

GRANGEX secures strategic commercial partnership with Anglo American to support the restart of operations at Sydvaranger

GRANGEX AB (publ) ("Grangex" or "the Company") is pleased to announce a strategic commercial agreement with Anglo American, thereby supporting Grangex's progress towards restarting operations at its Sydvaranger mine, located in Kirkenes, Northern Norway (the "Sydvaranger Mine").

Highlights include:

- Anglo American to relinquish US\$37,000,000 royalty in exchange for exclusive 100% life-of-mine offtake of direct reduction, ultra high grade magnetite concentrate from the Sydvaranger Mine
- Anglo American to provide an additional US\$5,000,000 of non-dilutive bridge financing
- Anglo American granted option to participate in the debt project financing for the restart of operations at the Sydvaranger Mine
- Grangex to establish a multi-stakeholder ESG advisory committee to evaluate already identified potential commercially viable and other alternatives to fjord tailings disposal at the Sydvaranger Mine

The Company's stated strategy is to restart operations and produce approximately 3.5 million tonnes per year of 70 per cent direct reduction, ultra-high-grade magnetite concentrate at the Sydvaranger Mine and to become one of the major suppliers to the European and global steel industries as they transition towards the direction reduction steelmaking route to produce green steel.

As announced on 10 November 2025, the Company has retained three leading Nordic investment banks (ABG Sundal Collier, DNB Carnegie and SB1 Markets) to assist in raising the required financing for the restart of operations at the Sydvaranger Mine. This agreement confirms the strategic relationship between the Company and Anglo American, thereby supporting the Company to complete the fund raise, anticipated to include a combination of equity and debt financing. The previously communicated ambition to commence operations in late 2026 remains.

Royalty Agreement and Offtake Agreement Amendment

The Company and Anglo American have agreed the following:

- At Final Investment Decision ("FID") and closing of the project financing, Anglo American will terminate the existing US\$37,000,000 royalty in its entirety, without any principal repayment and/or any future royalty payments.
- Upon termination of the existing US\$37,000,000 royalty, Anglo American will purchase 100% of life-of-mine production of direct reduction, ultra-high-grade magnetite concentrate from the Sydvaranger Mine based on a market price related formula agreed between the Company and Anglo American.

Bridge Financing

The Company and Anglo American have agreed the following:

- Anglo American will provide to the Company US\$5,000,000 in non-dilutive financing, in two equal tranches (first tranche to be drawn immediately, subject to satisfaction of conditions precedent, and the second to be drawn in mid-February 2026) ("Bridge Financing").
- The Bridge Financing will be unsecured with an annual interest rate of 10.0% and a final maturity of 1 January 2029.

Project Finance Participation

The Company and Anglo American have agreed the following:

- Anglo American has been granted an option to participate in the project financing through subscription in the Company's chosen debt financing instrument by means of a set off of the accrued early buy back premium on the royalty. In the event Anglo American does not exercise its option, such accrued premium will be relinquished. Any subscription by Anglo American shall be on the same terms as other debt financing investors and subject to customary market terms and conditions.

ESG Advisory Committee

As a continuation of the Company's ESG commitments, and as part of its current Sydvaranger Mine environmental permit condition to evaluate alternatives to fjord tailings disposals from the Sydvaranger Mine, the Company will establish an ESG advisory committee ("ESG Advisory Committee") immediately post FID. The ESG Advisory Committee will consist of senior members from the Company, specialists, external advisors and appropriate external stakeholders, including civil society representatives.

The Company has already identified potential commercially viable alternatives to fjord tailings disposal and these and others will be further evaluated by the ESG Advisory Committee. The ESG Advisory Committee activities will also include consideration around potential offset programs for the mining and tailings operations.

Christer Lindqvist, Chief Executive Officer of Grangex, states: *"Anglo American has been Grangex's chosen partner since early 2023 – today's announcement underscores the importance of that strategic relationship to both companies."*

The termination of Anglo American's existing US\$37,000,000 royalty agreement has a major positive impact on the overall economics of the Sydvaranger Mine and the exclusive offtake agreement guarantees a market for our production whilst significantly reducing overall operational risk.

I would like to thank the senior management of Anglo American for their continued support and the trust that they have placed in the Grangex team – we look forward to building this relationship as we develop Sydvaranger into a leading supplier of direct reduction, ultra-high-grade magnetite concentrate. Our focus now remains on working with our investment banking partners to finalize the financing process and to prepare for restart of operations in 2026.

As always, I thank our senior management team and our external advisors for all their hard work – we continue to deliver as promised to our shareholders and I look forward to providing more positive updates shortly."

Timo Smit, Anglo American's Executive Head of Iron Ore Marketing, states: *"We continue to believe that Sydvaranger has the potential to become a leading supplier of responsibly produced, direct reduction, ultra-high-grade magnetite concentrate. As the global steel industry pivots towards the direct reduction route to reduce CO2 emissions, Sydvaranger's restart is perfectly timed to meet the growing demand for direct reduction grade concentrate. We are excited to be able to offer our customers not only Minas-Rio's high-grade hematite pellet feed but in future also Sydvaranger's direct reduction, ultra-high-grade magnetite concentrate – both essential to help steel mills reduce their carbon emissions"*

Advisors

Synch Law acted as legal advisor to the Company.

Contacts

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About Us

GRANGEX is a Swedish mineral development company with the vision to actively contribute to a sustainable society within Europe. The company strives to become the foremost mineral development group in Europe, developing and conducting responsible extraction and recycling of minerals, primarily iron ore products and other critical minerals for the green transition. Through its products, GRANGEX will contribute to a reduced climate impact while minimising its own environmental and climate impact.

The company's share (short name GRANGX) is traded on Nasdaq First North Premier Growth Market Stockholm, with G&W Fondkommission as Certified Adviser.

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For more information www.grangex.se/

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