2021	-	114 284	**114 284**
Year ended 31 December 2022			
Additions	-	54 837	**54 837**
Depreciation charge	-	(31 228)	**(31 228)**
Closing net book amount	-	137 893	**137 893**
At 31 December 2022	-	137 893	**137 893**

13.3. LEASE LIABILITIES

Amounts in NOK thousand	**2022**	2021
At 1 January	**113 708**	118 563
Additions	**55 776**	23 150
Interest expense	**6 547**	5 579
Lease payments	**(39 713)**	(31 232)
Currency effects	**1 816**	(2 352)
Balance at 31 December	**138 134**	113 708
Current	**40 935**	31 107
Non-current	**97 199**	82 601

The following table discloses the maturity analysis for lease liabilities (note 22.2 includes information for other non-derivative financial liabilities):

Contractual maturities

Amounts in NOK thousand	**2022**	2021
Less than 1 year	**42 213**	31 890
1–4 years	**84 377**	63 844
4–5 years	**13 056**	15 818
More than 5 years	**19 429**	24 645
Total contractual cash-flows	**159 075**	136 196
Recognised as liabilities	**138 134**	113 708

Information on lease commitments have been included in note 29.

13.4 AMOUNTS RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME

The following amounts have been recognised in the statement of comprehensive income in relation to leases:

Amounts in NOK thousand	**2022**	2021
Interest expense (included in finance cost)	**6 547**	5 579
Expense relating to short-term and low-value leases	**13 321**	23 946
Expense relating to depreciation	**31 228**	24 743

The total cash outflow for leases in 2022 has been NOK 53 034 thousand (2021: NOK 55 177 thousand).

Note 14 Other non-current financial assets

Amounts in NOK thousand	**2022**	2021
Other loans	**-**	1 500
Total other non-current financial assets	**-**	1 500

Note 15 Trade receivables

Amounts in NOK thousand	**2022**	2021
Trade receivables subject to provisional pricing mechanism (fair value, see note 19)	**148 587**	40 736
Trade receivables not subject to provisional pricing mechanism (amortised cost)	**30 483**	22 531
Loss allowance of trade receivables at amortised cost	**(400)**	(180)
Total trade receivables	**178 670**	63 087

More information about trade receivables subject to the provisional pricing mechanism can be found in note 5.

15.1. IMPAIRMENT OF TRADE RECEIVABLES

Impairment on trade receivables has historically not been significant for the company. Trade receivables not subject to provisional price mechanisms have been grouped using the number of days past due. The expected credit loss rates used in the provision matrix are calculated using both historical loss rates and forward-looking information:

Ageing trade receivables

Amounts in NOK thousand	**2022**	2021
Not due	**24 440**	14 961
Less than 30 days	**1 348**	3 216
30-60 days	**181**	1 457
61-90 days	**2 731**	669
More than 90 days	**1 783**	2 229
Total carrying value trade receivables	**30 483**	22 531

Trade receivables due more than 90 days comprise mainly related parties (see note 27), which are closely followed by the company to detect any decrease in the quality of the receivable.

Note 16 Inventories

Amounts in NOK thousand	**2022**	2021
In-house manufactured finished goods	**96 628**	52 977
Goods in progress (iron ore stockpiles)	**32 589**	19 161
Purchased semi-manufactured goods	**331**	881
Production supplies and spare parts	**30 371**	16 196
Total inventories	**159 919**	89 215

Inventories are pledged as security for financial liabilities. See note 26 for additional information.

Note 17 Cash and cash equivalents

Amounts in NOK thousand	**2022**	2021
Cash at bank and in hand	**212 837**	331 750
Bank overdrafts	**-**	(67 386)
Net cash at bank and in hand	**212 837**	264 363
Restricted cash	**14 218**	11 890
Unrestricted cash	**198 619**	252 473
Total cash and cash equivalents	**212 837**	264 363

17.1. SHORT-TERM DEPOSITS

The company does not hold bank deposits or other short-term, liquid investments. Short term deposits and the other short-term, liquid investments considered as cash equivalents meet the criteria set in the accounting policies explained in note 3.6.

17.2. RESTRICTED CASH

Part of the cash and cash equivalents disclosed is subject to regulatory restrictions on payroll tax liabilities and is therefore not available for general use by the company.

17.3. BANK OVERDRAFTS

Bank overdrafts held at 31 December 2021 mainly related to accounts used for payments in foreign currency (see note 22.3.5). See note 3.6 for information on the accounting policies followed by the company with respect to bank overdrafts.

No bank overdrafts were held by the company at 31 December 2022, however the company has not changed its practices with respect to 2021.

Note 18 Reconciliation of cash-flows from financing activities

Amounts in NOK thousand	Borrowings	Lease liabilities	**Total**
Liabilities from financing activities at 1 January 2021	193 295	118 563	**311 858**
Financing cash flow (payments)	(196 288)	(25 653)	**(221 941)**
New leases	-	23 150	**23 150**
Foreign exchange adjustments	2 993	(2 352)	**641**
Liabilities from financing activities at 31 December 2021	-	113 708	**113 708**
Financing cash flow (payments)	-	(30 412)	**(30 412)**
New leases	-	53 029	**53 029**
Foreign exchange adjustments	-	1 816	**1 816**
Other changes	-	(7)	**(7)**
Liabilities from financing activities at 31 December 2022	-	138 134	**138 134**

Note 19 Financial assets and liabilities

19.1. FINANCIAL ASSETS

Amounts in NOK thousand	2022	2021
Debt instruments measured at amortised cost:	**296 555**	325 196
Other current receivables	**53 635**	36 802
Trade receivables not subject to provisional pricing mechanism (amortised cost)	**30 083**	22 531
Other non-current financial assets	**-**	1 500
Cash and cash equivalents	**212 837**	264 363
Debt instruments measured at fair value through profit or loss:	**148 587**	40 736
Trade receivables subject to provisional pricing mechanism (fair value)	**148 587**	40 736
Derivatives (measured at fair value through profit or loss):	**210 696**	103 247
Foreign exchange forward contracts	**11 380**	-
Iron ore forward contracts	**58 840**	103 247
Electric power forward contracts	**140 476**	-
Total financial assets	**655 838**	469 179

19.2. FINANCIAL LIABILITIES

Amounts in NOK thousand	2022	2021
Liabilities measured at amortised cost	**213 784**	234 504
Trade payables and other current liabilities (see note 21)	**211 519**	232 951
Other non-current liabilities	**2 265**	1 553
Derivatives (measured at fair value through profit or loss):	**-**	7 680
Foreign exchange forward contracts	**-**	7 680
Total financial liabilities	**213 784**	242 184

19.3. FAIR VALUE HIERARCHY

The different fair value measurement levels have the following meaning:

- **Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the company is the current bid price. These instruments are included in level 1.
- **Level 2:** The fair value of financial instruments that are not traded in an active market (e.g. over-the counter derivatives) is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- **Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The following table presents the fair value of those assets and liabilities that are measured at fair value in the financial statements at each reporting date:

At 31 December 2022

Amounts in NOK thousand	Level 1	Level 2	Level 3	**Total**
Financial assets valued at FVPL:				
Trade receivables subject to provisional pricing mechanism	-	148 587	-	**148 587**
Derivatives (assets)	-	210 696	-	**210 696**
Total financial assets measured at fair value	-	359 283	-	**359 283**
Financial liabilities valued at FVPL:				
Derivatives (liabilities)	-	-	-	**-**
Total financial liabilities measured at fair value	-	-	-	**-**

At 31 December 2021

Amounts in NOK thousand	Level 1	Level 2	Level 3	**Total**
Financial assets valued at FVPL:				
Trade receivables subject to provisional pricing mechanism	-	40 736	-	**40 736**
Derivatives (assets)	-	103 247	-	**103 247**
Total financial assets measured at fair value	-	143 983	-	**143 983**
Financial liabilities valued at FVPL:				
Derivatives (liabilities)	-	(7 680)	-	**(7 680)**
Total financial liabilities measured at fair value	-	(7 680)	-	**(7 680)**

Trade receivables subject to the provisional pricing mechanisms are considered level 2. The fair value of the provisionally priced trade receivables uses the forward prices of iron ore at the stipulated settlement date. This is an observable price with an active market, which is applied to the pricing formula for the agreements. See additional information in note 5.

Derivatives are considered level 2. Fair value estimates have been determined based on present value calculations and other commonly used valuation techniques. The company's derivative instruments are primarily swap contracts where fair value estimates are based on equating the present value of a fixed and a variable stream of cash flows over the maturity of the contract. These estimates are based on observable input related to volatility, discount rates and current market values of the underlying assets the derivative instrument is related to.

There were no transfers between levels of fair value measurements during the reporting periods.

Fair values of financial instruments not measured at fair value are not materially different to their carrying values.

Note 20 Borrowings and credit facilities

The company agreed with the lenders to settle all the outstanding borrowings during 2021. There have been no significant differences between the amounts paid for settlements and the carrying value of the borrowings.

20.1. RELEVANT TERMS AND CONDITIONS FOR THE UNDRAWN CREDIT FACILITIES

The company's current borrowing facility includes per the reporting date 31 December 2022 an overdraft credit facility of NOK 100 000 thousand with an interest rate based on the relevant reference rate plus a margin of 3,25 per cent p.a. The overdraft credit facility agreement includes the following quarterly financial covenant for the company:

- Net interest-bearing debt / EBITDA < 1.5
- Equity ratio > 35%, adjusted for unrealised effects from derivative instruments
- Adverse unrealised effects from derivative instruments < NOK 250 million

20.2. ASSETS PLEDGED AS SECURITIES FOR LIABILITIES

The borrowing facility required certain assets to be pledged as security, being accounts receivables, inventory, and property, plant, and equipment. Further information about the amounts and classes of assets pledged is included in note 26.

20.3. COMPLIANCE WITH COVENANTS

The company has complied with all the financial covenants during 2022 and 2021, and the management does not expect to breach any covenant in the foreseeable future.

Note 21 Trade payables and other current liabilities

Trade payables

Amounts in NOK thousand	**2022**	2021
Trade payables with third parties	**103 373**	80 030
Trade payables with related parties (see note 27)	**57 241**	39 085
Total trade payables	**160 614**	119 115

Other current liabilities

Amounts in NOK thousand	**2022**	2021
Public duties payable	**15 379**	12 601
Contract liabilities	**-**	78 787
Others	**35 526**	22 448
Total other curent liabilities	**50 905**	113 836

Trade payables are unsecured and are normally settled within 30 days.
The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.
Contract liabilities held at 31 December 2021 have been recognised as revenue in the current period.

Note 22 Financial risk and capital management

In conducting its operations, the company faces the following main types of risks: credit risk, liquidity risk and market risk. For each type of risk identified, this note discloses or cross-references to information about the company's exposures to the risk, how it arises; the company's objectives, policies, and processes for managing the risk and the methods used to measure the risk.

The company uses derivatives on a recurrent basis to hedge against financial risks, but the company does not apply hedge accounting.

22.1. CREDIT RISK

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the company by failing to settle its obligation.

The company is exposed to credit risks in conducting its ordinary activities. The credit risk primarily relates to its trade receivables; its cash and cash equivalents; and its derivative financial assets and other receivables related to derivative contracts.

22.1.1. Trade receivables

The company is closely following the credit rating of its customers which are regularly monitored. Within days after the iron ore is loaded onto the customer's vessels, the payment of the provisional invoice is received from the customer.

The amount of credit risk related to most iron ore shipments is limited to one shipment per client. A provisional invoice for substantially all of the consideration for the shipment is settled shortly after the shipment date, and no shipment will be made until the provisional invoice has been paid by the customer. The company does not normally hold collateral from its customers.

At 31 December 2022, the company had 65 customers (2021: 30 customers). Approximately, its main 5 customers held at 31 December 2022 85 per cent of the company's trade receivables (2021: 81 per cent).

Rana Gruber's customer base consist of large industrial groups and the credit risk related to trade receivables are considered limited. The management is monitoring the customers' credit ratings on an ongoing basis.

At each reporting date, the company assess the impairment of its trade receivables not subject to the provisional pricing mechanism based on a loss allowance provision matrix. This matrix groups the outstanding amounts by days past due. For more information on how the impairment is done, please see note 15.

22.1.2. Cash and cash equivalents

Cash and cash equivalents from the company is managed by the company's Finance Department. The company limits the amount of deposits that can be held in a single bank to limit the concentration of risks.

22.1.3. Derivative financial assets and related other receivables

The company monitors on an ongoing basis the credit rating of the counterparties in its derivative agreements, which is normally large financial institutions with high creditworthiness. The management considers these assets to have a low risk at year-end. Therefore, no impairment has been recognised for receivables arising from derivative instruments; and no adjustment has been made to the fair value of those instruments. See carrying amounts of these in note 23, which constitutes the maximum exposure on these financial assets at the end of each reporting period presented.

In the case of the electric power derivatives, these contracts are entered with the electric power supplier, whose credit rating is closely monitored, and the current assessment is that its credit risk is low. Therefore, no adjustment is made to the fair value of the derivatives due to this factor.

22.2. LIQUIDITY RISK

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The company manages its liquidity with a high level of prudency, with rules and policies that ensure an adequate amount of cash and cash equivalents to meet the immediate needs of resources both in the short and long term. Liquidity forecasts are regularly monitored against the contractual maturities or lease liabilities.

Shipments of iron ore are normally prepaid for an amount representing the 90 per cent of the provisional invoice within days after the iron ore is loaded onto the customer's vessels. See note 5.1 for further information.

22.2.1. Maturities

The following table discloses the maturity analysis for non-derivative liabilities (except for lease liabilities, which are disclosed in note 13), showing its undiscounted remaining contractual liabilities:

At 31 December 2022

Amounts in NOK thousand	Carrying amount	Less than 3 months	3-12 months	1-5 years	**Total**
Trade payables	160 614	160 614	-	-	**160 614**
Other non-current liabilities	2 265	-	-	2 265	**2 265**
Other current liabilities	50 905	50 905	-	-	**50 905**
Total financial liabilities	213 784	211 519	-	2 265	**213 784**

At 31 December 2021

Amounts in NOK thousand	Carrying amount	Less than 3 months	3-12 months	1-5 years	**Total**
Trade payables	119 115	119 115	-	-	**119 115**
Other non-current liabilities	1 553	-	-	1 553	**1 553**
Other current liabilities	113 836	113 836	-	-	**113 836**
Total financial liabilities	234 504	232 951	-	1 553	**234 504**

The maturities of the derivative financial instruments are included in note 23.

22.2.2. Financing facilities

The company has access to undrawn credit facilities for an amount of NOK 100 million at 31 December 2022. The interest rate margin for this credit facility is 3.25 per cent p.a. The funds are available under the current agreement to the extent that the company complies with the relevant financial covenants.

22.3. MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks for the company comprise the following types of risk: foreign exchange risk, interest rate risk and iron ore price risk.

Trade receivables subject to the provisional pricing mechanism are settled for an amount that mainly depends on the price of iron ore, which can only be observed in the next quarter after the iron ore has been loaded onto the customer's vessels. It will be paid using the exchange rate of the final invoice date. Therefore, these receivables are affected by both foreign exchange risks and iron ore price risks.

22.3.1. Iron ore price risk

Fluctuations in international iron-ore prices pose a risk to future sales prices for Rana Gruber's products. These prices are extremely volatile, and thereby present a significant risk to profits for the company.

The risk related to sales prices for iron concentrates is managed through a combination of physical fixed-price agreements with customers and financial swap agreements where iron ore is sold forward at a fixed price. The swap agreements form part of a hedging portfolio, where limits have been set for how large a share of expected production should be sold forward over and above the volumes hedged directly through fixed-price agreements with customers.

22.3.2. Freight costs risks

Under the partnership agreement with Cargill, shipping freight costs are accounted for in line with average market prices for the quarter. Rana Gruber's contracts are in line with industry standards, which is considered as a prerequisite to compete with global competitors.

During 2022, the company has continued to manage its risks with respect to the freight costs. In this respect, Rana Gruber agreed on a fixed freight rate of 35 USD/mt in the first quarter of 2022, in order to ensure visibility in a volatile market. It also ensured, for the period from the fourth quarter of 2022 to the second quarter of 2023, freight rates at 22.5 USD/mt for 300kmt per quarter (900kmt total).

Over time, when shipping markets normalise, the transition is expected to increase competitiveness and earnings. The company will however be exposed to price fluctuations in global shipping markets going forward. The implications are variance in the freight deduction to the company's revenues.

Mechanisms exist to secure freight costs in the same way as for iron ore.

22.3.3. Electric power price risk

Power is an important factor in iron concentrate production. Fluctuations in electric power prices and in power consumption for production pose a risk to profits at Rana Gruber.

The risk related to electric power purchases is managed by a third-party contract provider, which provides active management services to Rana Gruber in order to reduce fluctuations in the spot market of electric power. These contracts are included in a hedging portfolio where limits have been established for how large a proportion of expected consumption (GWh) at a given future point can be bought forward today. On this basis, the portfolio is bought forward continuously for part of the expected consumption.

During 2022, the company has entered into derivative positions with the aim of hedging the company's exposure to fluctuation in electric power prices. At 31 December 2022, the company also holds derivative positions to manage the electric power price risks for the financial years 2023 and 2024. An overview of the derivative positions entered into are disclosed in note 23.3. The management and the finance department follow up the ongoing risk exposures on the basis of parameters approved by the board of directors.

22.3.4. Sensitivities
All sensitivity analyses included in this note reflects management's views on reasonably possible changes in future prices and indices to which the company is exposed.

22.3.5. Foreign exchange risk
The company operates in an international market for iron ore and is consequently exposed to foreign exchange risk, primarily US dollar and EUR to NOK fluctuations. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the company. The company mitigates foreign exchange risk by entering into foreign exchange derivative positions based on future forecasted exchanges. The derivatives applied per the reporting date 2022 are foreign exchange rate cap and floor agreements, where the company receives payments at the end of each period if the exchange rates exceed or fall below the agreed strike price

The following assets and liabilities are subject to foreign exchange risk, at each reporting period:

At 31 December 2022

Amounts in thousand currency	USD	GBP	EUR	SEK
Financial assets:	**20 614**	**819**	**20 583**	**-**
Trade receivables subject to provisional pricing mechanism	15 074	-	-	-
Trade receivables not subject to provisional pricing mechanism	3 359	122	1 986	-
Electric power derivatives (note 23.3)	-	-	13 361	-
Cash and cash equivalents	2 181	697	5 236	-
Regular bank account	2 181	697	5 236	-
Financial liabilities:	(40)	-	(1 269)	(1 417)
Trade and other payables	(40)		(1 269)	(1 417)

The amount of exposure to DKK became immaterial during 2022 (DKK 9 thousand in regular bank accounts), therefore this currency has not been presented in the table above.

At 31 December 2021

Amounts in thousand currency	USD	GBP	EUR	DKK
Financial assets:	**(1 922)**	**1 056**	**18 975**	**(182)**
Trade receivables subject to provisional pricing mechanism	4 619	-	-	-
Trade receivables not subject to provisional pricing mechanism	1 073	749	18 202	-
Cash and cash equivalents [1]	(7 613)	306	773	(182)
Bank overdraft balances	(7 613)	-	-	-
Regular bank account	-	306	773	(182)

[1] *Cash and cash equivalents is comprised on amounts in bank accounts that are offset with credit facilities in other currencies.*

Financial liabilities have not been included in the 2021 analysis above due to their immaterial amount. Trade payables in foreign currency at year-end 2021 amounted to NOK 534 thousand.

The following table illustrates how the profit before tax would be affected by positive or negative changes in the exchange rates with respect to the functional currency of the company, leaving every other constant the same:

Exchange rate sensitivity analysis

	Impact on profit after tax	
Amounts in NOK thousand	**2022**	2021
Increase in EUR/NOK exchange rate of 10%	**3 080**	1 480
Increase in USD/NOK exchange rate of 10%	**1 551**	(150)
Increase in DKK/NOK exchange rate of 10%	**1**	(14)
Increase in GBP/NOK exchange rate of 10%	**168**	82

The company enters into derivative agreements to mitigate risk related to changes in the foreign exchange rates. Complementary information can be found in note 23.

22.3.6. Iron ore price risk
As a consequence of the provisional price mechanism, the future cash flows from trade receivables will fluctuate because of changes in market prices for iron ore. The following table summarises the effects that a change of 10 per cent in the market price for iron ore would have on the profit before tax:

Iron ore prices sensitivity analysis:

	Impact on profit after tax	
Amounts in NOK thousand	**2022**	2021
Increase/decrease in iron ore price of 10 per cent	**11 590**	3 177

The company enters into iron ore price derivative agreements to cover risks arising from the change in the iron ore prices. More information can be found in note 23.

22.3.7. Electric power price risk
As a consequence of the derivatives in relation to the electric power price, the value of the derivative position will fluctuate based on the movement in the price of electric power in the Nordic region from Nord Pool:

Electric power prices sensitivity analysis:

	Impact on profit after tax	
Amounts in NOK thousand	**2022**	2021
Increase/decrease in electric power price of 10 per cent	**10 957**	-

The relationship above represents the change in the fair value of the electric power with from changes in its market price. An increase in the market price of electric power would positively affect the value of the derivative, as the aim of this instrument is to hedge against potential increases in the electric power prices.

More information on electric power price derivatives can be found in note 23.3.

22.4. CAPITAL MANAGEMENT: OBJECTIVES, POLICIES, AND PROCESSES
The company defines capital as equity, including other reserves. The company's main objective when managing capital is to ensure the ability of the company to continue as a going concern and to meet all requirements imposed by external financing agreements in the form of covenants.

Further, Rana Gruber aims at generating dividend payments to its shareholders based on the company's dividend policy present at any given time.

See note 20.1 for further information on the covenants to which the company is subject to.

Note 23 Derivatives

23.1. FOREIGN EXCHANGE RATE DERIVATIVES
During 2022, the company held the following positions in relation to derivatives to cover its foreign exchange rate risks:

Foreign exchange derivatives by maturity

	Sell USD (thousand)	Floor FX rate (USD/NOK)	Cap FX rate (USD/NOK)	Fair value (NOK thousand)
Maturity within 3 months	33 000	9.48	10.25	(8 831)
Maturity within 3 to 6 months	24 000	9.72	10.56	1 334
Maturity within 6 to 9 months	12 000	10.46	11.36	9 355
Maturity within 9 to 12 months	12 000	10.46	11.45	9 523
Balances at 31 December 2022	81 000	9.84	10.68	11 380

Foreign exchange derivatives by maturity

	Sell USD (thousand)	Floor FX rate (USD/NOK)	Cap FX rate (USD/NOK)	Fair value (NOK thousand)
Maturity within 3 months	36 000	8.58	9.27	(2 195)
Maturity within 3 to 6 months	30 000	8.58	9.38	(2 904)
Maturity within 6 to 9 months	6 000	8.52	9.43	(1 285)
Maturity within 9 to 12 months	6 000	8.52	9.55	(1 296)
Balances at 31 December 2021	78 000	8.57	9.35	(7 680)

23.2. IRON ORE PRICE DERIVATIVES

The company enters into forward swap derivative agreements to manage the risk of changes in iron ore prices by reference to the pricing index TSI Iron Ore CFR China (62% Fe Fines). The following positions were held by the company in relation to the iron ore derivative instruments:

Balances at 31 December 2022

	Quantity (metric tons)	Weighted average fixed price (USD)	Fair value (NOK thousand)
Derivatives already matured and recognised as other current receivables:	**50 000**	**143.69**	**18 655**
Matured iron ore derivatives [1]	50 000	143.69	18 655
Iron ore derivatives recognised as financial assets:	**240 000**	**140.45**	**58 840**
Maturity within 3 months	150 000	137.58	31 510
Maturity within 3 to 6 months	90 000	145.23	27 329
Maturity within 6 to 9 months	-	-	-
Maturity within 9 to 12 months	-	-	-

Balances at 31 December 2021

	Quantity (metric tons)	Weighted average fixed price (USD)	Fair value (NOK thousand)
Derivatives already matured and recognised as other current receivables:	**120 000**	**118.70**	**17 522**
Matured iron ore derivatives [1]	120 000	118.70	17 522
Iron ore derivatives recognised as financial assets:	**660 000**	**136.29**	**103 247**
Maturity within 3 months	360 000	133.81	43 278
Maturity within 3 to 6 months	240 000	134.90	37 055
Maturity within 6 to 9 months	30 000	156.75	11 060
Maturity within 9 to 12 months	30 000	156.75	11 853

[1)] *Matured iron ore derivatives are accounted for in other current liabilities (see note 21) and other current receivables (see note 19), and are not subject to future fair value changes.*

23.3. ELECTRIC POWER PRICE DERIVATIVES

The company entered into electric power price derivatives during 2022 with the aim of managing the risk from electric power price fluctuations in the spot market, corresponding with the energy consumption required for the company's operations. The company manages these fluctuations by entering into forward contracts with reference to the Nord Pool prices (system price) for the expected energy consumption for future periods. The positions held at 31 December 2022 can be summarised as follows:

Balances at 31 December 2022

	Quantity (MWh)	Weighted average fixed price (EUR)	Fair value (NOK thousand)
Maturity within 3 months	21 590	(87.75)	32 209
Maturity within 3 to 6 months	21 840	(87.75)	26 830
Maturity within 6 to 9 months	22 080	(87.75)	26 223
Maturity within 9 to 12 months	22 090	(87.75)	32 063
Maturity within 12 to 24 months	70 272	26.52	23 151
Balances at 31 December 2022	157 872	(36.89)	140 476

Note 24 Employee benefit obligations

Employee benefit expenses

Amounts in NOK thousand	**2022**	2021
Payroll costs (incl. bonuses)	**250 993**	231 846
Employer contribution to social security	**13 998**	12 768
Pension costs	**5 578**	9 651
Gain (loss) on settlement of defined benefit obligation	**811**	-
Costs from defined contribution plans	**14 208**	-
Other benefits	**2 501**	4 346
Total employee benefit expenses	**288 089**	258 611

The loss on settlement arose from the replacement, January 2022, of the company's defined benefit pension plan with a defined contribution plan.

Note 25 Share capital

25.1. SHARE CAPITAL AND SHARE PREMIUM

The share capital consists only of Type A shares, with a par value of 0.25 NOK each. All shares are entitled to equal rights with respect to dividends, voting rights and other rights in accordance with Norwegian corporate law.

Authorised shares

	Shares		Amounts	
Amounts in NOK thousand	**2022**	2021	**2022**	2021
Fully paid ordinary shares, at 1 January	**37 392 000**	37 392 000	**102 131**	102 131
Cancellation ordinary shares	**(306 908)**	-	**(77)**	-
Total shares, share capital and share premium at 31 December	**37 085 092**	37 392 000	**102 054**	102 131

The shareholders at Rana Gruber ASA's annual general meeting resolved on 22 March 2022 to reduce the company's share capital by NOK 76 727 from NOK 9 348 000, through cancellation of 306 908 of the company's own shares, each with a nominal value of NOK 0.25.

25.2. TREASURY SHARES

	Shares		Amounts	
Amounts in NOK thousand	**2022**	2021	**2022**	2021
1 January	**57 267**	-	**2 835**	-
Additions	**249 641**	202 020	**14 163**	9 793
Disposals	**-**	(144 753)	**-**	(6 958)
Cancellation	**(306 908)**		**(16 998)**	-
Total treasury shares at 31 December	**-**	57 267	**-**	2 835

The company acquired treasury shares during the first half of 2022 as part of the company's buyback program. Treasury shares held by the company were subsequently cancelled in 2022 by the company. Treasury shares are recognised at cost. These are deducted from equity and no gain or loss is recognised on the purchase, sale, issue or cancellation of these shares.

25.3. DIVIDENDS

The following table presents the dividends from the company to its shareholders:

Dividends

	Amounts		Amount per share	
Amounts in NOK thousand	**2022**	2021	**2022**	2021
Declared and paid				
Final dividend for previous year	**56 375**	27 500	**1.51**	0.74
Dividend for Q1 result	**77 508**	108 437	**2.09**	2.90
Dividend for Q2 result	**55 998**	144 112	**1.51**	3.86
Dividend for Q3 result	**38 940**	39 201	**1.05**	1.05
Extraordinary dividends	**-**	93 337	**-**	2.50
Total dividends and per share	**228 821**	412 587	**6.16**	11.05

The dividend for the fourth quarter of 2021 was approved by the board of directors on 10 February 2022. Therefore, even though this dividend pertains to the 2021 results, the amount has been recognised in 2022.

The board of directors decided a dividend of NOK 3.00 per share for 2022, for the results for the fourth quarter of 2022. This dividend was paid around 1 March 2023.

25.4. OVERVIEW OF 20 LARGEST SHAREHOLDERS AT 31 DECEMBER 2022

Shareholders	Number of shares	Ownership percentage	Voting percentage
1. Leonhard Nilsen & Sønner - Eiendom	7 589 265	20.46%	20.46%
2. Morgan Stanley & Co. Int. Plc.	2 607 351	7.03%	7.03%
3. Hi Capital AS	2 224 465	6.00%	6.00%
4. Zolen & Månen AS	1 350 000	3.64%	3.64%
5. Grafo AS	1 202 113	3.24%	3.24%
6. Eidissen Consult AS	1 189 991	3.21%	3.21%
7. A.H. Holding AS	1 168 008	3.15%	3.15%
8. Nordnet Livsforsikring AS	652 114	1.76%	1.76%
9. The Northern Trust Comp, London Br	578 506	1.56%	1.56%
10. Songa Capital AS	502 697	1.36%	1.36%
11. Klevenstern AS	436 690	1.18%	1.18%
12. Mecca Invest AS	436 690	1.18%	1.18%
13. State Street Bank and Trust Comp	344 821	0.93%	0.93%
14. The Bank of New York Mellon SA/NV	276 752	0.75%	0.75%
15. Brown Brothers Harriman & Co.	273 247	0.74%	0.74%
16. The Bank of New York Mellon	241 294	0.65%	0.65%
17. Clearstream Banking S.A.	231 626	0.62%	0.62%
18. Nordnet Bank AB	222 316	0.60%	0.60%
19. Kara Invest AS	204 259	0.55%	0.55%
20. The Bank of New York Mellon	201 100	0.54%	0.54%
Total shares	21 933 305	59.14%	59.14%

CEO Gunnar Moe held 15 733 shares at the reporting date 31 December 2022.

Note 26 Assets pledged as security

The following assets have been pledged as securities in the agreements to obtain the outstanding loans and credit facilities for the company at each reporting period:

Carrying amounts of assets pledged as security

Amounts in NOK thousand	**2022**	2021
Current		
Bank borrowings:		
Trade receivables	**178 670**	63 087
Other current receivables	**53 635**	36 802
Inventories	**159 919**	89 215
Total current assets pledged as security	**392 224**	189 104
Non-current		
Lease agreements:		
Right-of-use asset	**137 893**	114 284
Bank borrowings:		
Mine properties	**308 945**	303 768
Machinery and plants	**112 876**	100 056
Operating equipment etc.	**7 616**	6 613
Total non-current assets pledged as security	**567 330**	524 721
Total assets pledged as security	**959 554**	713 825

Note 27 Related parties

27.1. KEY MANAGEMENT PERSONNEL COMPENSATION

Remuneration to CEO and other senior executive

Amounts in NOK thousand	**2022**	2021
Gunnar Moe, chief executive officer (CEO)	**3 725**	4 268
Salary	**2 861**	2 982
Bonus	**765**	625
Post-employment benefits	**83**	22
Other benefits	**16**	639
Stein Tore Liljenström, chief operation officer (COO)	**2 472**	2 736
Salary	**1 835**	1 752
Bonus	**527**	425
Post-employment benefits	**106**	130
Other benefits	**4**	429
Anita Brattaas Mikalsen, HR director	**2 342**	1 755
Salary	**1 748**	1 533
Bonus	**468**	-
Post-employment benefits	**120**	218
Other benefits	**6**	4
Erlend Høyen, chief financial officer (CFO)	**2 361**	2 463
Salary	**1 746**	1 551
Bonus	**468**	375
Post-employment benefits	**91**	158
Other benefits	**56**	379
Total	**10 900**	11 222

Remuneration to the board

Amounts in NOK thousand	2022	2021
Morten Støver, chair of the board	**600**	488
Kristian Arne Adolfsen, director	**400**	315
Ragnhild Marta Wiborg, director	**400**	300
Hilde Rolandsen, director and member of the audit committee	**400**	300
Thomas Hammer, director and worker director	**100**	90
Frode Michal Nilsen, director	**400**	300
Johan Hovind, club leader and worker director	**100**	90
Lasse Orlando Strøm, deputy club leader, and worker director	**100**	90
Total	**2 500**	1 973

27.2. TRANSACTIONS WITH OTHER RELATED PARTIES

Transactions with related parties

Amounts in NOK thousand	Party	Relationship	2022	2021
Purchase of services open-pit production	Leonhard Nilsen & Sønner AS	Significant influence over the company	**(141 876)**	(167 380)
Purchase of services concerning mine levels	Leonhard Nilsen & Sønner AS	Significant influence over the company	**(79 616)**	(27 766)
Sales of various operations and maintenance services	Leonhard Nilsen & Sønner AS	Significant influence over the company	**458**	508
Sales of various administrative services	Greenland Ruby/LNS Greenland AS	Significant influence over the company	**518**	1 636
Sales of various administrative services	LNS Mining AS	Other related parties	**2 472**	2 400
Total related party profit or loss items			**(218 044)**	(190 602)

27.3. BALANCES WITH RELATED PARTIES

Balance sheet items by related party

	2022	2021
Trade receivables with:	**2 987**	2 534
Leonh. Nilsen & Sønner AS	**77**	149
LNS Mining	**2 318**	750
LNS Greenland/Gr. Ruby	**592**	1 636
Trade payables with:	**(57 241)**	(39 085)
Leonh. Nilsen & Sønner AS	**(57 241)**	(39 085)
Net assets (liabilities) with:	**(54 254)**	(36 550)
Leonh. Nilsen & Sønner AS	**(57 164)**	(38 936)
LNS Mining	**2 318**	750
LNS Greenland/Gr. Ruby	**592**	1 636

No loss allowance has been recognised towards any of the receivables and/or loans from related parties. See note 22.1 on how the company manages credit risk.

Note 28 Provisions

During the development and production phase of the company's mining assets, Rana Gruber recognises a provision representing the present value of the future costs that will need to be incurred to rehabilitate the locations, as required by the Norwegian Directorate of Mining. When the obligation is incurred in developing the mine, the present value of the provision is included in the cost of the mine properties. When the provision is incurred during the production phase, the provision is recognised as part of the cost of the inventory. The present value of the rehabilitation provision is calculated assuming the costs that are expected to be incurred when the company ceases operations in the mine. With a very high degree of certainty, the mine will not cease its operations before 2050. This conclusion is based on the historical extraction of iron ore and the estimated reserves of the mine indicated in the resource statement made by the company.

As indicated above, the measurement of the provision is based on two main estimations: expenses that will need to be incurred for rehabilitating the locations and the date when the rehabilitation activities will take place. Changes in estimates are accounted for prospectively by adjusting the provision liabilities and the assets to which they relate.

Rehabilitation provisions

Amounts in NOK thousand	2022	2021
1 January	**15 000**	15 000
Total rehabilitation provisions 31 December	**15 000**	15 000

There have been no movements in the rehabilitation provisions during 2022, as rehabilitation provisions only relate to activities performed during the development phase of the mine properties.

Note 29 Commitments

The following significant contractual commitments are present at the end of the reporting period:

Capital commitments

Amounts in NOK thousand	2022	2021
Property, plant, and equipment	**5 945**	-
Leases	**67 218**	16 459
Total capital commitments	**73 163**	16 459

During 2022, Rana Gruber entered a contract with Leonhard Nilsen & Sønner AS (LNS), which is a related party to the company (see note 27 for further information), for the first phase of development of the next mining level (L91). As described in note 11, they started the work in the second quarter of 2022. The contract includes development of access tunnels and infrastructure needed to develop level 91 for the Kvannevann underground mine in the Ørtfjell area, where the production is expected to commence in 2024. Infrastructure development includes both areas for maintenance and water and ventilation handling solutions.

Leases not yet commenced mainly relate to heavy machinery to be used in the mine operations, and the expected cash outflows during the non-cancellable periods are typically five years after the commencement date.

Note 30 Critical judgements and estimates

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. The management also needs to exercise judgement in applying the company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different when, and to the extent that, uncertainty is resolved. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

30.1. CRITICAL ESTIMATES

30.1.1. Sales of hematite

Customer contracts for hematite iron ore (Fe_2O_3) are subject to provisional pricing mechanisms where the final settlement for the delivery will be based on future iron ore prices. Further information on the use of forward prices for the initial revenue recognition and subsequent measurement of the corresponding trade receivables is disclosed in note 5.1.

30.1.2. Depreciation of mine properties

The company's assessment of the useful life of mine properties is determined by the expected useful economic life of the assets based on management's judgement. The useful life of mine properties is based on the estimated detonations that are expected to be economically and technically feasible to be made in coming reporting periods. These estimates are based on geological surveys, past operational history and assumption on future market prices, and could change depending on technical innovations, ore prices, production costs or updated geological analysis. Any significant deviation between actual and estimated useful lives could have a material effect on the financial statements. Please see note 3.14 for further disclosures.

30.1.3. Fair value of financial derivatives
The company uses currency, iron ore, and electric power price swap contracts to manage the company's risk exposure to certain market fluctuations. The financial derivatives are measured at fair value in the company's statement of financial position. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. See note 19 and note 23 for further information on the valuation of the company's financial derivatives.

30.1.4. Useful life of fossil-fuel powered machinery
The company has expressed plans to become the world's first producer of iron ore completely free of CO_2 emissions by the end of 2025, and to achieve this ambition, a renewal of the existing fleet of production machinery and operation vehicles must be done over the next three years. The operational machineries and vehicles used for the production of iron ore are primarily leased and are presented within the financial statement line Right-of-use assets on the statement of financial position per the reporting date 2022.

The management has concluded that most lease contracts for production machineries and vehicles powered by fossil fuel contain termination clauses (to terminate the existing lease contract, or to terminate the contract if a new lease contract for similar electrically powered assets is entered into with the lessor). When the management in the future has concluded that it is reasonably certain that these termination clauses will be used, a remeasurement of the right-of-use assets and the corresponding lease liability will be done.

30.2. JUDGEMENTS IN APPLYING THE COMPANY'S ACCOUNTING POLICIES

Accounting estimates made by the company's management are based on information available to management at the time each estimate is made. Accordingly, actual outcomes may differ materially from current expectations under different assumptions and conditions. The significant judgements that management has made in applying its accounting policies, and the estimates and assumptions for which there is a significant risk of a material adjustment to the financial statements within the next financial year are set out below.

30.2.1. Functional currency
The functional currency for the company is the currency of the primary economic environment in which it operates. The functional currency of the company is the Norwegian Kroner. The determination of functional currency may involve certain judgements to identify the primary economic environment and the management reconsiders the functional currency of the company if there is a change in events and conditions which can determine the primary economic environment assessment.

In the case of the company, even though the currency that mainly influences sales prices for iron ore is USD, Norwegian Kroner is the currency cash outflows and financing activities are nominated in; and the currency in which receipts from operating activities are usually retained. The management has thus determined that Norwegian Kroner is supported in sum by a stronger set of indicators.

30.2.2. Exploration and evaluation activities
The application of the company's accounting policy for E&E expenditure requires judgement to determine whether future economic benefits are likely, or determining whether the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Please see note 3.13 for further disclosures.

30.2.3. Lease term
In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment on extension and termination options includes the factor of whether the underlying assets are in alignment with the company's strategy to electrify its mining operations by the end of 2025. However, this is expected to take place in accordance with the agreed lease terms, and therefore the company does not expect to incur into any significant termination penalties from its leases.

For leases of production machines and vehicle the historical lease durations, the technical condition of the leased items and the costs required to replace the leased asset are normally the most relevant factors when determining the use of extension and termination options. Please see note 3.4 and note 13 for further disclosures.

30.2.4. Stripping costs
Significant judgement is required to distinguish between development stripping and production stripping and to distinguish between the production stripping that relates to the extraction of inventory and that which relates to the creation of stripping activity assets.

Once the company has identified its production stripping for each surface mining operation, it identifies the separate components of the ore bodies for each of its mining operations. An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity. Significant judgement is required to identify and define these components, and to determine the expected volumes of waste to be stripped and ore to be mined in each of these components. Please see note 3.14 for further disclosures.

30.2.5. Uncertain tax positions
The management periodically evaluates the positions taken and interpretations with respect to its tax filings. As explained in note 9.2.3, the management has evaluated the probability that the tax authorities will accept the tax treatment of its revenue.

30.2.6. Electric power price derivatives
Previously the electric power derivatives have been treated under the own use exemption of IFRS 9, and accounted for as a fixed price electric power delivery with no separation of the embedded derivative. In 2022, there has been significant differences between the system price that has been hedged and the area price that has been paid. As a result of this, the criteria for own use exemption is no longer met, as the pricing in fact has not been fixed. Since these variances are expected to continue going forward, the company has concluded that the derivatives are no longer sufficiently linked to the physical delivery of electric power and therefore should be accounted for as separate derivatives at fair value through profit and loss.

Note 31 Events after the reporting period

See note 25.3 for dividends proposed by the board of directors after 31 December 2022.

The board of directors is not aware of any other events that occurred after the balance sheet date, or any new information regarding existing matters, that can have a material effect on the 2022 financial statements for the company.

The company has secured forward contracts under which Rana Gruber will sell 450 000 mt in the second quarter of 2023 to the first quarter of 2024 at an average price of USD 121.47/mt. These swap contracts relate to physical shipments in the first quarter of 2023 to the fourth quarter of 2023. Final financial settlement of these shipments will be connected with the swap contracts.

Appendix: Alternative performance measures

The company reports its financial results in accordance with accounting principles IFRS as issued by the IASB and as endorsed by the EU. However, the management believes that certain alternative performance measures (APMs) provide the management and other users with additional meaningful financial information that should be considered when assessing the company's ongoing performance. These APMs are non-IFRS financial measures and should not be viewed as a substitute for any IFRS financial measure. The management, the board of directors and the long-term lenders regularly use supplemental APMs to understand, manage, and evaluate the business and its operations. These APMs are among the factors used in planning for and forecasting future periods, including assessment of financial covenants compliance.

DEFINITION OF APMS

EBIT is defined as the profit/(loss) for the period before net financial income (expenses) and income tax expense. The company has elected to present this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of the profit generation in the company's operating activities.

EBITDA is defined as the profit/(loss) for the period before net financial income (expenses), income tax expense, depreciation and amortisation. The company has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of the profit generation in the company's operating activities.

EBIT margin is defined as EBIT in percentage of revenues. The company has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of the profit generation in the company's operating activities.

EBITDA margin is defined as EBITDA in percentage of revenues. The company has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of the profit generation in the company's operating activities.

Adjusted net profit is defined as profit for the period adjusted for the after-tax net effects from unrealised fair value changes on derivatives with maturity within three months from the reporting date.

Equity Ratio is defined as total equity in percentage of total assets. The ratio has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the portion of total assets that are financed from owners' equity.

Cash cost is defined as the sum of raw materials and consumables used, employee benefit expenses and other operating expenses adjusted for realised hedging positions of electric power. The company has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of cost of production in the company's operating activities.

Cash cost per metric ton is defined as cash cost divided by metric tons of iron ore sold. Metric tons of iron ore are defined as metric tons of hematite and magnetite produced in the current period. The company has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of cost of production in the company's operating activities.

Net interest-bearing debt is defined as the company's interest-bearing debt less cash and cash equivalents. Interest bearing debt consists of debt to credit institutions and financial leasing debt. Net Interest-bearing debt is a non-IFRS measure for the financial leverage of the company, a financial APM the company intends to apply in relation to its capacity for dividend distribution and/or for doing investments, when and if the company will be able to carry out its dividend distribution and/or investments policy.

RECONCILIATION OF APMS

The table below sets forth reconciliation of EBIT, EBITDA, and EBITDA margin:

Amounts in NOK thousand	**31 Dec 2022**	31 Dec 2021
Profit/(loss) for the year	**484 226**	592 048
Income tax expense	**152 636**	167 697
Net financial income/(expenses)	**(228 408)**	3 343
(a) EBIT	**408 454**	763 088
Depreciation and amortisation	**158 736**	174 247
(b) EBITDA	**567 190**	937 335
(c) Revenues	**1 423 319**	1 668 429
EBIT margin (a/c)	**28.7%**	45.7%
EBITDA margin (b/c)	**39.8%**	56.2%

The table below sets forth reconciliation of adjusted net profit:

(In NOK thousand)	**31 Dec 2022**	31 Dec 2021
Profit before tax for the period	**636 862**	759 745
One-offs	**15 000**	-
Unrealised hedging positions iron ore	**32 634**	(157 613)
Unrealised hedging positions FX	**(25 697)**	38 917
Unrealised hedging positions electric power	**(140 476)**	-
Adjusted profit before tax	**518 323**	641 049
Ordinary income tax	**(152 636)**	(167 697)
Tax on adjustments	**26 079**	26 113
Adjusted net profit	**391 765**	499 465

The table below sets forth reconciliation of equity ratio:

Amounts in NOK thousand	**31 Dec 2022**	31 Dec 2021
(a) Total equity	**823 053**	581 811
(b) Total assets	**1 445 046**	1 129 682
Equity ratio (a/b)	**57.0%**	51.5%

The table below sets forth reconciliation of cash cost and cash cost per metric tons:

Amounts in NOK thousand	**31 Dec 2022**	31 Dec 2021
Raw materials and consumables used	**398 305**	327 567
Employee benefit expenses	**288 089**	258 611
Other operating expenses	**226 763**	189 106
Realised hedging positions electric power	**(77 292)**	-
(a) Cash cost	**835 865**	775 284
Metric tons of hematite produced	**1 630**	1 545
Metric tons of magnetite produced	**98**	108
Metric tons of Colorana produced	6	5
(b) Metric tons of iron ore produced	**1 734**	1 658
Cash cost per metric tons (a/b)	**482**	468

The table below sets forth reconciliation of net interest-bearing debt:

Amounts in NOK thousand	**31 Dec 2022**	31 Dec 2021
Lease liabilities	**138 134**	113 708
Total interest-bearing debt	**138 134**	113 708
Cash and cash equivalents	**212 837**	264 363
Net interest-bearing debt	**(74 703)**	(150 655)

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Rana Gruber ASA

Opinion

We have audited the financial statements of Rana Gruber ASA (the Company), which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 15 years from the election by the general meeting of the shareholders on for the accounting year 2008.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the financial statements.

Revenue subject to provisional pricing adjustments

Basis for the key audit matter

The sale of hematite, representing 87.4 % of revenue, is normally subject to a provisional pricing mechanism. Initially, revenue is recognized at the shipment date for an amount that corresponds to the average forward prices for the month in which the invoice will be finally settled. At each subsequent reporting date, the corresponding trade receivable is measured using the updated forward prices with changes recorded to revenue. For the year ended 31 December 2022, the Company recognized a decrease to revenue of NOK 61.7 millions from provisional pricing adjustments. Provisional pricing adjustments represent a significant component of revenue and also exposes the Company to significant changes in revenue compared to the estimate as of year-end, and hence, is considered a key audit matter.

Our audit response

We performed the following audit procedures, among others, to test the provisional pricing adjustment related to sale of Hermatite:

- Reviewed the Company's accounting policy for revenue recognition for compliance with IFRS as adopted by the EU.
- Performed walkthrough for evaluating the Company's controls for recognizing revenues at appropriate prices and in the correct accounting period.
- Reviewed sale contracts and assessed key terms for provisional pricing, duration of reference period, typically three months, and final invoicing.
- Tested, on a sample basis, the prices used for initial revenue recognition, the forward prices used for recognizing the revenue at the reporting date under IFRS, and recomputed the provisional pricing adjustment amount to be recognised.

We refer to note 5 and 15 of the financial statements.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the Chief Executive Officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report, the statement on corporate governance, the statement on corporate social responsibility and the report on payments to government contain the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by applicable legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report, the statement on corporate governance, the statement on corporate social responsibility and the report on payments to government are consistent with the financial statements and contain the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on other legal and regulatory requirement

Report on compliance with requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Rana Gruber ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name RGASA-2022-12-31-en.xhtml, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation. We conduct our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we perform procedures to obtain an understanding of the company's processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML-format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 15 March 2023
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The auditor's report is signed electronically

Johan Lid Nordby
State Authorised Public Accountant (Norway)

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The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

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