

Q1 Interim Report

Profits significantly down due to derailments on the Iron Ore Line

Operating profit for the first quarter 2024 was down by SEK 3.8 billion and amounted to SEK 1.4 billion. This was a result of the stoppage on the Iron Ore Line, which prevented deliveries from being made. Consequently, operating cash flow was negative during the quarter at SEK -1.5 billion.



Operations in the first quarter

MSEK	Note	Q1 2024	Q1 2023	Full year 2023
Net sales	3, 4	5,471	11,955	42,923
Operating profit/loss		1,370	5,186	16,230
Net financial income/expense		813	533	2,928
Profit/loss before tax		2,183	5,719	19,158
Profit/loss for the period		1,743	4,539	15,220
Costs for urban transformation provisions		-57	-46	-400
Operating cash flow		-1,464	3,163	10,704
Capital expenditure on property, plant and equipment		682	1,072	5,442
Depreciation		-732	-744	-2,974
Deliveries of iron ore products, Mt		3.0	6.7	25.3
Proportion of pellets, %		95	90	84
Production of iron ore products, Mt		6.7	6.9	26.2
Return on equity, %	10	15.4	20.9	20.0
Net debt/equity ratio, %	10	-23.3	-21.0	-23.8

- **The delivery volume** was 3.0 (6.7) Mt, with pellets accounting for 95 (90) percent. The derailments in December and February caused the Iron Ore Line to come at a complete standstill between Kiruna and Narvik for 76 days in all.
- **The production volume** for the first quarter was 6.7 (6.9) Mt.
- **Operating profit** for the first quarter amounted to MSEK 1,370 (5,186). The reduced profit is due to lower deliveries as a result of the stoppage on the Iron Ore Line.

- **The average global spot price¹⁾** for iron ore products in the first quarter was flat compared with the same period the previous year at USD 124 (125) per tonne, which was USD 6 lower than in the fourth quarter of 2023. The price at the end of the first quarter was USD 103 per tonne. Quoted pellet premiums were in line with the same period the previous year.
- **Operating cash flow** for the first quarter amounted to MSEK -1,464 (3,163), mainly due to lower deliveries and stockpiling as a result of the standstill on the Iron Ore Line.
- **The return on equity** was 15.4 (20.9) percent.
- **The net debt/equity ratio** was -23.3 (-21.0) percent.

1) Platts IODEX 62% Fe CFR North China.

SEK 1.4 bn

Operating profit/loss

6.7 Mt

Produced during the quarter

3.0 Mt

Delivered during the quarter

LKAB – Group

Net sales and operating profit

Analysis of change in operating profit

MSEK	Q1
Operating profit 2023	5,186
Iron ore prices incl. hedging	-397
Currency effect, iron ore incl. hedging of accounts receivable	-5
Volume and mix, iron ore	-3,319
Volume, price and currency, industrial minerals	12
Costs for urban transformation provisions	-11
Depreciation	11
Other income and expenses	-107
Operating profit 2024	1,370

Sales for the first quarter totalled MSEK 5,471 (11,955). The lower sales are mainly due to lower deliveries as a result of the stoppage on the Iron Ore Line. The average global spot price¹⁾ for iron ore products for the first quarter was USD 124 (125) per tonne. Premiums for highly upgraded products were at the same level as in the same quarter last year.

Operating profit for the quarter was also significantly impacted by the low level of deliveries and amounted to MSEK 1,370 (5,186).

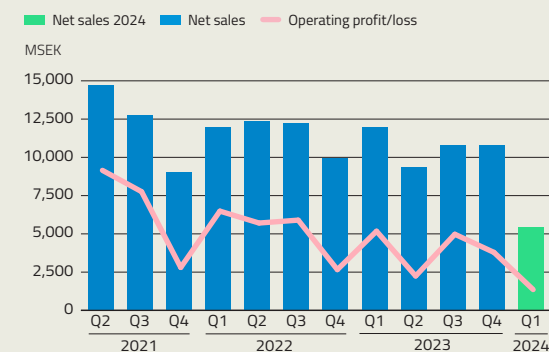
Cash flow

MSEK	Q1 2024	Q1 2023	Full year 2023
Operating profit ¹⁾	1,364	5,534	17,559
Expenditures, urban transformation	-583	-446	-1,829
Change in working capital	-1,569	-876	168
Capital expenditures (net)	-578	-1,049	-5,171
Acquisition of subsidiaries	-	-	-3
Acquisition/divestment of financial assets	-98	-	-20
Operating cash flow	-1,464	3,163	10,704

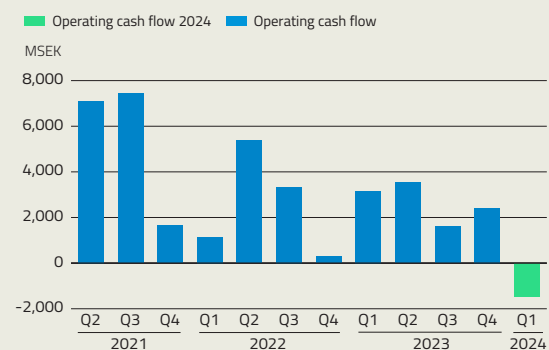
1) Operating profit adjusted for non-cash items and before costs for urban transformation provisions.

Operating cash flow for the quarter amounted to MSEK -1,464 (3,163). This was mainly due to lower earnings and increased working capital tied up as a result of higher inventories of finished goods in connection with the stoppage on the Iron Ore Line.

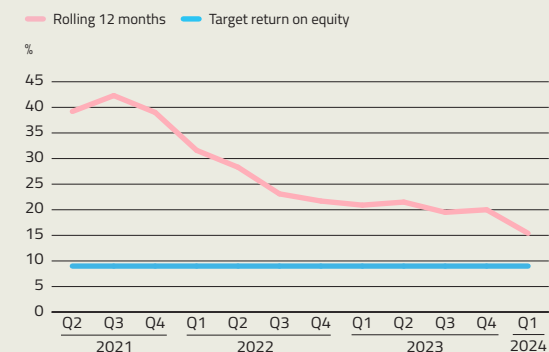
NET SALES AND OPERATING PROFIT/LOSS



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 first quarter was MSEK 813 (533). The good return is due to rising stock markets and falling interest rates.

The net debt/equity ratio was -23.3 (-21.0) percent.

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

Events during the quarter

Following the major derailment on the Iron Ore Line in mid-December 2023 the line was taken back into operation in mid-February, but had only been operating again for a few days when a new derailment put a stop to deliveries to Narvik.

In total, the derailments brought deliveries on the Iron Ore Line to a standstill for 76 days, which had a significant impact on profits and cash flow for the first quarter.

In November LKAB submitted a request that the government issue a planning directive in respect of the zoning plan for area 5:2 in eastern Malmberget. In February the municipal executive board in Gällivare Municipality approved a positive planning decision for the area in order to begin the planning process. LKAB's request for

a planning directive remains with the government awaiting further action on the planning matter by Gällivare Municipality.

The acquisition of Duroc Rail AB was completed in the first quarter.

Events after the end of the reporting period

Within the Emissions Trading System (ETS) the European Commission has taken a decision that iron ore pellets and sinter are to be included in the same benchmark for the period 2026–2030. This means that LKAB will be entitled to around six million more emission allowances for pellet production in 2026–2030. This is worth around SEK 4 billion at today's prices. At the same time, the appeal process begun in late 2023 – in which LKAB is appealing against the judgment by the tribunal at the European Court of Justice in the case concerning LKAB's exclusion from the benchmark for sintered ore for the period 2021–2025 – continues. 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 applicable at the time.

Outlook for 2024

As a consequence of the limited capacity on the Iron Ore Line, LKAB has decided to cut back production by around a million tonnes

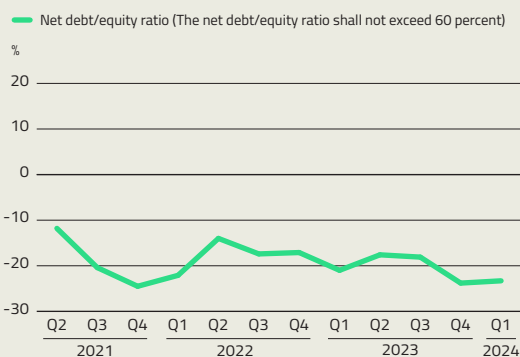
annually. Internal efforts are in progress to optimise deliveries on the Iron Ore Line. Dialogue is also taking place with the Swedish Transport Administration and the Norwegian railway administration BaneNor with a view to increasing availability on the Iron Ore Line. Unless sufficient delivery capacity can be ensured going forward there is a risk that there will be major consequences for LKAB – such as parts of the business being forced to shut down and lay off personnel. In parallel, work is taking place to adjust the cost level to falling volumes.

The price for highly upgraded iron ore products fell at the end of the first quarter. 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.

The urban transformation work is in an intensive phase, with the result that expenditure remains high.

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. This transformation continues to bring with it various challenges in respect of permitting issues, energy supply, the capacity of the Iron Ore Line and prevailing external conditions.

NET DEBT/EQUITY RATIO



RISKS AND RISK MANAGEMENT

Capacity on the Iron Ore Line continues to be one of LKAB's biggest challenges in ensuring both current and future delivery volumes. Production volumes have already had to be adjusted downwards, and unless sufficient capacity can be ensured going forward there is a risk that LKAB will be forced to shut down parts of the business. LKAB is in dialogue with the Swedish Transport Administration and the Norwegian railway administration BaneNor on this matter. At current prices the financial effects of restricting production by shutting down a pelletising plant, for example, would be a revenue loss of SEK 5 billion per year.

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 transformation 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 continues to present operational risks, among other things demonstrated

by the courts' decision to reject the application for a new permit for the operations in Kiruna and the difficulty in establishing a schedule for and making progress in the permitting process for the operations in Gällivare. Alongside the collective permit evaluation procedures in Kiruna and Gällivare, 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.

LKAB is also monitoring developments relating to the permitting process at Heidelberg Materials (formerly Cementa), which has a time-limited permit and has applied for a new extraction permit. As a dominant supplier, an interruption in its production could have very serious consequences for LKAB's production. LKAB is analysing the risk 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

	Q1 2024	Full year 2023	Goal for 2026	Goal for 2030
Stable and efficient operations¹				
Net debt/equity ratio (%)	-23.3	-23.8	<60	<60
Return on equity ² (%)	15.4	20.0	>9	>9
Dividend (%)	–	50 ³	40–60	40–60
Climate-efficient sustainable transformation				
Energy use ³ (kWh/t FP)	168	165	162	154
Carbon emissions ² (kt)	664	645	608	536
Biodiversity ⁴	–	–	–	–
Safe, healthy and stimulating workplace				
Lost time accidents ^{2,5} (per million hrs)	5.7	6.3	4.0	2.0
Long-term sick leave ² (%)	0.7	0.7	0.8	0.8
Women in the workforce (%)	27	27	30	– ⁶
Women managers (%)	30	29	30	– ⁶

1) The current financial targets were established by the general meeting held in October 2021.

2) For rolling 12 months.

3) The Board's proposal to the Annual General Meeting regarding dividend for 2023.

4) For a description of the goals and status see the section Biodiversity and the analysis on the right.

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

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

For more information on the strategic goals for sustainable value creation see LKAB's Annual and Sustainability Report 2023, page 18.

Energy use in kWh per tonne of finished product increased somewhat during the first quarter, mainly as a result of increased use of coal and fuel oil due to increased pellet production, amounting at the end of the quarter to an annual rate of 168 (165) kWh per tonne of finished product.

Carbon emissions after the first quarter amounted to 664 (645) kt, mainly due to increased use of coal and fuel oil. The use of biofuels has reduced carbon emissions over time and continued analysis work is taking place regarding possible choices of technology to achieve further reductions.

The accident rate decreased in the first quarter and amounted to 5.7 (6.3) for the rolling 12 months. Safe and healthy workplaces are crucial if LKAB is to be sustainable long-term. Group-wide work on the safety culture, aimed at increasing awareness among managers, co-workers and suppliers, is taking place with a view to preventing serious incidents and accidents.

The percentage of women in the workforce at the end of the first quarter was 27 (27) percent, while among management the percentage of women was 30 (29) percent.

Efforts to create the conditions for biodiversity improvement are progressing according to plan. An inventory of nature values has been taken in order to assess both the current position and benchmark values. Methods for measuring biodiversity have been produced and work on biodiversity plans has begun.

CARBON EMISSIONS AND ENERGY USE

In 2021 LKAB's strategic goals, including environmental and climate-related goals, were updated.

The goal for carbon dioxide is to reduce emissions in line with the Paris Agreement to well below 2°C. The goal for 2030 is a 25 percent decrease in LKAB's carbon emissions (Scope 1–2) compared with 2020, with an interim goal of a 15 percent decrease in emissions by 2026.

The goal for energy is to reduce energy use by 10 percent by 2030 and by 5 percent by 2026 compared with 2021. Energy intensity is calculated based on energy use for the entire Group in relation to iron ore products produced.

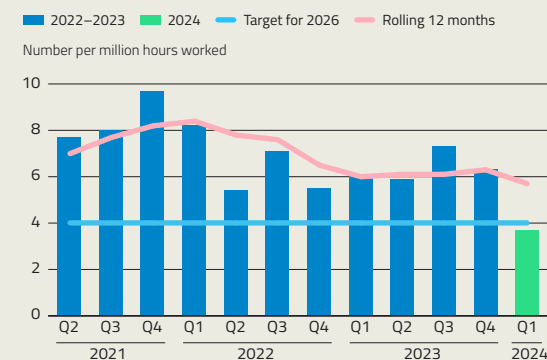
BIODIVERSITY

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

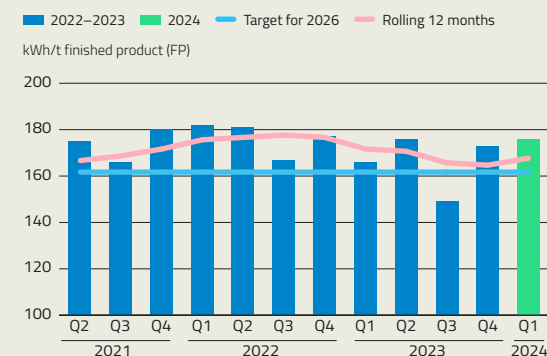
Biodiversity refers to the variety of nature, including plants, fungi and animals along with their different habitats, both on land and in water.

LKAB is following Svemin's biodiversity road map, with the aim of contributing to a biodiversity net gain in the regions where we operate by 2030. The interim goal for 2026 is for LKAB to have established a systematic approach to working for increased biodiversity.

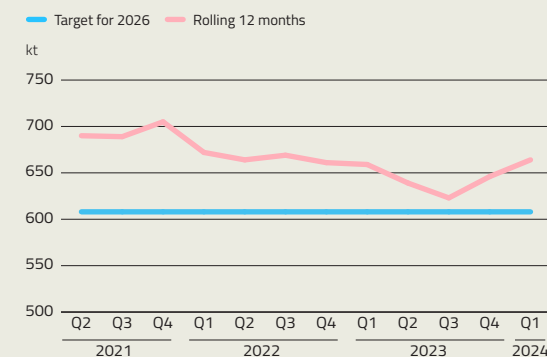
INJURIES



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.

LKAB has submitted an application for environmental permits required to begin the transformation in Gällivare. In addition to continued mining and upgrading activities, the application includes the establishment of a first demo plant for producing fossil-free sponge iron using the HYBRIT method and an apatite plant for extracting phosphorus and rare earth elements from current waste streams. The transformation in Sweden is still being hindered by time-consuming and unpredictable permitting processes. We have already been forced to put back the schedule for the demo plant until the end of 2027 and there is a great risk that it will be pushed back into 2028. Current permitting processes thus continue to be one of LKAB's greatest challenges.

Further good results were presented during the quarter in respect of the development of mineral resources and mineral reserves. The intensive exploration work carried out in recent years means that mineral reserves amount to 1.1 billion tonnes and mineral resources to 4.6 billion tonnes, which represents a 43 percent increase in mineral resources compared with 2022. To put this in perspective, 2 billion tonnes have been mined since LKAB was established in 1890.

To be able to realise the investments ahead of us in the coming years and utilise the huge mineral resources that we have, reliable deliveries and stable revenues will be crucial. Optimising the use of the Iron Ore Line and structural changes are both necessary. SSAB's recent investment decision to transform its operations in Luleå confirms the need for us to also transform our operations in Gällivare.



Market development

The steel and iron ore market

The global steel and iron ore industry

Industrial production continued to decrease in mature economies during the first quarter. Construction and industrial production in the EU decreased compared with the previous year, while in the USA construction investments were stable but industrial production decreased. Industrial production increased in emerging economies and in China. Investments in infrastructure increased in China, but investments in the property sector are assessed to have fallen.

Global crude steel production increased by nearly 1 percent compared with the first quarter last year, driven by rising production in India and other emerging economies.

In the EU and North America crude steel production decreased somewhat compared with last year's first quarter but production in March was higher than in January and February. Global production in blast furnaces decreased somewhat from last year's first quarter, and the level remained lower than normal in the EU, North America and China.

Global demand for iron ore is assessed to have been at the same level as the first quarter last year but at the same time supply increased more, which resulted in prices for fines falling.

Despite blast furnaces in the EU being started up again, capacity utilisation was lower than normal. The lower level of capacity utilisation, combined with the fact that steel producers have prioritised lower-grade iron raw materials, resulted in falling demand for pellets. Demand for DR pellets in the Middle East continued to develop positively.

Iron ore spot price developments

The spot price IODEX 62% Fe for fines varied between USD 100 and 144 per tonne in the first quarter, ending the quarter at USD 103 per tonne. The average price for the first quarter was USD 124 (125) per tonne compared with USD 128 per tonne in the fourth quarter of 2023.

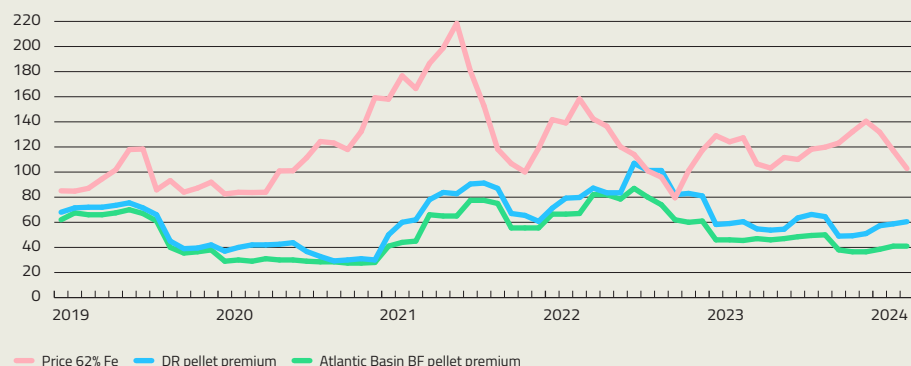
The dollar was unchanged against the Swedish krona when compared with the first quarter last year, and was two percent weaker than in the preceding quarter.

Quoted premiums for blast furnace pellets and DR pellets increased from the previous quarter. The average level of the blast furnace premium was USD 40 (48) per tonne in the first quarter compared with USD 37 per tonne in the fourth quarter of 2023. The premium for DR pellets averaged USD 59 (59) per tonne in the first quarter compared with USD 50 per tonne in the preceding quarter.

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

1 January 2019 – 31 March 2024

USD per tonne

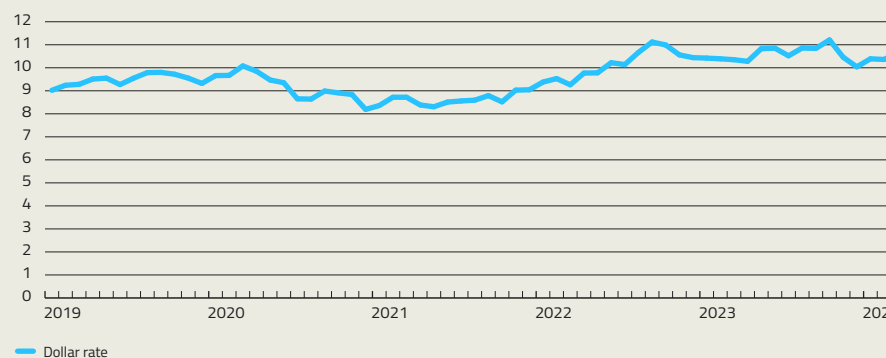


Source: PLATTS

CHANGES IN THE DOLLAR EXCHANGE RATE

1 January 2019 – 31 March 2024

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.

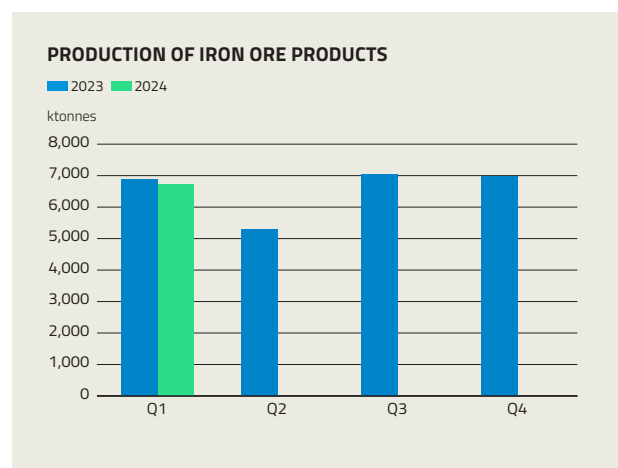
Operations summary

MSEK	Note	Q1 2024	Q1 2023	Full year 2023
Net sales	3, 4	4,762	11,068	39,556
Operating profit/loss		1,611	5,289	16,484
Costs for urban transformation provisions		-57	-46	-400
Capital expenditure on property, plant and equipment		548	1,026	5,036
Depreciation		-633	-655	-2,601
Deliveries of iron ore products, Mt		3.0	6.7	25.3
Proportion of pellets, %		95	90	84
Production of iron ore products, Mt		6.7	6.9	26.2

In December 2023 a major derailment took place between Kiruna and Narvik, bringing the Iron Ore Line to a standstill for two months. The railway had only been back in operation for a few days when a new derailment once again put a stop to deliveries to Narvik. In total, the derailments prevented deliveries on the Iron Ore Line for 76 days. The delivery volume for the quarter amounted to

3.0 (6.7) Mt. Due to the delivery problems pellets were prioritised over fines and the pellet share for the quarter was 95 (90) percent. The production volume amounted to 6.7 (6.9) Mt.

Sales were affected mainly by the low delivery volumes and amounted to MSEK 4,762 (11,068) for the quarter. Operating profit amounted to MSEK 1,611 (5,289).



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 orebodies, 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 Malmbanan 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	Q1 2024	Q1 2023	Full year 2023
Net sales	3, 4	1,439	1,572	6,944
Operating profit/loss		110	120	640
Capital expenditure on property, plant and equipment		47	11	208
Depreciation		-72	-66	-273

Net sales for the first quarter amounted to MSEK 1,439 (1,572). The decrease is mainly due to a lower sales volume for industrial minerals and a lower quantity of crushed ore. Operating profit for the quarter amounted to MSEK 110 (120) and the operating margin was in line with the same period last year, amounting to 8 percent.

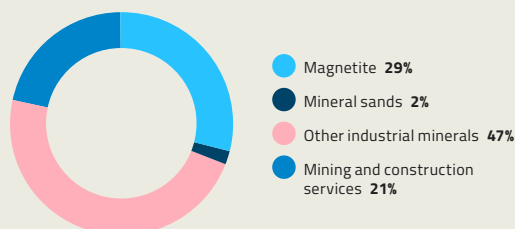


FACTS

- 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.

SALES BY PRODUCT AREA AND SERVICE AREA

Percentage of external sales (MSEK)
January–March 2024



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	Q1 2024	Q1 2023	Full year 2023
Net sales excl. hedging		33	49	123
Net sales hedging		-112	22	111
Total net sales	3, 4	-79	71	234
Operating profit/loss		-338	-290	-935
Capital expenditure on property, plant and equipment		88	34	198
Depreciation		-28	-23	-103

The operating result for the first quarter was affected mainly by currency hedging on outstanding accounts receivable and amounted to MSEK -338 (-290).

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	Q1 2024	Q1 2023	Full year 2023
Net sales		4,686	11,134	39,769
Operating profit/loss		1,260	4,950	15,294
Costs for urban transformation provisions		-57	-46	-400
Capital expenditure on property, plant and equipment		594	1,024	5,067
Depreciation		-557	-576	-2,324
Deliveries of iron ore products, Mt		3.0	6.7	25.3
Production of iron ore products, Mt		6.7	6.9	26.2

Signatures

Luleå, 25 April 2024
Luossavaara-Kiirunavaara AB (publ)

Jan Moström
President and CEO

Financial information

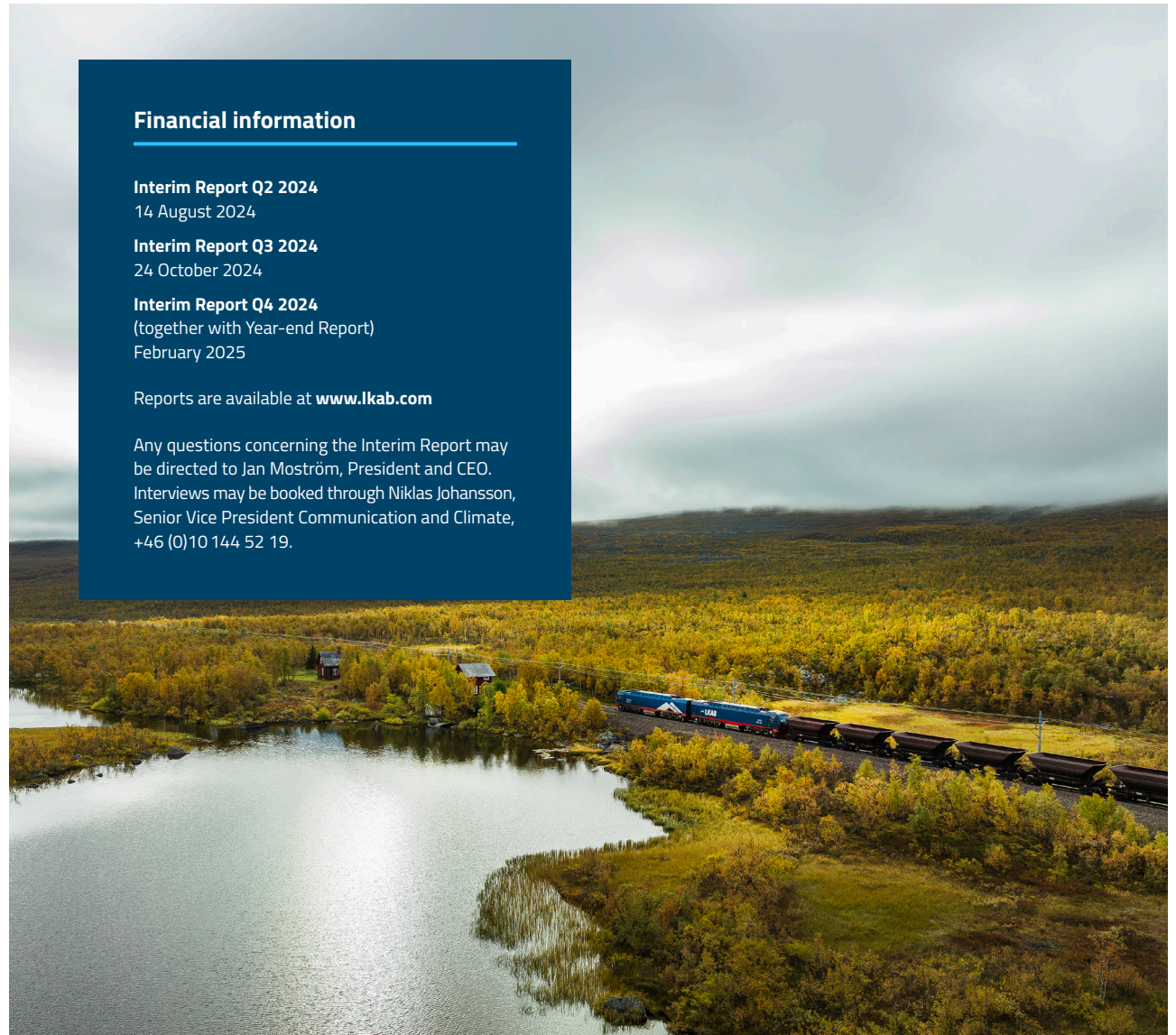
Interim Report Q2 2024
14 August 2024

Interim Report Q3 2024
24 October 2024

Interim Report Q4 2024
(together with Year-end Report)
February 2025

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	Q1 2024	Q1 2023	Full year 2023
Net sales	3, 4	5,471	11,955	42,923
Cost of goods sold ¹⁾		-3,509	-6,140	-23,895
Gross profit/loss		1,962	5,815	19,028
Selling expenses ¹⁾		-48	-54	-420
Administrative expenses		-188	-226	-815
Research and development expenses		-286	-377	-1,523
Other operating income		112	124	491
Other operating expenses		-162	-85	-452
Share of profit of joint ventures		-20	-11	-79
Operating profit/loss	3	1,370	5,186	16,230
Financial income		895	603	3,220
Financial expense		-82	-70	-292
Net financial income/expense		813	533	2,928
Profit/loss before tax		2,183	5,719	19,158
Tax		-440	-1,180	-3,938
Profit/loss for the period		1,743	4,539	15,220
Profit for the period attributable to:				
Parent company shareholders		1,739	4,537	15,206
Non-controlling interests		4	2	14
Earnings per share before and after dilution (SEK)		2,484	6,482	21,723
Number of shares		700,000	700,000	700,000

1) A reclassification between cost of goods sold and selling expenses has taken place from 2024. Comparative figures have been adjusted to reflect the change.

Statement of comprehensive income

MSEK	Note	Q1 2024	Q1 2023	Full year 2023
Profit/loss for the period		1,743	4,539	15,220
Other comprehensive income for the period				
Items that will not be reclassified to profit/loss for the year				
Remeasurement of defined-benefit pension plans		275	0	-323
Tax attributable to actuarial gains and losses		-57	0	67
Changes for the period in the fair value of equity instruments measured at fair value through other comprehensive income		218	2,120	2,307
		436	2,120	2,051
Items that have been or may subsequently be reclassified to profit or loss for the year				
Translation differences for foreign operations		90	-117	-193
Changes in fair value of cash flow hedges		-1	-4	2
Changes in fair value of cash flow hedges transferred to profit/loss for the year		-3	4	4
Tax attributable to components of cash flow hedges		1	0	-1
		87	-117	-188
Other comprehensive income for the period		523	2,003	1,863
Comprehensive income for the period		2,266	6,543	17,083
Comprehensive income for the period attributable to:				
Parent company shareholders		2,262	6,541	17,070
Non-controlling interests		4	2	14

LKAB – Group

Statement of financial position

MSEK	Note	31 Mar 2024	31 Mar 2023	31 Dec 2023
ASSETS				
Non-current assets				
Intangible assets		2,466	2,491	2,425
Property, plant and equipment for operations		35,572	33,773	35,615
Property, plant and equipment for urban transformation		10,643	11,443	10,678
Interests in associates and joint ventures		746	721	669
Financial investments	6	8,987	8,564	8,758
Non-current receivables		2	2	2
Deferred tax asset		6	7	5
Total non-current assets		58,422	57,001	58,152
Current assets				
Inventories		9,173	5,805	6,755
Accounts receivable		2,124	4,531	3,420
Prepaid expenses and accrued income		597	487	517
Other current receivables		1,808	2,228	2,283
Current investments	6	32,802	26,524	31,249
Cash and cash equivalents		2,403	7,962	4,572
Total current assets		48,907	47,537	48,796
TOTAL ASSETS		107,329	104,538	106,948

MSEK	Note	31 Mar 2024	31 Mar 2023	31 Dec 2023
EQUITY AND LIABILITIES				
Equity				
Share capital		700	700	700
Reserves		5,212	4,790	4,907
Retained earnings incl. profit/loss for the period		77,156	72,331	75,199
Equity attributable to Parent Company shareholders		83,068	77,821	80,807
Non-controlling interests		58	42	54
Total equity		83,126	77,863	80,861
Non-current liabilities				
Non-current interest-bearing liabilities		464	2,365	2,410
Other non-current liabilities		56	56	56
Provisions for pensions and similar commitments		874	959	1,170
Provisions, urban transformation		9,248	10,849	9,159
Other provisions		1,716	1,656	1,703
Deferred tax liabilities		1,955	1,477	1,740
Total non-current liabilities		14,313	17,362	16,238
Current liabilities				
Current interest-bearing liabilities		2,083	84	89
Trade payables		2,473	1,972	2,411
Tax liabilities		20	703	718
Other current liabilities		153	621	510
Accrued expenses and deferred income		2,488	3,128	3,046
Provisions, urban transformation		1,875	2,562	2,449
Other provisions		798	243	626
Total current liabilities		9,890	9,313	9,848
Total liabilities		24,203	26,675	26,087
TOTAL EQUITY AND LIABILITIES		107,329	104,538	106,948

LKAB – Group

Statement of changes in equity

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	–	–	–	–	15,206	15,206	14	15,220
Other comprehensive income for the year	–	-193	2308	5	-257	1,863	–	1,863
Comprehensive income for the year	–	-193	2308	5	14,949	17,069	14	17,083
Dividend	–	–	–	–	-7,543	-7,543	–	-7,543
Closing equity 31 Dec 2023	700	-195	5,100	2	75,199	80,807	54	80,861

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	–	–	–	–	4,537	4,537	2	4,539
Other comprehensive income for the year	–	-117	2,120	0	–	2,003	–	2,003
Comprehensive income for the year	–	-117	2,120	0	4,537	6,541	2	6,543
Dividend	–	–	–	–	–	0	–	0
Closing equity 31 Mar 2023	700	-119	4,912	-3	72,330	77,820	42	77,863

2024 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 2024	700	-195	5,100	2	75,199	80,807	54	80,861
Profit/loss for the year	–	–	–	–	1,739	1,739	4	1,743
Other comprehensive income for the year	–	90	218	-3	218	523	–	523
Comprehensive income for the year	–	90	218	-3	1,957	2,262	4	2,266
Dividend	–	–	–	–	–	0	–	0
Closing equity 31 Mar 2024	700	-105	5,318	-1	77,156	83,068	58	83,126

LKAB – Group

Statement of cash flows

MSEK	Q1 2024	Q1 2023	Full year 2023
Operating activities			
Profit/loss before tax	2,183	5,719	19,158
Adjustment for items not included in cash flow	240	317	1,326
Income tax paid	-1,059	-495	-2,904
Expenditures, urban transformation	-583	-446	-1,829
Expenditures, other provisions	0	-7	-23
Cash flow from operating activities before changes in working capital	781	5,088	15,730
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in inventories	-2,419	400	-550
Increase (-)/Decrease (+) in operating receivables	1,471	-857	378
Increase (+)/Decrease (-) in operating liabilities	-621	-419	340
Change in working capital	-1,569	-876	168
Cash flow from operating activities	-788	4,212	15,898
Investing activities			
Acquisition of property, plant and equipment	-682	-1,072	-5,442
Government investment grants	70	21	20
Disposal of property, plant and equipment	34	2	251
Acquisition of subsidiaries	-	-	-3
Acquisition of other financial assets – operating	-98	-	-20
Disposal of other financial assets – operating	-	-	-
Acquisition/disposal of other financial assets – non-operating	-	-	-
Disposals/acquisitions (net) in current investments	-687	1,634	-1,754
Cash flow from investing activities	-1,363	585	-6,948
Financing activities			
Repurchase agreements	-	-	-
Repayments	-	-	75
Borrowing	-13	-5	-3
Repayment of lease liabilities	-24	-22	-90
Dividend paid to Parent Company shareholder	-	-	-7,540
Dividend paid to non-controlling interests	-	-	-3
Cash flow from financing activities	-37	-27	-7,561

MSEK	Q1 2024	Q1 2023	Full year 2023
Cash flow for the period	-2,188	4,770	1,389
Cash and cash equivalents at start of period	4,572	3,191	3,191
Exchange difference in cash and cash equivalents	19	1	-8
Cash and cash equivalents at end of period	2,403	7,962	4,572
Change in cash and cash equivalents	-2,188	4,770	1,389
Sub-components of cash and cash equivalents			
Cash and bank balances	1,804	3,768	3,897
Current investments (maturity <90 days)	599	4,194	675
Cash and cash equivalents	2,403	7,962	4,572
Consolidated operating cash flow			
Cash flow from operating activities	-788	4,212	15,898
Acquisition of property, plant and equipment	-682	-1,072	-5,442
Government investment grants	70	21	20
Disposal of property, plant and equipment	34	2	251
Acquisition of subsidiaries	-	-	-3
Acquisition/disposal of other financial assets – operating	-98	-	-20
Operating cash flow (excluding current investments)	-1,464	3,163	10,704
Acquisition/disposal of other financial assets – non-operating	-	-	0
Disposals/acquisitions (net) in current investments	-687	1,634	-1,754
Cash flow after investing activities	-2,151	4,797	8,948
Cash flow from financing activities	-37	-27	-7,560
Cash flow for the period	-2,188	4,770	1,389

Employees

MSEK	Q1 2024	Q1 2023	Full year 2023
Average number of employees	4,926	4,845	4,640
– of which women	1,311	1,263	1,246
– of which men	3,615	3,582	3,394

LKAB – Parent Company

Income statement

MSEK	Note	Q1 2024	Q1 2023	Full year 2023
Net sales		4,686	11,134	39,769
Cost of goods sold ¹⁾		-2,998	-5,654	-22,103
Gross profit/loss		1,688	5,480	17,666
Selling expenses ¹⁾		-7	-17	-266
Administrative expenses		-120	-148	-544
Research and development expenses		-277	-367	-1,525
Other operating income		22	6	55
Other operating expenses		-46	-4	-92
Operating profit/loss		1,260	4,950	15,294
Profit/loss from financial items		133	217	2,389
Profit/loss after financial items		1,393	5,167	17,684
Appropriations		-	-	1,341
Profit/loss before tax		1,393	5,167	19,024
Tax		-275	-1,064	-3,883
Profit/loss for the period²⁾		1,118	4,103	15,142

1) A reclassification between cost of goods sold and selling expenses has taken place from 2024. Comparative figures have been adjusted to reflect the change.

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

Balance sheet

MSEK	Note	31 Mar 2024	31 Mar 2023	31 Dec 2023
ASSETS				
Non-current assets				
Intangible assets		1,222	1,221	1,222
Property, plant and equipment for operations		30,091	28,246	30,193
Property, plant and equipment for urban transformation		10,643	11,443	10,679
Financial assets				
Interests in subsidiaries		2,921	2,917	2,921
Interests in associates and jointly controlled entities		1,140	1,023	1,043
Receivables from Group companies		2,277	2,363	2,275
Other non-current securities		3,227	3,227	3,226
Other non-current receivables		86	93	86
Deferred tax asset		886	1,370	886
Total financial assets		10,537	10,993	10,437
Total non-current assets		52,493	51,903	52,531
Current assets				
Inventories		8,240	4,953	5,771
Current receivables				
Accounts receivable		1,501	3,900	2,792
Receivables from Group companies		281	420	615
Other current receivables		1,706	2,141	2,120
Prepaid expenses and accrued income		473	405	433
Total current receivables		3,961	6,866	5,960
Current investments		30,681	29,017	29,918
Cash and bank balances		1,474	3,411	3,533
Total current assets		44,356	44,247	45,182
TOTAL ASSETS		96,849	96,150	97,713

LKAB – Parent Company

Balance sheet

MSEK	Note	31 Mar 2024	31 Mar 2023	31 Dec 2023
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		700	700	700
Statutory reserve		697	697	697
Non-restricted equity				
Profit/loss brought forward		63,825	56,223	48,683
Profit/loss for the period		1,118	4,103	15,142
Total equity		66,340	61,723	65,222
Untaxed reserves		10,277	11,202	10,277
Provisions				
Provisions, urban transformation		9,248	10,849	9,159
Other provisions		1,728	1,661	1,728
Total provisions		10,976	12,510	10,887

MSEK	Note	31 Mar 2024	31 Mar 2023	31 Dec 2023
Non-current liabilities				
Bond loans		0	1,996	1,998
Liabilities to credit institutions		–	–	24
Other non-current liabilities		24	24	
Total non-current liabilities		24	2,020	2,022
Current liabilities				
Liabilities to credit institutions		1,998	–	–
Trade payables		2,015	1,425	1,955
Liabilities to Group companies		657	705	651
Current tax liabilities		–	684	679
Other current liabilities		13	498	371
Accrued expenses and deferred income		1,875	2,578	2,574
Provisions, urban transformation		1,875	2,562	2,449
Other provisions		799	243	626
Total current liabilities		9,232	8,695	9,305
TOTAL EQUITY AND LIABILITIES		96,849	96,150	97,713

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 have been 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 2023 annual report. For further information concerning the Group's accounting policies refer to LKAB's Annual and Sustainability Report for 2023. 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 2023.

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 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023
MSEK										
External income	4,713	11,026	865	883	-107	46	–	–	5,471	11,955
Internal income	49	42	574	689	28	25	-651	-756	0	0
Total income	4,762	11,068	1,439	1,572	-79	71	-651	-756	5,471	11,955
Operating profit/loss	1,611	5,289	110	120	-338	-290	-13	67	1,370	5,186
Net financial income/expense									813	533
Profit/loss before tax									2,183	5,719

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.

MSEK	Iron Ore		Special Products		Other		Group	
	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023
Product/service area								
Pellets	4,540	10,052	–	–	–	–	4,540	10,052
Fines	50	788	–	–	–	–	50	788
Magnetite	–	–	255	252	–	–	255	252
Mineral sands	–	–	19	58	–	–	19	58
Other industrial minerals	–	–	408	442	–	–	408	442
Mining and construction services	–	–	183	131	–	–	183	131
Other	123	186	–	–	5	25	128	211
Total	4,713	11,026	865	883	5	25	5,583	11,934
Region								
Europe	3,984	7,366	639	626	5	25	4,628	8,017
MENA	534	2,991	97	110	–	–	631	3,101
Rest of World	195	669	129	147	–	–	324	816
Total	4,713	11,026	865	883	5	25	5,583	11,934
Revenue from contracts with customers	4,713	11,026	865	883	5	25	5,583	11,934
Other income – financing activities	–	–	–	–	-112	21	-112	21
Total external income	4,713	11,026	865	883	-107	46	5,471	11,955

Note 5 Acquisition of associated company

Acquisition of associated company

On 19 February 2024 LKAB acquired 49 percent of the shares in Duroc Rail AB from the Duroc AB group of companies, which retains a majority 51 percent stake. Duroc Rail is a certified actor combining unique expertise in wheel maintenance for locomotives and freight cars with experience of the climate in northern Sweden.

LKAB is entering into this partnership to ensure that Duroc Rail remains and develops in Luleå, since high capacity and availability on the Iron Ore Line are business-critical. Transport by rail is entirely dependent on functioning maintenance of rail wheels.

The transaction is a further step in LKAB's strengthening of capacity and flexibility in order to deal with the growing challenges of the Iron Ore Line.

The purchase consideration was MSEK 79 and has been paid in cash. Work to complete the usual purchase price allocation is under way.

Note 6 Disclosures regarding financial instruments

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

Group 31 Mar 2024 MSEK	Level 1	Level 2	Level 3	Total
Shares, financial assets	8,537	7	–	8,544
Equity-related investments	–	10,432	–	10,432
Interest-bearing instruments	–	22,370	–	22,370
Derivatives	–	-20	–	-20
Total	8,537	32,789	0	41,326

Group 31 Mar 2023 MSEK	Level 1	Level 2	Level 3	Total
Shares, financial assets	8,132	–	–	8,132
Equity-related investments	–	9,917	–	9,917
Interest-bearing instruments	–	20,801	–	20,801
Derivatives	–	-20	–	-20
Total	8,132	30,698	0	38,830

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 7 Pledged assets and contingent liabilities, Parent Company

Pledged assets

MSEK	31 Mar 2024	31 Mar 2023	31 Dec 2023
<i>As pledged assets for own liabilities and provisions</i>			
Company-owned endowment insurance	84	91	84
Cash deposits	116	113	116
Collateral provided, derivatives	150	105	147
Total pledged assets	350	309	347

Contingent liabilities

MSEK	31 Mar 2024	31 Mar 2023	31 Dec 2023
Guarantees, FPG/PRI	24	22	22
Guarantees, GP plan	3	3	3
Guarantees, Swedish Tax Agency	63	63	63
Guarantees, Vattenfall	157		
Surety given for subsidiaries	147	142	137
Collateral, remediation	252	259	254
Other surety	15	56	19
Loan commitments to associates	394	–	395
Total contingent liabilities	1,055	546	893

Note 8 Transactions with related parties

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

Note 9 Events after the end of the reporting period

Within the Emissions Trading System (ETS), the European Commission has taken a decision that iron ore pellets and sinter are to be included in the same benchmark for the period 2026–2030. This means that LKAB will be entitled to around six million more emission allowances for pellet production in 2026–2030. The value of this is around SEK 4 billion at today's prices.

Note 10 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*.

Net financial indebtedness

MSEK	31 Mar 2024	31 Mar 2023	31 Dec 2023
Loans payable	2,547	2,449	2,499
Provisions for pensions	874	959	1,170
Provisions, urban transformation	11,123	13,411	11,608
Provisions, remediation	1,714	1,733	1,701
Less:			
Cash and cash equivalents	-2,403	-7,962	-4,572
Current investments	-32,802	-26,524	-31,249
Financial investments	-442	-425	-431
Net financial indebtedness	-19,389	-16,359	-19,274

Net debt/equity ratio

MSEK	31 Mar 2024	31 Mar 2023	31 Dec 2023
Net financial indebtedness	-19,389	-16,359	-19,274
Equity	83,126	77,863	80,861
Net debt/equity ratio, %	-23.3	-21	-23.8

Return on equity

MSEK	31 Mar 2024	31 Mar 2023	31 Dec 2023
Profit/loss after tax R12	12,423	15,807	15,220
Average equity	80,495	75,483	76,090
Return on equity, %	15.4	20.9	20.0

Note 11 Quarterly data for the Group

MSEK	Note	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Net sales		5,471	10,798	10,819	9,350	11,955	9,949	12,244	12,375
Operating profit/loss		1,370	3,800	4,987	2,257	5,186	2,673	5,909	5,719
Net financial income/ expense		813	986	65	1,345	533	269	-150	-546
Profit/loss before tax		2,183	4,786	5,052	3,602	5,719	2,942	5,759	5,173
Profit/loss for the period		1,743	3,632	4,001	3,048	4,539	2,462	4,574	4,231
Costs for urban transformation provisions		-57	-56	-221	-78	-46	-52	-321	-118
Operating cash flow		-1,464	2,412	1,608	3,519	3,163	304	3,336	5370 ¹
Investments in property, plant and equipment		682	1,571	1,244	1,557	1,072	1,437	1,269	1,416
Deliveries of iron ore products, Mt		3	6.5	6.3	5.8	6.7	6.4	6.6	6.2
Proportion of pellets, %		95	82	82	81	90	79	83	82
Production of iron ore products, Mt		6.7	7.0	7.0	5.3	6.9	6.3	6.6	5.7
Return on equity ¹⁾ , %	10	15.4	20.0	19.5	21.5	20.9	21.7	23.1	28.3
Net debt/equity ratio ¹⁾ , %	10	-23.3	-23.8	-18.1	-17.6	-21.0	-17.1	-17.4	-14.0

1) Rolling 12 months.