



Appendices:

PRESS RELEASE

Date:

12/08/2022

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Interim Report April–June 2022: Strong earnings in an uncertain world

LKAB is delivering an operating profit of more than SEK 5 bn in a market with continued high iron ore prices and a quarter characterised by an uncertain world and increased costs.

Net sales for the second quarter amounted to MSEK 12,375 (14,748) and operating profit totalled MSEK 5,719 (9,161). Sales were affected mainly by the continued high iron ore prices that were considerably lower compared to the record levels reached during the second quarter of 2021, and by lower delivery volumes. Operating profit was also affected by increased costs, linked among other things to general price rises and maintenance work that was postponed as a result of the pandemic. A stronger dollar rate had a positive effect. Operating cash flow was MSEK 6,158 (7,111).

The average global spot price for iron ore products for the quarter was USD 138 (200) per tonne. At the end of the quarter the price level was USD 120 per tonne and has continued to fall during the beginning of the second half of the year. Quoted pellet premiums for the quarter were somewhat higher than in the same period last year.

Production volume for the quarter declined somewhat to 5.7 (5.9) Mt and was affected by postponed maintenance work from the 2021 pandemic year and by continued production disruptions in one of the pelletising plants in Kiruna. The delivery volume totalled 6.2 (6.9) Mt and was affected mainly by the lower production volume.

Raised ambitions for the transition to carbon-free sponge iron

During the quarter, LKAB announced it had raised its ambition for the future production volume of sponge iron to 24.4 Mt by 2050. With these volumes,

carbon dioxide emissions from our global steel customers can be reduced to a level approaching that of Sweden's entire greenhouse gas emissions.

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 transition and to have converted all pellet production in Malmberget/Gällivare to sponge iron by the early 2030s.

During the quarter, a non-unanimous Land and Environment Court of Appeal denied LKAB's appeal of earlier rulings in the environmental impact assessment regarding the operation in Kiruna. LKAB has appealed to the Supreme Court.

- *“The demand for raw materials for producing carbon-free steel is already here, before we've even entered the market. We see huge possibilities for LKAB, Sweden and the climate thanks to our transition, but there are also a number of challenges that must be addressed, not least permit application processes and the future electricity supply. Doing this at record speed in an uncertain world will certainly put us to the test,” says Jan Moström, President and CEO, LKAB.*

This constitutes information that Luossavaara-Kiirunavaara AB is required to disclose under Sweden's Securities Market Act. The information was released for publication on August 12, 2022 at 1:00 p.m.