



Appendices:

PRESS RELEASE

Date:

28/04/2022

Contact: Niklas Johansson, Vice President Communication and Climate
Telephone: +46 10 144 52 19
Email: Niklas1.johansson@lkab.com

Interim Report January–March 2022: earnings remain strong for the first quarter of the year

LKAB has continued to perform strongly at the start of 2022. Along with good exploration results, including the possibility of extracting phosphorus and rare earth elements from waste streams, this puts the Group in an even stronger position for its industrial climate transformation.

Net sales for the first quarter amounted to MSEK 11,976 (12,256) and operating profit amounted to MSEK 6,497 (7,153). Profits were affected mainly by lower prices for highly upgraded iron ore products and a lower delivery volume. A stronger dollar rate had a positive effect.

The average global spot price for iron ore products for the quarter was USD 142 (167) per tonne. At the end of the quarter the price level was USD 158 per tonne. Quoted pellet premiums for the quarter were on average just over USD 20 per tonne higher than in the same period last year.

Delivery volumes for the quarter amounted to 6.7 (6.9) Mt, affected by lower production. The production volume decreased to 6.4 (7.4) Mt as a result of recurring production disruption at one of the plants in Kiruna. Measures have been taken and evaluated, but further maintenance is required to ensure long-term stable operation.

Exploration results provide a stronger base

The extensive exploration work is delivering results and during the quarter LKAB reported a continued increase in mineral reserves and mineral resources. Compared with 2020 the reserves have increased by 10 percent and resources by a full 55 percent. One addition is the Per Geijer deposit in

**Luossavaara-
Kiirunavaara AB (publ)**
Box 952
SE-971 28 Luleå, Sweden
Varvsgatan 45

www.lkab.com

LKAB is an international mining and minerals group that offers sustainable iron ore, minerals and special products. We are committed to developing carbon-free processes and products by 2045, leading the transformation of the iron and steel industry. Since 1890 we have developed through unique innovations and technological solutions and are driven forward by more than 4,500 employees in 12 countries. In 2020, the LKAB group had sales of about SEK 34 billion.
www.lkab.com

Kiruna, where the resources amount to just over 400 million tonnes and, in addition to a high iron content, have a very high content of phosphorus.

For the first time LKAB has reported the mineral resources for rare earth elements, in addition to phosphorus which was already included last year.

“We need to secure the supply of iron ore in order to deliver the sponge iron that will enable fossil-free steelmaking. In addition, we are in a position to contribute to sustainable value chains in other industries,” says Jan Moström, President and CEO of LKAB.

The green transformation is the main driver of demand for rare earth elements, with an increased need for powerful permanent magnets that are used in electric cars and wind turbines. Phosphorus is classed as a critical raw material in Europe and is an important nutrient in mineral fertiliser, which is essential for around half of the world’s food production.

At the same time, 2022 has started with a changed situation in the world. We have a war in Europe and we must come together to manage the evident humanitarian crisis that this brings. It is clear that in the longer term the war in Ukraine will impact key areas for us such as energy, commodities markets and supply chains. The direct impact on LKAB is limited at present, but it is difficult to assess the longer-term consequences.

“We are seeing supply chains being put to the test, with a greater focus on and interest in securing sustainability and stability. We have the potential to reduce Europe’s dependency on imports of phosphorus for mineral fertiliser and of rare earth elements through circular innovation and increased materials efficiency, but it all starts in the mine,” says Jan Moström.

Raised ambitions over time

After the end of the quarter LKAB announced that it had raised its ambition for the future production volume of sponge iron to 24.4 Mt by 2050. This will enable the Group’s global customers to further reduce their carbon emissions to a level approaching that of Sweden’s entire greenhouse gas emissions.

Accelerated transformation in Malmberget/Gällivare

LKAB is simultaneously accelerating its plans for industrialisation of the Hybrit technology that will transform production in Malmberget/Gällivare. The plan is to synchronise with SSAB’s transformation and that by the early 2030s all pellet production in Malmberget/Gällivare will have been converted to sponge iron.



Appendices:

PRESS RELEASE

Date:

28/04/2022

At LKAB's board meeting today an investment decision was made in respect of preparatory work in the industrial area to enable the initial parts of the transition to sponge iron production to take place. The first Hybrit plant is planned to begin production in Malmberget/Gällivare in 2026.

**Luossavaara-
Kiirunavaara AB (publ)**

Box 952
SE-971 28 Luleå, Sweden
Varvsgatan 45

www.lkab.com

LKAB is an international mining and minerals group that offers sustainable iron ore, minerals and special products. We are committed to developing carbon-free processes and products by 2045, leading the transformation of the iron and steel industry. Since 1890 we have developed through unique innovations and technological solutions and are driven forward by more than 4,500 employees in 12 countries. In 2020, the LKAB group had sales of about SEK 34 billion.

www.lkab.com