

Q2
2023

Interim Report

Lower iron ore prices impact earnings

LKAB's operating profit for the second quarter amounted to MSEK 2,257. Price levels for iron ore products fell during the quarter and as in the same period last year, operating profit was affected by significant scheduled maintenance shutdowns which resulted in low production and high costs.



Operations in the second quarter

MSEK	Note	Q2 2023	Q2 2022	Q1–Q2 2023	Q1–Q2 2022	Full year 2022
Net sales	3, 4	9,350	12,375	21,306	24,351	46,543
Operating profit/loss		2,257	5,719	7,443	12,216	20,799
Net financial income/expense		1,345	-546	1,878	-2,237	-2,119
Profit/loss before tax		3,602	5,173	9,321	9,979	18,680
Profit/loss for the period		3,048	4,231	7,587	8,043	15,080
Costs for urban transformation provisions		-78	-118	-123	-172	-545
Operating cash flow		3,519	5,370	6,682	6,515	10,156
Capital expenditure on property, plant and equipment		1,557	1,416	2,628	2,239	4,944
Depreciation		-748	-786	-1,492	-1,549	-3,141
Deliveries of iron ore products, Mt		5.8	6.2	12.5	12.9	25.8
Proportion of pellets, %		81	82	86	84	83
Production of iron ore products, Mt		5.3	5.7	12.2	12.1	25.0
Return on equity, %	9			21.5	28.3	21.7
Net debt/equity ratio, %	9			-17.6	-14.0	-17.1

- **The production volume** for the second quarter amounted to 5.3 (5.7) Mt and was affected by scheduled maintenance shutdowns, production disruptions and a shortage of crushed ore in Kiruna.
- **The delivery volume** was affected mainly by the lower production and amounted to 5.8 (6.2) Mt, with pellets accounting for 81 (82) percent.
- **Operating profit** for the second quarter was MSEK 2,257 (5,719) primarily affected by lower prices for highly upgraded iron ore products and lower delivery volumes. Operating profit was also affected by higher prices for energy and other inputs as well as the costs of production-stabilising measures.

- **The average global spot price¹⁾** for iron ore products in the second quarter was lower than in the same period last year and amounted to USD 111 (138) per tonne, which was also USD 14 lower than in the first quarter of 2023. The price at the end of the quarter was USD 112 per tonne. Quoted pellet premiums for the quarter were just over USD 30 per tonne lower than in the same period last year.
- **Operating cash flow** for the second quarter was mainly affected by the lower profits and amounted to MSEK 3,519 (5,370).
- **The return on equity** was 21.5 (28.3) percent.
- **The net debt/equity ratio** was -17.6 (-14.0) percent.

1) Platts IODEX 62% Fe CFR North China.

SEK 2.3 bn

Operating profit/loss

5.3 MT

Produced during the quarter

5.8 MT

Delivered during the quarter

LKAB – Group

Net sales and operating profit

Analysis of change in operating profit MSEK

	Q2	Q1–Q2
Operating profit 2022	5,719	12,216
Iron ore prices incl. hedging	-2,487	-3,936
Currency effect, iron ore incl. hedging of accounts receivable	241	1,302
Volume and mix, iron ore	-554	-512
Volume, price and currency, industrial minerals	15	7
Costs for urban transformation provisions	40	49
Depreciation	38	56
Other income and expenses	-755	-1,739
Operating profit 2023	2,257	7,443

Sales for the second quarter totalled MSEK 9,350 (12,375), primarily affected by lower prices for highly upgraded iron ore products and lower delivery volumes. The average global spot price¹⁾ for iron ore products for the second quarter was USD 111 (138) per tonne. Premiums for highly upgraded products were just over USD 30 per tonne lower than in the same quarter last year.

Operating profit for the quarter was also adversely impacted by higher costs. Higher prices for energy and other inputs accounted for around 25 percent of the cost increase, while the remaining cost increase was mainly due to lengthy scheduled maintenance shutdowns, measures to secure production capacity and increased exploration. Operating profit for the quarter was MSEK 2,257 (5,719).

Sales for the first half of the year amounted to MSEK 21,306 (24,351). Lower prices for highly upgraded iron ore products and lower delivery volumes were partially offset by a weaker Swedish krona. The average global spot price¹⁾ for iron ore products in the

first half of the year was USD 118 (140) per tonne. Premiums for highly upgraded products were around USD 25 per tonne lower than in the same period last year.

Operating profit for the first half was also adversely affected by higher costs, with higher prices for energy and other inputs accounting for nearly 40 percent of the cost increase. Lengthy scheduled maintenance shutdowns, measures to secure production capacity and increased exploration also affected costs. Operating profit for the first six months of the year amounted to MSEK 7,443 (12,216).

Cash flow

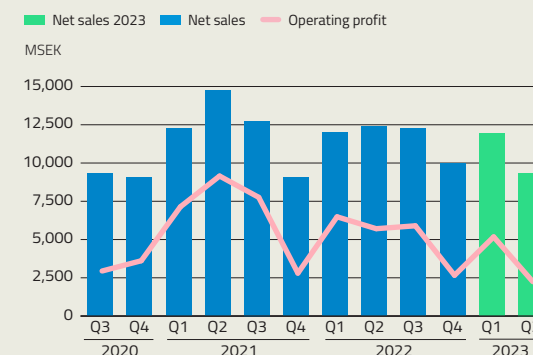
MSEK	Q2 2023	Q2 2022	Q1–Q2 2023	Q1–Q2 2022	Full year 2022
Operating profit ²⁾	3,505	6,091	9,039	12,035	20,831
Expenditure on urban transformation	-523	-445	-969	-1,012	-2,216
Change in working capital	2,092	1,143	1,216	-1,871	-2,708
Capital expenditures (net)	-1,555	-1,414	-2,605	-2,237	-4,904
Acquisition of subsidiaries	–	–	–	-373	-373
Acquisition/divestment of financial assets	–	-5	–	-27	-474
Operating cash flow	3,519	5,370	6,682	6,515	10,156

2) Operating profit adjusted for non-cash items and before costs for urban transformation provisions.

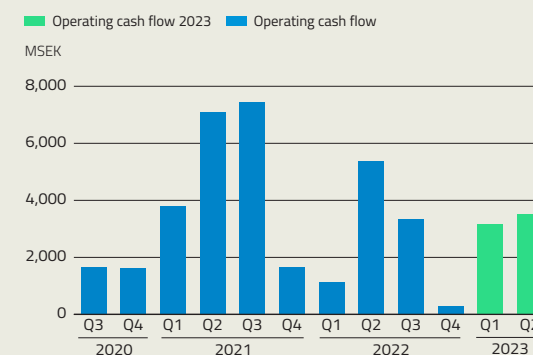
Operating cash flow was affected mainly by the lower profits and amounted to MSEK 3,519 (5,370) for the second quarter.

Operating cash flow for the first half of the year was at the same level as in the same period last year, amounting to MSEK 6,682 (6,515).

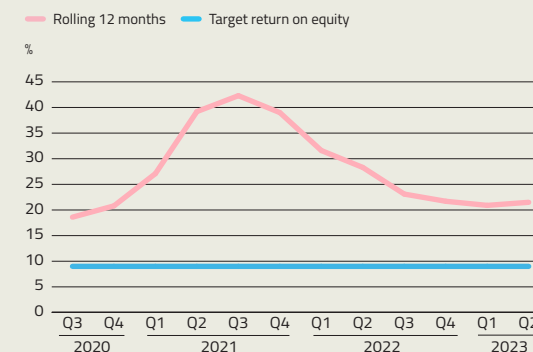
NET SALES AND OPERATING PROFIT/LOSS



OPERATING CASH FLOW



RETURN ON EQUITY



1) Platts IODEX 62% Fe CFR North China.

Net financial income/expense and net financial indebtedness

Net financial income/expense for the second quarter was MSEK 1,345 (-546) and was MSEK 1,878 (-2,237) for the first six months. The improvement compared with the same period last year is due to a higher return on financial investments.

The net debt/equity ratio was -17.6 (-14.0) percent.

LKAB has undrawn committed credit facilities of SEK 5 bn maturing in the third quarter of 2028.

Events during the quarter

As part of the plan to secure production capacity, extended maintenance work was performed in the second quarter at the pelletising plants in Kiruna and this adversely affected production volumes and costs for the quarter.

The seismic event in the Kiruna mine in spring 2020 means that production of crushed ore from the mine remains lower than normal and production is expected to be affected for a further couple of years. Measures to secure production volumes also involve higher costs than normal. In the second quarter production in Kiruna was limited by difficulties in transporting crushed ore from other mines. During the summer extensive maintenance work was also carried out on the Ore Railway, further reducing transport capacity, and the mining in Svappavaara therefore had to be curtailed during the summer.

During the quarter LKAB submitted an application for environmental permits for the operations in Gällivare, which in addition to the existing mining and upgrading activities also includes the establishment of HYBRIT's first demo plant and an apatite plant for extracting phosphorus and rare earth elements from current waste streams.

LKAB also submitted its application for an exploitation concession for the Per Geijer deposit in Kiruna. Further investigations have resulted in recognised mineral resources for rare earth oxides being increased by 25 percent to more than 1.3 million tonnes. If the exploitation concession is granted, it will be possible to continue developing the deposit and to prepare an application for an environmental permit.

Events after the end of the reporting period

The tribunal at the European Court of Justice has delivered its judgment in the case concerning LKAB's exclusion from the benchmark for sintered ore in the Emissions Trading System (ETS). The Court found that the European Commission was not in error in rejecting LKAB's inclusion in the benchmark, according to the provisions of the ETS directive that were applicable at the time. LKAB is analysing the verdict and considering whether there are grounds for appeal.

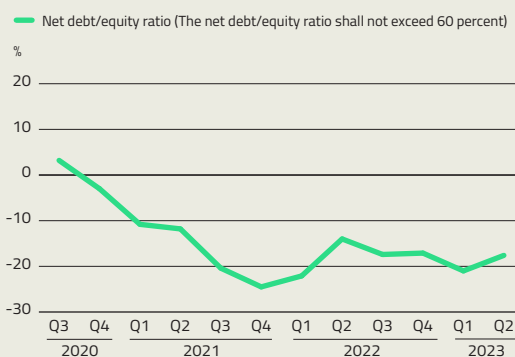
Outlook for 2023

Prices for highly upgraded iron ore products decreased during the first half of the year but remained at high levels at the start of the second half. Demand for LKAB's highly upgraded iron ore products remains good, but there is considerable uncertainty concerning global economic development and its impact on the iron ore industry. At the same time, LKAB is seeing a general increase in the cost level for energy, inputs, materials and services. There is a risk that the increase in works on the Ore Railway during the summer period will continue to limit LKAB's production and delivery capacity.

LKAB is continuing preparations for its transformational journey towards becoming a future supplier of sponge iron, with the aim of being able to provide our customers with the raw materials for fossil-free steel. However, this transition brings with it various challenges in respect of permitting issues, energy supply and prevailing external conditions.

Urban transformation work has entered an intensive phase, and consequently expenditure will remain high throughout 2023. Gällivare Municipality has still not approved the necessary zoning plan amendment for eastern Malmberget, which risks delaying the schedule for the phase-out area and thus limiting future production.

NET DEBT/EQUITY RATIO



RISKS AND RISK MANAGEMENT

LKAB operates in a capital-intensive industry with a planning horizon that extends across several decades, and must therefore not only consider risks and opportunities that have a bearing on the business as it is today but also act for a transition to entirely new future conditions. The global climate threat means the iron and steel industry will need to change fundamentally. Managing both risks and opportunities from a climate perspective is important for securing LKAB's resilience and adaptability as the climate changes.

The unpredictability and inefficiency of the permitting processes, as demonstrated most recently in the courts' decision to reject the application for a new permit for the operations in Kiruna, continues to represent an operational risk. Alongside the collective permit evaluation procedures in Kiruna and Gällivare/Malmberget, therefore, the need for alternative evaluation pathways for production-critical parts needs to be considered.

Access to land is a matter of strategic importance for securing current production and ongoing urban transformation, as well as for enabling LKAB's transformation. Dialogues concerning land issues continue with parties affected in our operating locations.

Capacity on the Ore Railway continues to be one of LKAB's biggest challenges as regards securing both current and future delivery volumes. LKAB is in continuous dialogue with the Swedish Transport Administration on this matter.

LKAB is closely monitoring developments in the market and the effects of the geopolitical turmoil following in the wake of the war in Ukraine.

LKAB is also monitoring developments in Cementa's permit proceedings since an interruption in cement deliveries would have very serious consequences for LKAB's production. LKAB is analysing the risks and evaluating both short-term solutions and long-term sustainable alternatives.

For further information concerning risks please refer to LKAB's latest Annual and Sustainability Report.

Sustainable development

Strategic goals for sustainable value creation

	Q2 2023	Full year 2022	Goal for 2026	Goal for 2030
Stable and efficient operations				
Net debt/equity ratio (%)	-17.6	-17.1	<60	<60
Return on equity ¹⁾ (%)	21.5	21.7	>9	>9
Dividend (%)	–	50	40–60	40–60
Climate-efficient sustainable transition				
Energy use ¹⁾ (kWh/t FP)	171	176	162	154
Carbon emissions ¹⁾ (kt)	639	661	608	536
Biodiversity	–	–	–	–
Safe, healthy and stimulating workplace				
Lost time accidents ^{1, 2)} (no. per million hrs)	6.1	6.5	4.0	2.0
Long-term sick leave ¹⁾ (%)	0.7	0.7	0.8	0.8
Women in the workforce (%)	26	26	30	— ³⁾
Women managers (%)	29	28	30	— ³⁾

1) For rolling 12 months.

2) Lost time injuries per million hours worked for the Group, including suppliers.

3) The goal for 2030 is to achieve a 60/40 gender distribution in management teams.

For a description of the strategic goals for sustainable value creation see LKAB's Annual and Sustainability Report 2022, page 16.

CARBON EMISSIONS AND ENERGY CONSUMPTION

The goal for 2030 is a 25 percent decrease in LKAB's carbon emissions compared with 2020, with an interim goal of a 15 percent decrease in emissions by 2026.

The goal in respect of energy is to decrease energy use by 10 percent by 2030 and 5 percent by 2026, compared with 2021. Energy intensity is calculated based on the entire Group's energy use in relation to iron ore products produced.

Energy use in kWh per tonne of finished product decreased somewhat during the second quarter, amounting at the end of the quarter to an annual rate of 171 (176) kWh per tonne of finished product.

Carbon emissions were affected by lower production volumes in the second quarter and at the end of the quarter amounted to an annual rate of 659 (661) kt. Analysis of possible technology options enabling further carbon reductions continues.

At the end of the first half of the year the accident rate was 6.1 (6.5) for rolling 12 months. Safe, healthy workplaces are crucial if LKAB is to be sustainable long-term. Group-wide work on the safety culture is taking place – aimed at increasing awareness among managers, co-workers and suppliers – in order to prevent serious incidents and accidents.

At the end of the second quarter sickness absence was in line with last year.

The percentage of women in the workforce at the end of the second quarter was 26 (26) percent, while among management the percentage of women was 29 (28) percent.

Efforts to create the conditions for biodiversity improvement are progressing according to plan. A valuation model for biodiversity called CLIMB (Changing Land Use Impact on Biodiversity), which LKAB has been involved in developing, was launched in May. The purpose of the tool – produced in collaboration with industries including real estate, mining, construction and power – is to have relevant key indicators for assessing biodiversity.

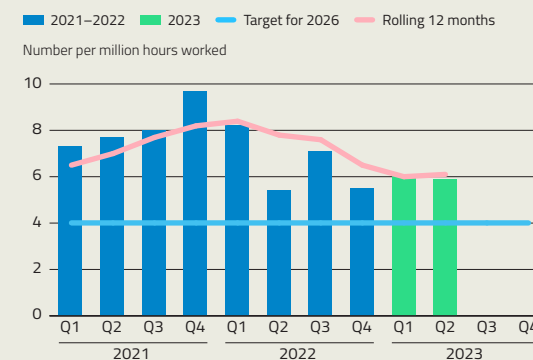
BIODIVERSITY

The strategic goals for 2022–2030 include an objective to achieve a biodiversity net gain.

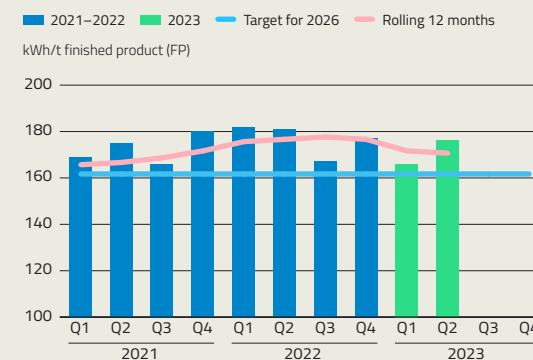
Biodiversity refers to the variety of nature – which includes plants, fungi and animals as well as their different habitats, both on land and in water.

LKAB is following Svemin's biodiversity roadmap, with the aim that by 2030 the Group will contribute to a biodiversity net gain in the regions where we operate. The interim goal for 2026 is for LKAB to have established a systematic approach to working for increased biodiversity.

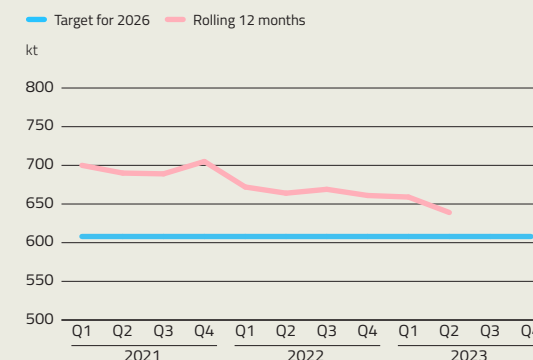
INJURIES



ENERGY USE



CO₂ EMISSIONS



Strategic sustainability work

LKAB's strategy and transformation plan aim to achieve carbon-free processes and products in our own operations by 2045.

A crucial element of this strategy is to increase the value added by processing and to gradually transition to the production of carbon-free sponge iron, which will enable our global customers to reduce their carbon emissions. The ambition is a future sponge iron production volume of 24 Mt by 2050, which would enable carbon emissions from global steel production to be decreased by an amount more or less corresponding to all of Sweden's annual greenhouse gas emissions.

The transformation will put the conditions in place to secure our competitiveness over time and is an ongoing process that will take many years, with multiple development projects and initiatives being gradually integrated into the operations. LKAB's transformation involves various challenges, such as permit matters, energy supply and current external factors. These could impact progress and implementation, as it is essential that our initiatives are completed profitably.

During the second quarter LKAB submitted an application for environmental permits that are required in order to begin the transformation in Gällivare. In addition to continued mining and upgrading activities, the application includes the establishment of HYBRIT's first demo plant and an apatite plant for extracting phosphorus and rare earth elements from current waste streams.

LKAB also submitted its application for an exploitation concession for the Per Geijer deposit in Kiruna, Europe's largest known deposit of rare earth elements. Further investigations have resulted in recognised mineral resources for rare earth oxides being increased by 25 percent to more than 1.3 million tonnes. Per Geijer is fundamentally an iron ore deposit with a high content of both phosphorus and rare earth elements. The concentrations of rare earth elements are 10 times higher than in the Kiruna ore that we are currently mining. If the exploitation concession is granted, it will be possible to continue developing the deposit and to prepare an application for an environmental permit.



Market development

The steel and iron ore market

The global steel and iron ore industry

Global manufacturing industry has generally slowed in recent times, but this varies between sectors: there has been an increase in activity in heavy industry and the automotive industry compared with last year, while the construction and property sector has developed negatively, particularly in Europe and China. The lower demand has to some extent resulted in lower crushed ore prices, but disruptions to the supply from several producers has limited the price decrease.

At the current level the price for fines 62% is close to production cost for those producers with the highest costs in the industry that

do not receive premiums for concentration and upgrading. LKAB sells iron ore with premiums for pellets and high iron concentration. The strong dollar is favouring a large part of the iron ore industry.

Demand for pellets in Europe has remained good and there has been some scarcity of supply. Demand for pellets in the Middle East has remained stable.

Iron ore spot price developments

The spot price IODEX 62% Fe for fines decreased to USD 112 per tonne at the end of the second quarter compared with USD 127 per tonne at the end of the first quarter. The average price for the second quarter was USD 111 (138) per tonne, compared to USD 125 per tonne in the first quarter of 2023.

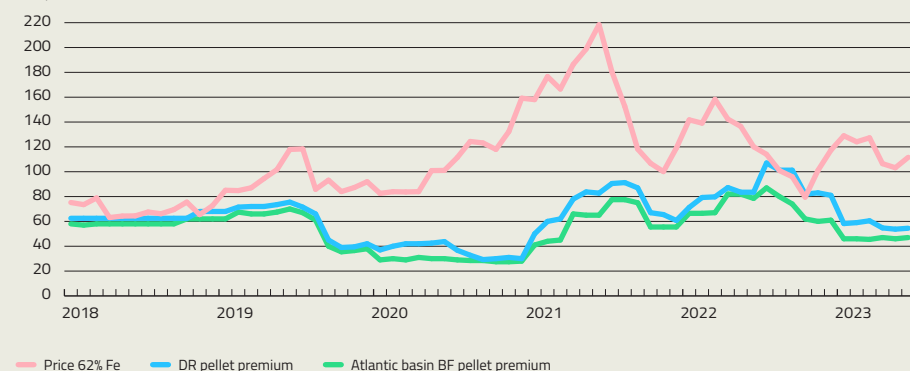
The dollar strengthened by one percent against the Swedish krona compared with the first quarter and on average was seven percent stronger against the krona in the second quarter when compared year on year.

The quoted premium for blast furnace pellets increased somewhat on the previous quarter, but decreased for DR pellets. The average blast furnace premium in the second quarter was just under USD 47 (81) per tonne, compared to USD 46 per tonne in the first quarter. The premium for DR pellets averaged just over USD 54 (85) per tonne in the second quarter compared with USD 59 per tonne in the preceding quarter.

DEVELOPMENT OF THE SPOT PRICE FOR IRON ORE AND QUOTED PELLET PREMIUMS

1 January 2018–30 June 2023

USD per tonne

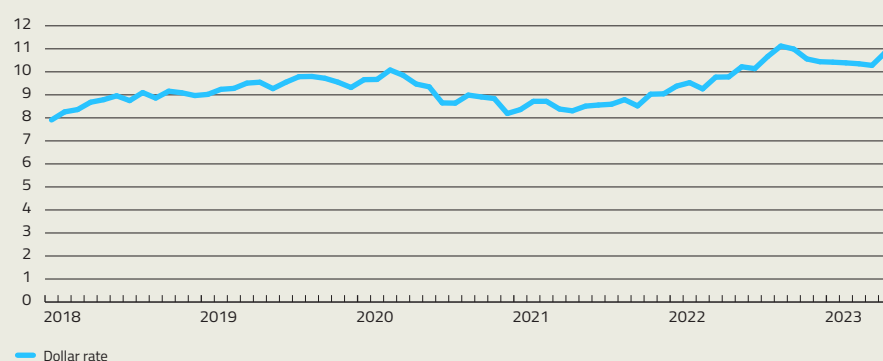


Source: PLATTS

CHANGES IN THE DOLLAR EXCHANGE RATE

1 January 2018–30 June 2023

USD/SEK



Source: Nasdaq

Iron Ore business area

The Iron Ore business area includes mines and processing plants in Kiruna, Svappavaara and Malmberget/Gällivare, as well as rail freight services and the ports in Narvik and Luleå.

Operations summary

MSEK	Note	Q2 2023	Q2 2022	Q1–Q2 2023	Q1–Q2 2022	Full year 2022
Net sales ¹⁾	3, 4	8,607	11,617	19,675	22,730	43,288
Operating profit¹⁾		2,455	5,888	7,744	12,443	21,322
Costs for urban transformation provisions		-78	-118	-123	-172	-545
Capital expenditure on property, plant and equipment		1,474	1,318	2,500	2,089	4,687
Depreciation ¹⁾		-658	-695	-1,313	-1,378	-2,792
Deliveries of iron ore products, Mt		5.8	6.2	12.5	12.9	25.8
Proportion of pellets, %		81	82	86	84	83
Production of iron ore products, Mt		5.3	5.7	12.2	12.1	25.0

¹⁾ In the second quarter of 2022 exploration activities and parts of the Group function for technology were moved from Other Segments into the Iron Ore business area. Comparative figures have been adjusted to reflect the organisational change.

The production volume for the second quarter was affected by lengthy scheduled maintenance shutdowns, production disruptions at the processing plants in Kiruna and a shortage of crushed ore associated with the seismic event in Kiruna in 2020. Production in Kiruna was also limited by difficulties in transporting crushed ore from other mines. The delivery volume was affected by lower production and amounted to 5.8 (6.2) Mt, with pellets accounting for 81 (82) percent.

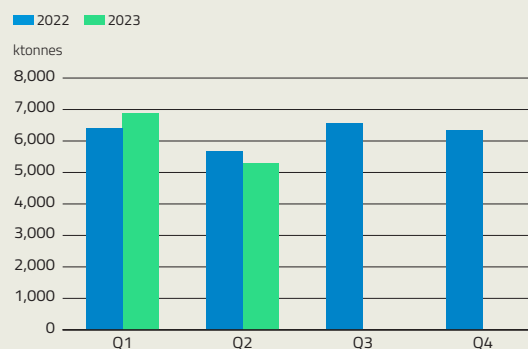
Sales for the second quarter totalled MSEK 8,607 (11,617), primarily affected by lower prices for highly upgraded iron ore products and lower delivery volumes. Operating profit for the quarter

was MSEK 2,455 (5,888). Costs were affected by higher prices for energy and certain inputs as well as by the costs of maintenance and transport services as a result of measures to secure production capacity. An increased rate of exploration also impacted costs.

The production volume for the first half of the year was at the same level as in the same period last year, amounting to 12.2 (12.1) Mt. The delivery volume was affected by the second quarter's lower production volumes and amounted to 12.5 (12.9) Mt, with pellets accounting for 86 (84) percent.

Sales for January–June totalled MSEK 19,675 (22,730). Lower prices for highly upgraded iron ore products and lower delivery volumes were partially offset by a weaker Swedish krona. Operating profit for the first half was MSEK 7,744 (12,443). Costs were affected by higher prices for energy and certain inputs as well as by the costs of maintenance and transport services in order to manage production disruptions and for measures to secure production capacity. An increased rate of exploration also impacted costs.

PRODUCTION OF IRON ORE PRODUCTS



FACTS

- The Iron Ore business area mines and processes iron ore products in Kiruna, Svappavaara and Malmberget/Gällivare.
- In Kiruna, mining takes place in an underground mine with a current main haulage level 1,365 metres below ground. The ore is processed above ground in three concentrating and pelletising plants.
- In Svappavaara ore is mined in the Leveäniemi open-pit mine. The ore is processed in a concentrating and pelletising plant in Svappavaara.
- Malmberget's underground mine consists of around 20 ore-bodies, of which around 10 are currently mined. The ore is processed above ground in two concentrating and pelletising plants.
- The Iron Ore business area produces both blast furnace pellets and pellets for steelmaking via direct reduction (DR) pellets, and fines.
- The iron ore products are transported along the Malmaban and Ofotbanen ore railway to the ports of Narvik and Luleå for shipment to steelworks customers around the world.

Special Products business area

The Special Products business area develops products and services for markets involving industrial minerals, water-powered drilling technology, engineering services, and mining and construction contracts. The Special Products business area is also a strategic supplier within the Group.

Operations summary

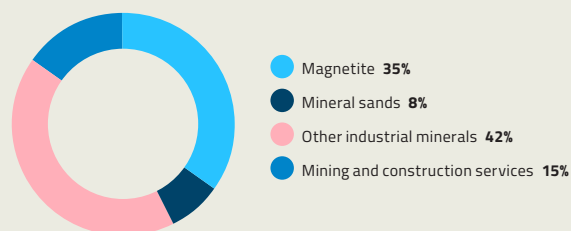
MSEK	Note	Q2 2023	Q2 2022	Q1–Q2 2023	Q1–Q2 2022	Full year 2022
Net sales	3, 4	1,843	1,906	3,416	3,404	7,087
Operating profit/loss		172	152	292	256	541
Capital expenditure on property, plant and equipment		62	66	73	92	165
Depreciation		-68	-62	-133	-124	-257

Net sales for the second quarter were somewhat lower than in the same period last year and amounted to MSEK 1,843 (1,906). The decrease is mainly due to somewhat lower sales volumes for industrial minerals. Operating profit for the quarter was MSEK 172 (152), with better margins on sales of industrial minerals and increased internal sales of mining services and products contributing to the improved profits.

Net sales for the first half of the year were at the same level as in the same period last year, amounting to MSEK 3,416 (3,404). Net sales for January–June totalled MSEK 292 (256). The improved profits are mainly due to better margins and increased sales of mining services and products.

SALES BY PRODUCT AREA AND SERVICE AREA

Percentage of external sales (MSEK)
January–June 2023



FACTS

- The Special Products business area covers LKAB Minerals, LKAB Wassara, LKAB Berg & Betong, LKAB Kimit, LKAB Mekaniska and Bergteamet.
- LKAB Minerals is active in the industrial minerals market, with leading positions in areas such as construction, plastics, paint, agriculture and the chemicals industry. Minerals from LKAB's own deposits such as magnetite, recovered products from e.g. blast furnace slag and other industries, together with purchased and upgraded minerals, are offered in a broad portfolio. The business has sales offices and production units in Europe, the US and Asia.
- LKAB Wassara develops and manufactures water-powered precision drilling systems for mining, construction and exploration drilling as well as dam building and geothermal energy. Customers are located throughout the world.
- LKAB Berg & Betong and Bergteamet are leading providers of full service solutions for the mining and construction industries. LKAB Berg & Betong is also the world's largest producer of sprayed concrete.
- LKAB Kimit supplies explosives to the mining and construction industries.
- LKAB Mekaniska is a quality-conscious engineering company offering services throughout the supply chain, from planning and design to final inspection.

Other Segments

Other Segments includes Group functions such as HR, sustainability, communications, finance, strategic R&D and digitisation. Other Segments also covers financial operations, including transactions and gains/losses relating to financial hedging for foreign currencies.

Operations summary

MSEK	Note	Q2 2023	Q2 2022	Q1–Q2 2023	Q1–Q2 2022	Full year 2022
Net sales excl. hedging ¹⁾		17	22	66	48	93
Net sales hedging		-89	-108	-68	-90	-193
Total net sales	3, 4	-72	-86	-2	-42	-100
Operating profit/loss¹⁾		-329	-309	-619	-442	-941
Capital expenditure on property, plant and equipment		20	31	54	58	92
Depreciation ¹⁾		-23	-29	-45	-47	-95

1) In the second quarter of 2022 exploration activities and parts of the Group function for technology were moved from Other Segments into the Iron Ore business area. Comparative figures have been adjusted to reflect the organisational change.

The operating result for the second quarter was MSEK -329 (-309) and for the first half of the year MSEK -619 (-442), with continued investments in digitalisation and development projects impacting costs for the quarter.

Under LKAB's hedging strategy, price and currency risk in the Group's forecast sales are not normally hedged. Currency effects on outstanding accounts receivable are hedged, however.

Parent Company

The Parent Company LKAB consists of the Iron Ore business area and the group-wide functions reported under Other Segments. The Parent Company includes the majority of LKAB's operating activities as well as the Group's financial activities.

Operations summary

MSEK	Note	Q2 2023	Q2 2022	Q1–Q2 2023	Q1–Q2 2022	Full year 2022
Net sales		8,538	11,542	19,672	22,697	43,202
Operating profit/loss		2,065	5,548	7,015	11,921	20,223
Costs for urban transformation provisions		-78	-118	-123	-172	-545
Capital expenditure on property, plant and equipment		1,443	1,266	2,467	2,016	4,491
Depreciation		-581	-600	-1,157	-1,188	-2,387
Deliveries of iron ore products, Mt		5.8	6.2	12.5	12.9	25.8
Production of iron ore products, Mt		5.3	5.7	12.2	12.1	25.0

Signatures

This report was not subject to review by the company’s auditors.

The Board of Directors and CEO give an assurance that this interim report for the first half of the year provides a true and fair representation of the development of the Group’s and the Parent Company’s operations, position and earnings, and describes the significant risks and uncertainties faced by the Parent Company and the companies making up the Group.

Luleå, 14 August 2023
Luossavaara-Kiirunavaara AB (publ)

Göran Persson
Chairman of the Board

Anders Borg
Board member

Catrin Fransson
Board member

Eva Hamilton
Board member

Bjarne Moltke Hansen
Board member

Kerstin Konradsson
Board member

Lotta Mellström
Board member

Gunilla Saltin
Board member

Per-Olof Wedin
Board member

Anders Elenius
Employee representative

Dan Hallberg
Employee representative

Tomas Larsson
Employee representative

Jan Moström
President and CEO



Financial information

Interim Report Q3 2023
27 October 2023

**Interim Report Q4 2023
(together with Year-end Report)**
13 February 2024

Interim Report Q1 2024
25 April 2024

Reports are available at www.lkab.com

Any questions concerning the Interim Report may be directed to Jan Moström, President and CEO. Interviews may be booked through Niklas Johansson, Senior Vice President Communication and Climate +46 (0)10 144 52 19.

LKAB – Group

Statement of income

MSEK	Note	Q2 2023	Q2 2022	Q1–Q2 2023	Q1–Q2 2022	Full year 2022
Net sales	3, 4	9,350	12,375	21,306	24,351	46,543
Cost of goods sold		-6,464	-6,144	-12,600	-11,133	-23,376
Gross profit/loss		2,886	6,231	8,706	13,218	23,167
Selling expenses		-60	-47	-119	-91	-191
Administrative expenses		-204	-204	-430	-402	-800
Research and development expenses		-381	-291	-757	-515	-1,300
Other operating income		152	141	276	222	395
Other operating expenses		-114	-105	-200	-188	-400
Share of profit of joint ventures		-22	-6	-33	-28	-72
Operating profit/loss	3	2,257	5,719	7,443	12,216	20,799
Financial income		1,449	890	2,019	943	1,081
Financial expense		-105	-1,436	-141	-3,180	-3,200
Net financial income/expense		1,345	-546	1,878	-2,237	-2,119
Profit/loss before tax		3,602	5,173	9,321	9,979	18,680
Tax		-554	-942	-1,734	-1,936	-3,600
Profit/loss for the period		3,048	4,231	7,587	8,043	15,080
Profit for the period attributable to:						
Parent company shareholders		3,041	4,228	7,578	8,038	15,073
Non-controlling interests		7	3	9	5	7
Earnings per share before and after dilution (SEK)		4,344	6,040	10,826	11,843	21,532
Number of shares		700,000	700,000	700,000	700,000	700,000

Statement of comprehensive income

MSEK	Note	Q2 2023	Q2 2022	Q1–Q2 2023	Q1–Q2 2022	Full year 2022
Profit/loss for the period		3,048	4,231	7,587	8,043	15,080
Other comprehensive income for the period						
Items that will not be reclassified to profit/loss for the year						
Remeasurement of defined-benefit pension plans		-71	288	-71	206	336
Tax attributable to actuarial gains and losses		15	-59	15	-42	-69
Changes during the period in the fair value of equity instruments measured at fair value through other comprehensive income		51	-2,265	2,172	-602	704
		-5	-2,036	2,116	-438	971
Items that have been or may subsequently be reclassified to profit or loss for the year						
Translation differences for foreign operations		69	-75	-48	53	139
Changes in fair value of cash flow hedges		3	–	-2	-1	-5
Changes in fair value of cash flow hedges reclassified to profit or loss for the year		0	–	4	0	0
Tax attributable to components of cash flow hedges		-1	–	-1	0	1
		71	-75	-46	52	135
Other comprehensive income for the period		66	-2,111	2,070	-386	1,106
Comprehensive income for the period		3,114	2,120	9,656	7,657	16,186
Comprehensive income for the period attributable to:						
Parent company shareholders		3,107	2,117	9,647	7,652	16,179
Non-controlling interests		7	3	9	5	7

LKAB – Group

Statement of financial position

MSEK	Note	30 June 2023	30 June 2022	31 Dec 2022
ASSETS				
Non-current assets				
Intangible assets		2,536	2,148	2,130
Property, plant and equipment for operations		34,442	32,383	33,558
Property, plant and equipment for urban transformation		11,476	10,962	11,306
Interests in associates and joint ventures		699	287	732
Financial investments	5	8,609	5,137	6,448
Non-current receivables		2	2	2
Deferred tax asset		7	10	7
Total non-current assets		57,771	50,929	54,183
Current assets				
Inventories		6,035	5,170	6,205
Accounts receivable		3,211	3,544	3,785
Prepaid expenses and accrued income		509	437	375
Other current receivables		1,791	2,202	2,492
Current investments	6	27,826	23,519	27,393
Cash and cash equivalents		2,842	4,432	3,191
Total current assets		42,213	39,304	43,441
TOTAL ASSETS		99,984	90,233	97,624

MSEK	Note	30 June 2023	30 June 2022	31 Dec 2022
EQUITY AND LIABILITIES				
Equity				
Share capital		700	700	700
Reserves		4,912	1,397	2,787
Retained earnings incl. profit/loss for the period		67,775	60,656	67,793
Equity attributable to Parent Company shareholders		73,387	62,753	71,280
Non-controlling interests		49	38	40
Total equity		73,436	62,791	71,320
Non-current liabilities				
Non-current interest-bearing liabilities		2,369	2,382	2,387
Other non-current liabilities		56	56	56
Provisions for pensions and similar commitments		995	1,243	992
Provisions, urban transformation		11,180	11,797	10,615
Other provisions		1,667	1,569	1,650
Deferred tax liabilities		1,578	1,429	1,395
Total non-current liabilities		17,846	18,476	17,095
Current liabilities				
Current interest-bearing liabilities		81	77	86
Trade payables		2,758	2,273	2,583
Tax liabilities		335	190	101
Other current liabilities		614	1,664	464
Accrued expenses and deferred income		2,736	2,071	2,420
Provisions, urban transformation		1,818	2,328	3,029
Other provisions		361	363	526
Total current liabilities		8,702	8,966	9,209
Total liabilities		26,548	27,442	26,304
TOTAL EQUITY AND LIABILITIES		99,984	90,233	97,624

LKAB – Group

Statement of changes in equity

2022 MSEK	Equity attributable to Parent Company shareholders						Non-controlling interests	Total equity
	Share capital	Translation reserve	Fair value reserve	Hedging reserve incl. hedging cost reserve	Retained earnings incl. profit/loss for the year	Total		
Opening equity 1 Jan 2022	700	-141	2,087	1	64,886	67,533	32	67,565
Profit/loss for the year	–	–	–	–	15,072	15,072	7	15,079
Other comprehensive income for the year	–	139	704	-4	267	1,106	–	1,106
Comprehensive income for the year	–	139	704	-4	15,339	16,178	7	16,186
Dividend	–	–	–	–	-12,432	-12,432	–	-12,432
Closing equity 31 Dec 2022	700	-2	2,792	-3	67,793	71,279	40	71,320

2022 MSEK	Equity attributable to Parent Company shareholders						Non-controlling interests	Total equity
	Share capital	Translation reserve	Fair value reserve	Hedging reserve incl. hedging cost reserve	Retained earnings incl. profit/loss for the year	Total		
Opening equity 1 Jan 2022	700	-141	2,087	1	64,886	67,533	32	67,565
Profit/loss for the year	–	–	–	–	8,038	8,038	5	8,043
Other comprehensive income for the year	–	53	-602	-1	164	-386	–	-386
Comprehensive income for the year	–	53	-602	-1	8,202	7,652	5	7,657
Dividend	–	–	–	–	-12,432	-12,432	–	-12,432
Closing equity 30 Jun 2022	700	-88	1,486	-1	60,656	62,753	38	62,791

2023 MSEK	Equity attributable to Parent Company shareholders						Non-controlling interests	Total equity
	Share capital	Translation reserve	Fair value reserve	Hedging reserve incl. hedging cost reserve	Retained earnings incl. profit/loss for the year	Total		
Opening equity 1 Jan 2023	700	-2	2,792	-3	67,793	71,279	40	71,320
Profit/loss for the year	–	–	–	–	7,578	7,578	9	7,587
Other comprehensive income for the year	–	-48	2,172	2	-56	2,069	–	2,069
Comprehensive income for the year	–	-48	2,172	2	7,522	9,647	9	9,656
Dividend	–	–	–	–	-7,540	-7,540	–	-7,540
Closing equity 30 Jun 2023	700	-50	4,964	-1	67,775	73,387	49	73,436

LKAB – Group

Statement of cash flows

MSEK	Q2 2023	Q2 2022	Q1–Q2 2023	Q1–Q2 2022	Full year 2022
Operating activities					
Profit/loss before tax	3,602	5,173	9,321	9,979	18,680
Adjustment for items not included in cash flow	724	2,279	1,040	4,742	6,683
Income tax paid	-818	-1,344	-1,312	-2,657	-4,473
Expenditures, urban transformation	-523	-445	-969	-1,012	-2,216
Expenditures, other provisions	-3	-18	-10	-29	-59
Cash flow from operating activities before changes in working capital	2,982	5,645	8,070	11,023	18,615
Cash flow from changes in working capital					
Increase (-)/Decrease (+) in inventories	-231	-285	170	-246	-1,281
Increase (-)/Decrease (+) in operating receivables	1,732	1,609	875	-1,804	-2,315
Increase (+)/Decrease (-) in operating liabilities	591	-180	172	179	888
Change in working capital	2,092	1,144	1,216	-1,871	-2,708
Cash flow from operating activities	5,074	6,789	9,286	9,152	15,907
Investing activities					
Acquisition of property, plant and equipment	-1,557	-1,416	-2,628	-2,239	-4,944
Government investment grants	0	0	20	0	37
Disposal of property, plant and equipment	1	2	3	2	3
Acquisition of subsidiaries	0	0	0	-373	-373
Acquisition of other financial assets – operating	0	-7	0	-29	-485
Disposal of other financial assets – operating	0	2	0	2	11
Acquisition/disposal of other financial assets – non-operating	0	0	0	0	–
Disposals/acquisitions (net) in current investments	-1,103	3,457	530	4,327	-504
Cash flow from investing activities	-2,659	2,038	-2,074	1,690	-6,255
Financing activities					
Repurchase agreements	0	0	0	-250	-258
Repayments	-1	-2	-2	-9	7
Borrowing	19	6	15	6	-16
Repayment of lease liabilities	-22	-20	-44	-41	-85
Dividends paid to Parent Company shareholders	-7,540	-12,432	-7,540	-12,431	-12,432
Cash flow from financing activities	-7,545	-12,448	-7,571	-12,725	-12,784

MSEK	Q2 2023	Q2 2022	Q1–Q2 2023	Q1–Q2 2022	Full year 2022
Cash flow for the period	-5,129	-3,621	-359	-1,883	-3,132
Cash and cash equivalents at start of period	7,962	8,034	3,191	6,289	6,289
Exchange difference in cash and cash equivalents	9	19	9	26	34
Cash and cash equivalents at end of period	2,842	4,432	2,842	4,432	3,191
Change in cash and cash equivalents	-5,129	-3,621	-359	-1,883	-3,132
Sub-components of cash and cash equivalents					
Cash and bank balances	2,603	4,243	2,603	4,243	2,388
Current investments (maturity <90 days)	239	189	239	189	803
Cash and cash equivalents	2,842	4,432	2,842	4,432	3,191
Consolidated operating cash flow					
Cash flow from operating activities	5,074	6,789	9,286	9,152	15,907
Acquisition of property, plant and equipment	-1,557	-1,416	-2,628	-2,239	-4,944
Government investment grants	0	0	20	0	37
Disposal of property, plant and equipment	1	2	3	2	3
Acquisition of subsidiaries	0	0	0	-373	-373
Acquisition/disposal of other financial assets – operating	0	-5	0	-27	-474
Operating cash flow (excluding current investments)	3,519	5,370	6,682	6,515	10,156
Acquisition/disposal of other financial assets – non-operating	0	0	0	–	–
Disposals/acquisitions (net) in current investments	-1,103	3,457	530	4,327	-504
Cash flow after investing activities	2,416	8,827	7,212	10,842	9,652
Cash flow from financing activities	-7,545	-12,448	-7,571	-12,725	-12,784
Cash flow for the period	-5,129	-3,621	-359	-1,883	-3,132

Employees

MSEK	Q2 2023	Q2 2022	Full year 2022
Average number of employees	4,594	4,619	4,513
– of which women	1,269	1,168	1,164
– of which men	3,325	3,451	3,349

LKAB – Parent Company

Income statement

MSEK	Note	Q2 2023	Q2 2022	Q1–Q2 2023	Q1–Q2 2022	Full year 2022
Net sales		8,538	11,542	19,672	22,697	43,202
Cost of goods sold		-5,910	-5,599	-11,559	-10,043	-21,178
Gross profit/loss		2,628	5,943	8,113	12,654	22,024
Selling expenses		-20	-15	-42	-27	-55
Administrative expenses		-134	-122	-282	-239	-515
Research and development expenses		-385	-283	-751	-496	-1,262
Other operating income		5	44	11	52	90
Other operating expenses		-29	-19	-34	-23	-59
Operating profit/loss		2,065	5,548	7,015	11,921	20,223
Profit/loss from financial items		961	127	1,178	-864	-624
Profit/loss after financial items		3,026	5,675	8,193	11,057	19,599
Appropriations		–	–	–	–	828
Profit/loss before tax		3,026	5,675	8,193	11,057	20,427
Tax		-430	-1,052	-1,494	-2,161	-3,981
Profit/loss for the period¹⁾		2,596	4,623	6,699	8,896	16,446

1) Profit/loss for the period corresponds to comprehensive income for the period.

Balance sheet

MSEK	Note	30 June 2023	30 June 2022	31 Dec 2022
ASSETS				
Non-current assets				
Intangible assets		1,221	863	866
Property, plant and equipment for operations		28,935	26,584	27,803
Property, plant and equipment for urban transformation		11,476	10,962	11,306
Financial assets				
Interests in subsidiaries		2,917	3,035	2,917
Interests in associates and jointly controlled entities		1,023	527	1,023
Receivables from subsidiaries		2,368	2,538	2,586
Other non-current securities		3,227	3,237	3,227
Other non-current receivables		93	96	93
Deferred tax asset		1,370	1,467	1,370
Total financial assets		10,998	10,900	11,216
Total non-current assets		52,630	49,309	51,191
Current assets				
Inventories		5,149	4,386	5,287
Current receivables				
Accounts receivable		2,317	2,843	3,063
Receivables from subsidiaries		626	544	644
Other current receivables		1,674	2,070	2,370
Prepaid expenses and accrued income		402	333	313
Total current receivables		5,020	5,790	6,390
Current investments		25,980	22,122	26,758
Cash and bank balances		2,141	3,931	2,081
Total current assets		38,290	36,229	40,516
TOTAL ASSETS		90,920	85,538	91,707

LKAB – Parent Company

Balance sheet

MSEK	Note	30 June 2023	30 June 2022	31 Dec 2022
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		700	700	700
Statutory reserve		697	697	697
Non-restricted equity				
Profit/loss brought forward		48,683	39,777	39,777
Profit/loss for the period		6,699	8,896	16,446
Total equity		56,779	50,070	57,620
Untaxed reserves		11,202	11,577	11,202
Provisions				
Provisions, urban transformation		11,180	11,797	10,615
Other provisions		1,661	1,527	1,664
Total provisions		12,841	13,324	12,279

MSEK	Note	30 June 2023	30 June 2022	31 Dec 2022
Non-current liabilities				
Bond loans		1,997	1,995	1,996
Liabilities to credit institutions		–	–	–
Other non-current liabilities		24	–	24
Total non-current liabilities		2,021	1,995	2,020
Current liabilities				
Liabilities to credit institutions		–	10	–
Trade payables		2,169	1,643	1,937
Liabilities to Group companies		738	852	721
Current tax liabilities		320	157	88
Other current liabilities		480	1,493	324
Accrued expenses and deferred income		2,196	1,726	1,961
Provisions, urban transformation		1,818	2,328	3,029
Other provisions		356	363	526
Total current liabilities		8,077	8,572	8,586
TOTAL EQUITY AND LIABILITIES		90,920	85,538	91,707

Notes

Note 1 Accounting policies

This interim report was prepared in accordance with IAS 34, Interim Financial Reporting, and applicable regulations in the Annual Accounts Act. Disclosures in accordance with IAS 34 are provided both in notes and elsewhere in the interim report. The Parent Company's financial reports are prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities.

All amounts are presented in SEK millions (MSEK) unless otherwise indicated. Rounding differences may occur. The English version of LKAB's interim report is a translation of the Swedish original version. In case of discrepancies, the Swedish version shall prevail.

The accounting policies and calculation methods applied in this interim report conform to the accounting policies applied in the preparation of the 2022 annual report. For further information concerning the Group's accounting policies refer to LKAB's Annual and Sustainability Report for 2022. New and amended standards and interpretations from the IASB are not assessed to have any material impact on the consolidated financial statements.

Note 2 Significant assumptions and estimates

The preparation of financial statements requires management and the Board of Directors to make assessments and assumptions that affect recognised assets, liabilities, income and expenses and other information provided, such as contingent liabilities. For further information concerning these, please refer to LKAB's Annual and Sustainability Report 2022.

Note 3 Segment reporting

Segment information is provided on pages 7–9 of the interim report.

The segments in summary

	Iron Ore		Special Products		Other		Eliminations/ group adjustments		Group	
	Q1–Q2 2023	Q1–Q2 2022	Q1–Q2 2023	Q1–Q2 2022	Q1–Q2 2023	Q1–Q2 2022	Q1–Q2 2023	Q1–Q2 2022	Q1–Q2 2023	Q1–Q2 2022
MSEK										
External income	19,308	22,242	2,047	2,188	-49	-79	–	–	21,306	24,351
Internal income	367	488	1,369	1,216	48	37	-1,784	-1,741	0	0
Total income	19,675	22,730	3,416	3,404	-1	-42	-1,784	-1,741	21,306	24,351
Operating profit/loss	7,744	12,443	292	256	-619	-442	25	-41	7,443	12,216
Net financial income/expense									1,878	-2,237
Profit/loss before tax									9,321	9,979

Note 4 Revenue breakdown

Revenue from contracts with customers for the segments is reported below broken down by product/service area and region. The table also includes a reconciliation between the revenue breakdown and total external income according to Note 3.

	Iron Ore		Special Products		Other		Group	
	Q1-Q2 2023	Q1-Q2 2022	Q1-Q2 2023	Q1-Q2 2022	Q1-Q2 2023	Q1-Q2 2022	Q1-Q2 2023	Q1-Q2 2022
MSEK								
Product/service area								
Pellets	17,206	19,583	–	–	–	–	17,206	19,583
Fines	1,739	2,301	–	–	–	–	1,739	2,301
Magnetite	–	–	715	698	–	–	715	698
Mineral sands	–	–	154	425	–	–	154	425
Other industrial minerals	–	–	865	844	–	–	865	844
Mining and construction services	–	–	312	221	–	–	312	221
Other	364	358	–	–	18	11	382	369
Total	19,308	22,242	2,047	2,188	18	11	21,373	24,441
Region								
Europe	13,313	15,385	1,387	1319	18	11	14,719	16,715
MENA	4,827	4,885	325	190	–	–	5,152	5,075
Rest of World	1,168	1,972	335	679	–	–	1,503	2,651
Total	19,308	22,242	2,047	2,188	18	11	21,373	24,441
Revenue from contracts with customers	19,308	22,242	2,047	2,188	18	11	21,373	24,441
Other income – financing activities	–	–	–	–	-68	-90	-68	-90
Total external income	19,308	22,242	2,047	2,188	-49	-79	21,306	24,351

Note 5 Disclosures regarding financial instruments

The table below shows the financial instruments measured at fair value in the statement of financial position.

Group 30 Jun 2023				
MSEK	Level 1	Level 2	Level 3	Total
Shares, financial assets	8,183	–	–	8,183
Equity-related investments	–	9,957	–	9,957
Interest-bearing instruments	–	18,108	–	18,108
Derivatives	–	6	–	6
Total	8,183	28,071	–	36,254

Group 30 Jun 2022				
MSEK	Level 1	Level 2	Level 3	Total
Shares, financial assets	4,705	–	–	4,705
Equity-related investments	–	8,079	–	8,079
Interest-bearing instruments	–	15,441	–	15,441
Derivatives	–	29	–	29
Total	4,705	23,549	–	28,254

Fair value measurement

The following summarises the methods and assumptions mainly used in determining the fair value of financial instruments reported in the table above. Disclosures relating to fair value measurement are based on a fair value hierarchy with three levels.

Level 1 means quoted prices in an active market, such as stock market listings. Level 2 means observable market data other than quoted prices, either direct (such as quoted prices) or indirect (derived from quoted prices). Level 3 means the fair value is determined using inputs that are not based on directly observable market data.

The measurement of fair value for current investments is based mainly on Level 2 inputs. The value of interest-bearing instruments is calculated using data from the interest-bearing securities market, obtained from Bloomberg. Shares and alternative investments are measured using inputs from the stock market or received directly from brokers. Fair values for derivatives are calculated based on official listings from Bloomberg with the exception of derivatives relating to the commodities portfolio, which are based on quoted market prices.

Fair value of other assets and liabilities

The carrying amount of other financial assets and liabilities is estimated to be a reasonable approximation of fair value.

Note 6 Pledged assets and contingent liabilities, Parent Company

Pledged assets

MSEK	30 Jun 2023	30 Jun 2022	31 Dec 2022
<i>As pledged assets for own liabilities and provisions</i>			
Company-owned endowment insurance	91	94	91
Deposit of cash and cash equivalents	113	112	112
Collateral provided, derivatives	160	742	152
Total pledged assets	364	948	355

Contingent liabilities

MSEK	30 Jun 2023	30 Jun 2022	31 Dec 2022
Guarantees, FPG/PRI	22	20	20
Guarantees, GP plan	3	3	3
Guarantees, Swedish Tax Agency	63	63	63
Surety given for subsidiaries	145	135	138
Collateral, remediation	259	262	261
Other surety	43	70	63
Total contingent liabilities	535	553	548

Note 7 Transactions with related parties

No transactions significantly affecting the company's financial position and earnings took place between LKAB and related parties.

Note 8 Events after the end of the reporting period

The tribunal at the European Court of Justice has delivered its judgment in the case concerning LKAB's exclusion from the benchmark for sintered ore in the Emissions Trading System (ETS). The Court found that the European Commission was not in error in rejecting LKAB's inclusion in the benchmark, according to the provisions of the ETS directive that were applicable at the time. LKAB is analysing the verdict and considering whether there are grounds for appeal.

Note 9 Key ratios – disclosures

Alternative performance measures

The company also presents certain non-IFRS financial benchmarks and key ratios in the interim report.

The management considers this supplementary information to be important if readers of this report are to obtain an understanding of the company's financial position and performance.

DEFINITIONS

Return on equity	Profit after tax, rolling 12 months, as a percentage of average equity.
Operating cash flow	Cash flow from operating activities and investing activities, excluding current investments.
Net financial indebtedness	Interest-bearing liabilities less interest-bearing assets.
Net debt/equity ratio	Net financial indebtedness divided by equity.

Operating cash flow

A reconciliation of operating cash flow can be found in the section *The LKAB Group in summary*.

Note 9 continued

Net financial indebtedness

MSEK	30 Jun 2023	30 Jun 2022	31 Dec 2022
Loans payable	2,450	2,459	2,473
Provisions for pensions	995	1,243	992
Provisions, urban transformation	12,998	14,125	13,644
Provisions, remediation	1,744	1,772	1,727
Less:			
Cash and cash equivalents	-2,842	-4,432	-3,191
Current investments	-27,826	-23,519	-27,393
Financial investments	-418	-415	-430
Net financial indebtedness	-12,899	-8,767	-12,178

Net debt/equity ratio

MSEK	30 Jun 2023	30 Jun 2022	31 Dec 2022
Net financial indebtedness	-12,899	-8,767	-12,178
Equity	73,436	62,791	71,320
Net debt/equity ratio, %	-17.6	-14.0	-17.1

Return on equity

MSEK	30 Jun 2023	30 Jun 2022	31 Dec 2022
Profit/loss after tax R12	14,623	16,997	15,080
Average equity	68,114	60,111	69,443
Return on equity, %	21.5	28.3	21.7

Note 10 Quarterly data for the Group

MSEK	Note	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Net sales		9,350	11,955	9,949	12,244	12,375	11,976	9,064	12,744
Operating profit/loss		2,257	5,186	2,673	5,909	5,719	6,497	2,815	7,769
Net financial income/ expense		1,345	533	269	-150	-546	-1,691	352	234
Profit/loss before tax		3,602	5,719	2,942	5,759	5,173	4,806	3,167	8,002
Profit/loss for the period		3,048	4,539	2,462	4,574	4,231	3,812	2,599	6,355
Costs for urban transformation provisions		-78	-46	-52	-321	-118	-55	-83	-148
Operating cash flow		3,519	3,163	304	3,336	5,370	1,146	1,637	7,430
Investments in property, plant and equipment		1,557	1,072	1,437	1,269	1,416	823	977	994
Deliveries of iron ore products, Mt		5.8	6.7	6.4	6.6	6.2	6.7	6.8	6.3
Proportion of pellets, %		81	90	79	83	82	86	78	80
Production of iron ore products, Mt		5.3	6.9	6.3	6.6	5.7	6.4	6.7	6.7
Return on equity ¹⁾ , %	10	21.5	20.9	21.7	23.1	28.3	31.6	39.0	42.3
Net debt/equity ratio ¹⁾ , %	10	-17.6	-21.0	-17.1	-17.4	-14.0	-22.1	-24.5	-20.4

1) At close of quarter.