

# Q4 2024 Year-end Report

## All production plants in operation again after a challenging year

LKAB is ending 2024 with high deliveries and with all plants up and running again at the end of the quarter following extensive maintenance measures. Operating profit for the full year, which amounted to SEK 9 billion, was negatively impacted by lower iron ore prices, low production and the long stoppage on the Iron Ore Line at the beginning of the year.



### Operations in the fourth quarter

MSEK	Note	Q4 2024	Q4 2023	Full year 2024	Full year 2023
Net sales	3, 4	9,451	10,798	33,146	42,923
Operating profit/loss		2,619	3,800	8,722	16,230
Net financial income/expense		17	986	2,229	2,928
Profit/loss before tax		2,636	4,786	10,951	19,158
<b>Profit/loss for the period</b>		<b>2,069</b>	<b>3,632</b>	<b>8,773</b>	<b>15,220</b>
Costs for urban transformation provisions		-66	-56	-313	-400
Operating cash flow		653	2,412	1,740	10,704
Capital expenditure on property, plant and equipment		1,849	1,571	5,408	5,442
Depreciation		-852	-749	-3,023	-2,974
Deliveries of iron ore products, Mt		6.7	6.5	21.9	25.3
Proportion of pellets, %		87	82	87	84
Production of iron ore products, Mt		5.7	7.0	22.7	26.2
Return on equity, %	9			11.0	20.0
Net debt/equity ratio, %	9			-15.5	-23.8

- **The delivery volume** for the fourth quarter was 6.7 (6.5) Mt, with pellets accounting for 87 (82) percent. A combination of proactive efforts, cooperation with other players on the Iron Ore Line and high inventory levels enabled a good level of deliveries to be achieved despite lower production volumes.
- **The production volume** for the fourth quarter was 5.7 (7.0) Mt. Production disruptions from previous quarters had an impact, with continued production shutdowns for remedial measures in affected plants. At the end of the quarter all the plants were once again in full production.
- **Operating profit** for the fourth quarter was MSEK 2,619 (3,800), the decrease being mainly due to lower iron ore prices.
- **The average global spot price<sup>1)</sup>** for iron ore products in the fourth quarter was lower than in the same period in the previous year and amounted to USD 103 (129) per tonne, which was USD 3 higher than in the third quarter of 2024. The price fell towards the end of the quarter, ending the year at USD 100 per tonne. Quoted pellet premiums for the quarter were just under USD 4 per tonne higher than in the same period last year.
- **Operating cash flow** for the fourth quarter amounted to MSEK 653 (2,412), with increased working capital tied up in the quarter – mainly in accounts receivable – having had a negative impact.
- **The return on equity** was 11.0 (20.0) percent.
- **The net debt/equity ratio** was -15.5 (-23.8) percent.
- **The Board of Directors is proposing to the Annual General Meeting** that an ordinary dividend amounting to MSEK 4,400 is paid, which is 50 percent of the profit for the year.

1) Platts IODEX 62% Fe CFR North China.

2.6 SEK bn

Operating profit/loss

5.7 Mt

Produced during the quarter

6.7 Mt

Delivered during the quarter

# LKAB – Group

## Net sales and operating profit

### Analysis of change in operating profit MSEK

	Q4	Full year
<b>Operating profit 2023</b>	<b>3,800</b>	<b>16,230</b>
Iron ore prices incl. hedging	-1,873	-4,745
Currency effect, iron ore incl. hedging of accounts receivable	223	104
Volume and mix, iron ore	-236	-4,272
Volume, price and currency, industrial minerals	-71	-66
Costs for urban transformation provisions	-10	87
Depreciation	-102	-49
Other income and expenses	888	1,433
<b>Operating profit 2024</b>	<b>2,619</b>	<b>8,722</b>

Sales for the fourth quarter totalled MSEK 9,451 (10,798). The lower sales figure is mainly due to lower iron ore prices. The average global spot price<sup>1</sup> for iron ore products for the fourth quarter was USD 103 (129) per tonne. Premiums for highly upgraded products were just over USD 4 per tonne higher than in the same quarter the previous year. Operating profit for the quarter amounted to MSEK 2,619 (3,800), mainly impacted by the lower sales.

Sales for the full year amounted to MSEK 33,146 (42,923). The lower sales figure is mainly due to lower iron ore prices and lower deliveries as a result of the stoppage on the Iron Ore Line at the start of the year. The average global spot price<sup>1</sup> for iron ore products for full-year 2024 was USD 110 (120) per tonne. Premiums for highly upgraded products were nearly USD 2 per tonne lower than in the previous year.

Operating profit for the full year was impacted by the lower sales and also by lower production, amounting to MSEK 8,722 (16,230).

## Cash flow

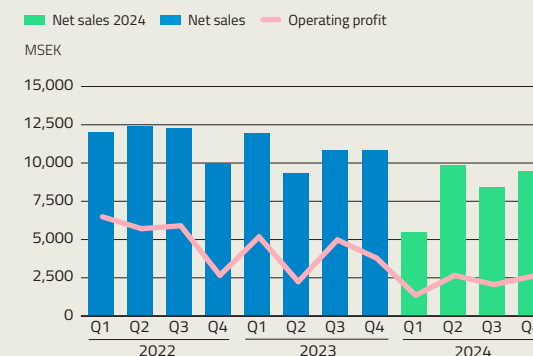
MSEK	Q4 2024	Q4 2023	Full year 2024	Full year 2023
Operating profit <sup>1)</sup>	3,398	3,329	10,536	17,559
Expenditure, urban transformation	-369	-314	-1,743	-1,829
Change in working capital	-529	741	-1,662	168
Capital expenditures (net)	-1,823	-1,325	-5,233	-5,171
Acquisition of subsidiaries	–	–	–	-3
Acquisition/divestment of financial assets	-24	-20	-158	-20
<b>Operating cash flow</b>	<b>653</b>	<b>2,412</b>	<b>1,740</b>	<b>10,704</b>

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

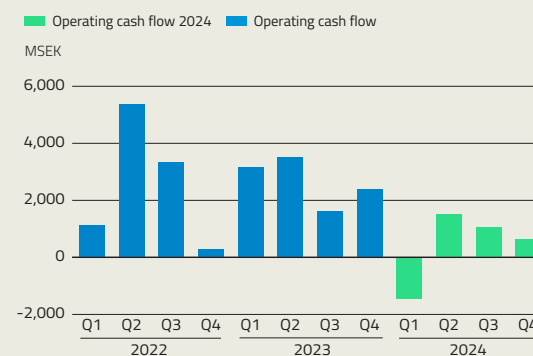
Operating cash flow for the fourth quarter amounted to MSEK 653 (2,412), with increased working capital tied up in the quarter – mainly in accounts receivable – having a negative impact when compared year on year. Higher investment payouts also had a negative impact.

Operating cash flow for the full year was mainly impacted by the lower profit as well as increased working capital tied up and amounted to MSEK 1,740 (10,704).

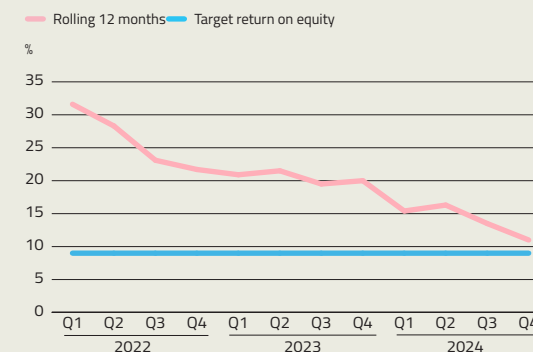
## NET SALES AND OPERATING PROFIT/LOSS



## 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 fourth quarter was MSEK 17 (986), the decrease being mainly due to a lower return on financial investments. The net debt/equity ratio was -15.5 (-23.8) percent.

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

## Proposed dividend

The Board of Directors is proposing to the Annual General Meeting that an ordinary dividend amounting to MSEK 4,400 is paid, which is 50 percent of profit for the year.

## Events during the quarter

The quarter saw continued efforts to address past production disruptions and identified deficiencies in our plants, which continued to limit production in the fourth quarter. Production in the affected plants resumed at the end of the quarter, however, after some months of production downtime.

Following several major seismic events in the Malmberget mine in late September, the County Administrative Board announced in the autumn that it shares LKAB's interpretation of working towards phase-out of the homes in eastern Malmberget. Based on this, in

December LKAB announced that the same compensation principles as applied in previous areas will apply to those who want to sell their houses in eastern Malmberget. This compensation principle means that homeowners can choose between a new equivalent house or monetary compensation corresponding to the market value plus 25 percent.

At LKAB's board meeting on 24 October an investment decision was made to establish a research and development centre and a demonstration plant for the processing of phosphorus and rare earth elements in Luleå. The decision marks an important step in LKAB's strategic development and initiative for the extraction of critical minerals.

In December an application was submitted for an environmental permit for large-scale processing of phosphorus and rare earth elements in Luleå. The planned industrial park could be the first of its kind in Europe and a significant building block in increasing self-sufficiency in critical minerals. The application to the Land and Environment Court concerns an environmental permit to conduct large-scale industrial operations as well as port operations in Luleå.

At the end of the quarter Peter Hansson was appointed Acting CFO and a member of the Group management team, with effect from 1 January 2025. The recruitment of a permanent CFO is in progress.

## Outlook for 2025

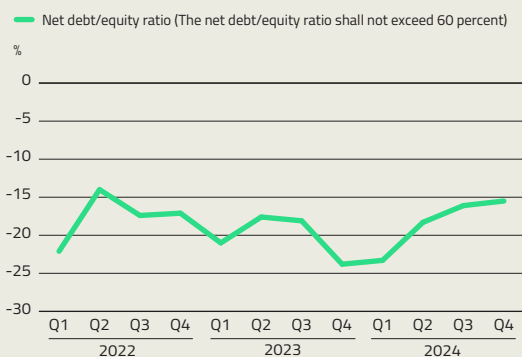
Extensive efforts were made in 2024 to remedy deficiencies and improve the quality of our plants, which significantly limited production during the year. These efforts have yielded results and at the end of the year the affected plants were back in full production, with an expectation for 2025 of stable operation and a return to normal production capacity.

At the beginning of 2025 the price of iron ore was at a lower level than in recent years. Despite a weaker market, demand for LKAB's highly upgraded iron ore products has been stable, but the market is volatile and there is considerable uncertainty as regards global economic development and its impact on the iron ore industry.

LKAB is continuing its efforts to strengthen our competitiveness and be able to supply our customers with the raw materials for fossil-free steel. These efforts continue to involve various challenges such as permitting issues, energy supply, capacity on the Iron Ore Line and prevailing external conditions.

For more information on the latest events visit [lkab.com/en/news](https://lkab.com/en/news).

## 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. 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. The financial effects of restricting production by shutting down a pelletising plant, for example, would be significant.

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 uncertainties surrounding 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. Ongoing dialogue on land issues takes place with affected parties in our operating locations.

LKAB is also monitoring developments relating to the permitting process at Heidelberg Materials (formerly Cemente), 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

	Full year 2024	Full year 2023	Goal for 2026	Goal for 2030
<b>Stable and efficient operations<sup>1)</sup></b>				
Net debt/equity ratio (%)	-15.5	-23.8	<60	<60
Return on equity (%)	11.0	20.0	>9	>9
Dividend (%) <sup>2)</sup>	50	50	40–60	40–60
<b>Climate-efficient sustainable transformation</b>				
Energy use (kWh/t FP)	176	165	162	154
Carbon emissions (kt)	604	644	608	536
Biodiversity <sup>3)</sup>	–	–	–	–
<b>Safe, healthy and stimulating workplace</b>				
Lost time accidents <sup>4)</sup> (per million hrs)	4.9	6.3	4.0	2.0
Long-term sickness absence (%)	0.7	0.7	0.8	0.8
Women in the workforce (%)	29	27	30	– <sup>5)</sup>
Women managers (%)	31	29	30	– <sup>5)</sup>

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

2) The Board's proposal to the Annual General Meeting regarding dividend in relation to net profit for 2024.

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

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

5) 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 was impacted by unstable production and amounted to 176 (165) kWh per tonne of finished product for 2024.

Carbon emissions were affected mainly by the decreased production volume and amounted to 604 (644) Kt.

Based on previously identified deficiencies in occupational health and safety performance, work to create more structured work environment activities continues. The current risk profile has been evaluated and an action plan has been developed with the aim of reducing the number of serious injuries and preventing deaths entirely. The ambition is that the efforts will also contribute to an improved safety culture in the long term. The accident rate has developed positively during the year, from 6.3 at the end of 2023 to 4.9 at the end of 2024. A lower number of reported accidents with absence can be seen among both our own employees and suppliers.

The percentage of women in the workforce increased during the year to 29 (27) percent. The percentage of women among management exceeded the target level for 2026 and at the end of 2024 was 31 (29) percent.

Biodiversity efforts are divided into four levels. Both business areas have achieved level one and efforts within level two, to develop biodiversity plans, are in progress. During 2024 a metric for the change in biodiversity from the baseline year of 2021 up to and including 2023 was developed for three of our businesses.

### CARBON EMISSIONS AND ENERGY USE

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.

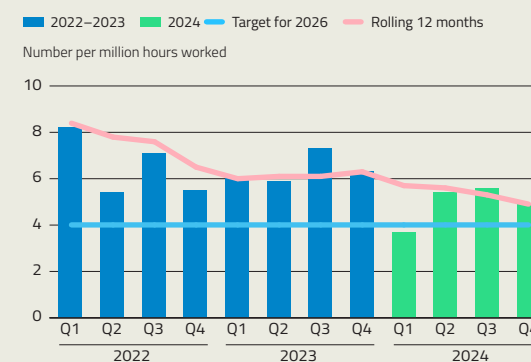
### BIODIVERSITY

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

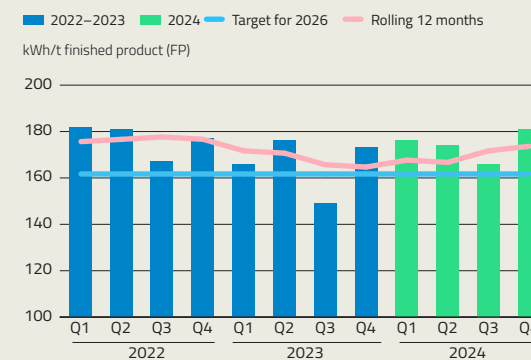
Biodiversity refers to the variety of nature, including plants, fungi and animals along with their different habitats, both on land and in water.

LKAB is following Svemin's biodiversity 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.

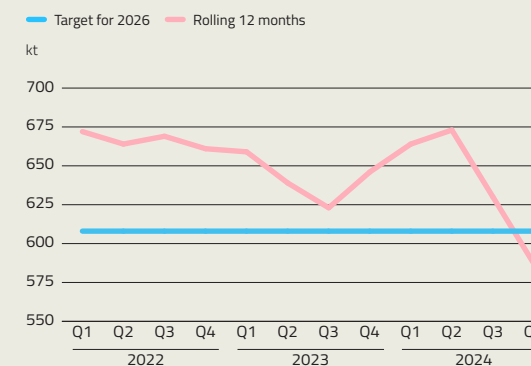
### INJURIES



### ENERGY USE



### CO<sub>2</sub> EMISSIONS



### Strategic sustainability work

LKAB's strategy and transformation plan aim to achieve carbon-free processes and products in our own operations by 2045 and to gradually strengthen the company's competitiveness through increased volume, higher value added by processing and more products to enable continued operation and profitability.

A shift is gradually taking place in the steel industry, away from blast furnaces to electric arc furnaces and direct reduction, driven by the need to reduce carbon emissions. Demand for high-grade ore is expected to increase in light of this, thereby strengthening LKAB's position.

A crucial element of the strategy for elevating the level of processing is to gradually expand into the production of carbon-free sponge iron, enabling our global customers to reduce their carbon emissions while LKAB captures a larger share of the value added by processing. For every tonne of sponge iron produced in a fossil-free process, approximately two tonnes of carbon emissions can be saved at the customer stage through the transition from blast furnaces to electric arc furnaces.

LKAB's strategy and transformation plan, which includes mining at depth, progressively increased processing into sponge iron and the ambition to add critical minerals such as phosphorus and rare earth elements to the product portfolio, aims to create the conditions for long-term improved competitiveness. This is a process that will take place over many years, involving various development projects and strategic initiatives that will be gradually integrated into the operations when the conditions are right. All the strategic initiatives follow a scale-up model with four phases: the pilot phase, the demonstration phase, the industrialisation phase and the expansion phase. The aim is to ensure financial sustainability over time and to have the operational and technical prerequisites in place.

At the same time, there are a number of challenging external factors such as permitting issues, energy supply and deficiencies in infrastructure in the form of rail and electricity networks that are impacting progress and implementation, and limiting the opportunities to build competitiveness and reduce emissions.

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 are crucial.

At the end of 2023 LKAB had mineral reserves amounting to 1.1 billion tonnes, which at today's mining rate would last for almost 20 years. The exploration carried out in recent years has also resulted in a sharp increase in mineral resources, which amount to around 4.6 billion tonnes, large parts of which consist of high-grade magnetite which is particularly well suited to the production of the DR pellets needed for the steel industry's transition.

In view of the growing mineral resources, not least with the new Per Geijer deposit in Kiruna, LKAB currently sees great expansion opportunities ahead and is making intensive efforts to gradually increase production in line with market demand.

HYBRIT Development AB's final report to the Swedish Energy Agency shows that direct-reduced iron produced using the Hybrit process has advantageous properties compared with iron produced using fossil fuels. HYBRIT has applied for and received several patents based on the successful results.

LKAB has previously submitted an application for environmental permits required to begin the transformation in Gällivare. In addition to continued expanded mining and processing activities, the application includes the establishment of a demonstration plant for producing fossil-free sponge iron using Hybrit technology, intended for deliveries to SSAB, and an apatite plant, which is the first step in extracting phosphorus and rare earth elements from current waste streams. The application was submitted in May 2023 and in the third quarter the court published the environmental permit application. The court's plan for processing the case indicates a decision at the end of 2025. During the quarter the Board made an investment decision to establish a research and development centre and a demonstration plant for the processing of phosphorus and rare earth elements in Luleå. The decision marks an important step in LKAB's ongoing transformation and initiative for the extraction of critical minerals. In December an application was submitted to the Land and Environment Court concerning an environmental permit to conduct large-scale industrial operations as well as port operations in Luleå. January 2025 saw construction begin on the demonstration plant in Luleå, which will verify the technologies required for the extraction of critical minerals. The plant is an important part of the work to develop the full-scale industrial park and lay the foundation for further expansion in the future – something that could significantly increase Europe's self-sufficiency in these minerals.



# Market development

## The steel and iron ore market

### The global steel and iron ore industry

Global industrial production increased slightly both in the fourth quarter and for full-year 2024. Growth was mainly driven by China and to some extent other developing economies, while the trend in mature economies continued to be negative. Despite increased industrial production in China, the growth rate was lower than in previous years and the development of the Chinese real estate sector remained weak.

Germany and its industrial sector are an important engine for Europe's economy and for steel-consuming industry. Development here has been weak for some time due to economic downturn but also as a result of structural problems with increased competition.

Global demand for iron ore is estimated to have decreased in 2024, driven by reduced demand in China. At the same time the global supply of iron ore has increased, resulting in falling iron ore prices.

Demand for steel has weakened in the major economies. In China challenges in the real estate sector have affected demand for steel and a large proportion of Chinese steel companies are estimated to have weak profitability. Targeted economic stimulus activities have not had the intended effect on the Chinese economy, but the market's expectations of further stimulus efforts helped to keep up the price of iron ore in the fourth quarter. Steel production in China decreased compared to 2023 but, due to increased exports, not at the same rate as demand. In Europe steel production was somewhat higher than in the previous year, but still at a low level due to low levels of capacity utilisation in blast furnace systems.

The premium for ore with a higher iron content increased in 2024 compared with the previous year, driven by a limited supply of high-grade ore and a strong supply of iron ore with a lower content.

### Changes in iron ore prices

The spot price for fines, IODEX 62% Fe, ended the year at USD 100 per tonne after having varied between USD 97 and USD 109 in the fourth quarter. The average price for the fourth quarter was USD 103 (129) per tonne, which is a slight increase on the third quarter. For full-year 2024 the average price was USD 110 (120) per tonne.

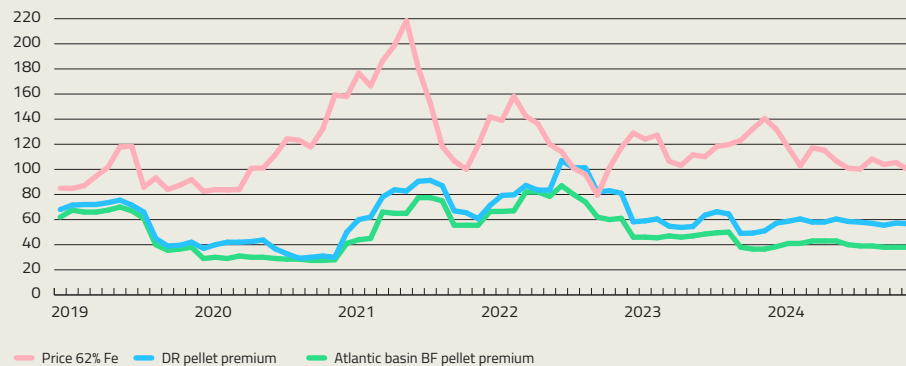
After strengthening against the dollar in the third quarter, the Swedish krona weakened by just over two percent between the third and fourth quarters. Compared with the fourth quarter of 2023 the Swedish krona was one percent weaker.

The quoted premiums for blast furnace pellets and DR pellets decreased from the previous quarter but were higher than the levels in the fourth quarter of 2023. The average level of the blast furnace premium was USD 38 (37) per tonne in the fourth quarter compared with USD 39 per tonne in the third quarter. The premium for DR pellets averaged USD 57 (50) per tonne compared with USD 58 per tonne in the preceding quarter.

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

1 January 2019 – 31 December 2024

USD per tonne

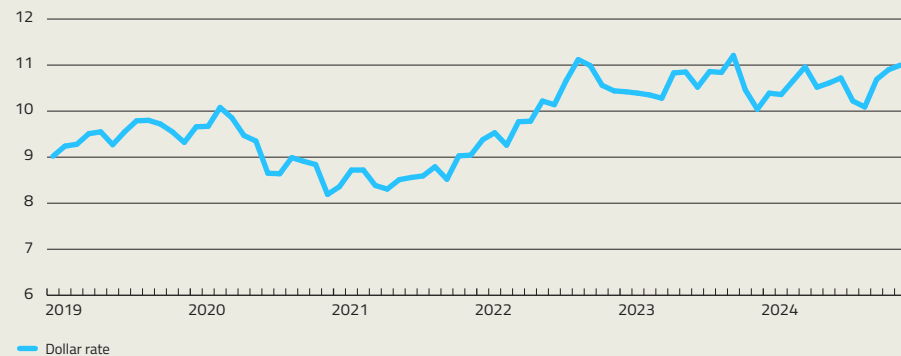


Source: PLATTS

## CHANGES IN THE DOLLAR EXCHANGE RATE

1 January 2019 – 31 December 2024

USD/SEK



Source: The Riksbank

# Iron Ore business area

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

## Operations summary

MSEK	Note	Q4 2024	Q4 2023	Full year 2024	Full year 2023
Net sales	3, 4	8,893	9,825	30,103	39,556
<b>Operating profit/loss</b>		<b>3,020</b>	<b>3,645</b>	<b>9,268</b>	<b>16,484</b>
Costs for urban transformation provisions		-66	-56	-313	-400
Capital expenditure on property, plant and equipment		1,404	1,375	4,404	5,036
Depreciation		-747	-653	-2,610	-2,601
Deliveries of iron ore products, Mt		6.7	6.5	21.9	25.3
Proportion of pellets, %		87	82	87	84
Production of iron ore products, Mt		5.7	7.0	22.7	26.2

The production volume for the fourth quarter was 5.7 (7.0) Mt. Work to remedy deficiencies in plants continued during the quarter, with a negative impact on production volume.

The delivery volume for the fourth quarter was the highest in 2024 and amounted to 6.7 (6.5) Mt, with pellets accounting for 87 (82) percent. The delivery volume was able to be maintained during the quarter mainly due to large inventories of finished products.

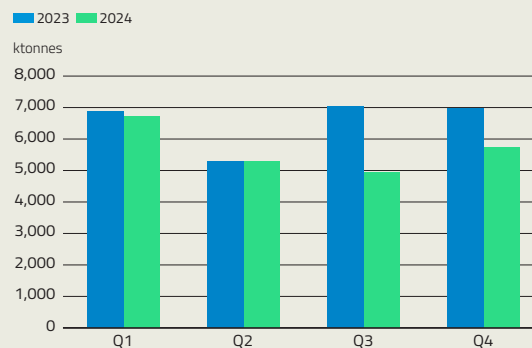
Sales for the quarter amounted to MSEK 8,893 (9,825), due to lower prices for highly upgraded iron ore products. Operating profit amounted to MSEK 3,020 (3,645), mainly impacted by the lower sales and low production.

The production volume for the full year amounted to 22.7 (26.2) Mt, affected by several lengthy production shutdowns to remedy deficiencies in most of the plants. The major derailments on the Iron Ore Line at the beginning of the year impacted the delivery volume, which amounted to 21.9 (25.3) Mt.

Sales for the full year amounted to MSEK 30,103 (39,556) as a result of lower iron ore prices and the lower delivery volume.

Operating profit amounted to MSEK 9,268 (16,484), mainly due to the lower sales and lower production. The profit includes insurance compensation of just over MSEK 500 for loss of revenue and damage to wagons caused by the derailments on the Iron Ore Line.

## PRODUCTION OF IRON ORE PRODUCTS



## FACTS

- The Iron Ore business area mines and processes iron ore products in Kiruna, Svappavaara and 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 Iron Ore Line to the ports of Narvik and Luleå for shipment to steelworks customers around the world.

# Special Products business area

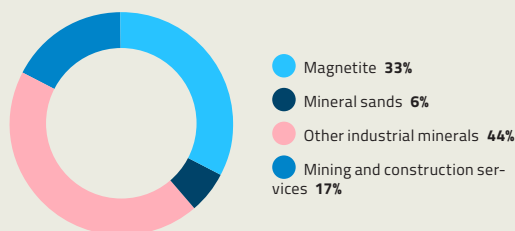
The Special Products business area develops products and services for markets involving industrial minerals, water-powered drilling technology, engineering services, and mining and construction contracts. The Special Products business area is also a strategic supplier within the Group.

## Operations summary

MSEK	Note	Q4 2024	Q4 2023	Full year 2024	Full year 2023
Net sales	3, 4	1,511	1,805	6,303	6,944
<b>Operating profit/loss</b>		<b>74</b>	<b>190</b>	<b>504</b>	<b>640</b>
Capital expenditure on property, plant and equipment		87	103	332	208
Depreciation		-81	-71	-304	-273

### SALES BY PRODUCT AREA AND SERVICE AREA

Percentage of external sales (MSEK)  
January–December 2024



Net sales for the fourth quarter were 16 percent lower than in the same period last year and amounted to MSEK 1,511 (1,805). Deferred deliveries and lower volumes of magnetite for the off-shore industry had a negative impact on the period, along with a decrease in internal orders for the mining operations.

Operating profit amounted to MSEK 74 (190), mainly due to the lower sales.

Accumulated net sales for the year amounted to MSEK 6,303 (6,944), which is a decrease of nine percent compared with the same period last year. Lower sales volumes of magnetite for the offshore industry are the main reason for the decrease, but a limited supply of finely ground magnetite is also having an impact. Margins on industrial mineral sales increased during the year, however, which partly offset the decrease in volume.

Operating profit compared with last year's record year is MSEK 136 lower and amounted to MSEK 504 (640). Increased costs for development projects had a negative impact compared with the previous year.

During October an investment decision was made to establish a research and development centre and a demonstration plant for the processing of phosphorus and rare earth elements in Luleå. The decision marks an important step in LKAB's ongoing transformation and initiative for the extraction of critical minerals.



### 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	Q4 2024	Q4 2023	Full year 2024	Full year 2023
Net sales excl. hedging		48	29	129	123
Net sales hedging		-166	185	-125	111
<b>Total net sales</b>	3, 4	<b>-118</b>	<b>214</b>	<b>4</b>	<b>234</b>
<b>Operating profit/loss</b>		<b>-406</b>	<b>-127</b>	<b>-940</b>	<b>-935</b>
Capital expenditure on property, plant and equipment		358	93	672	198
Depreciation		-27	-29	-113	-103

The operating result for the fourth quarter was MSEK -406 (-127). The lower result is mainly attributable to currency hedging of outstanding accounts receivable. The operating result for the full year was MSEK -940 (-935).

## 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.

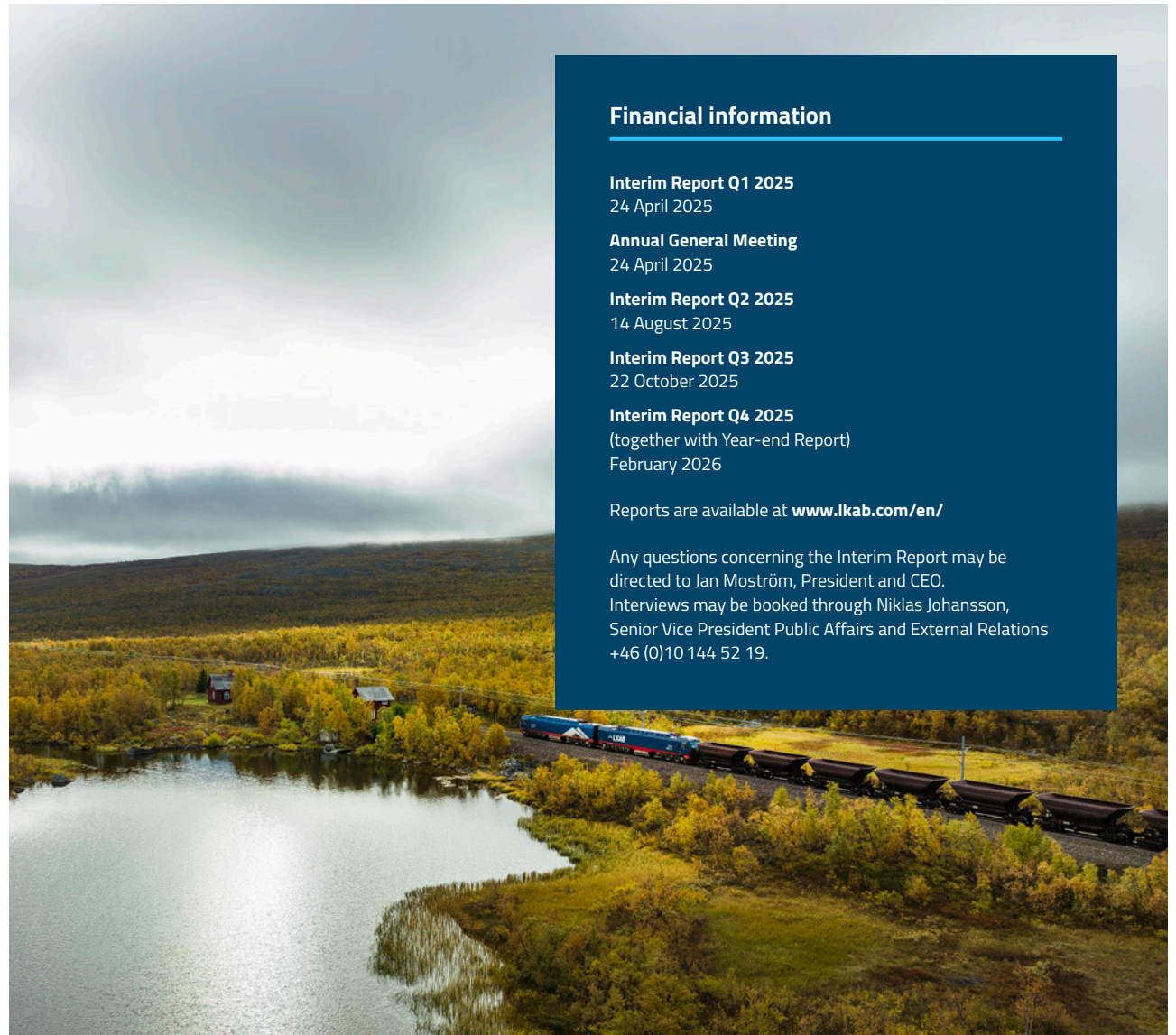
### Operations summary

MSEK	Note	Q4 2024	Q4 2023	Full year 2024	Full year 2023
Net sales		8,758	10,026	30,081	39,769
<b>Operating profit/loss</b>		<b>2,504</b>	<b>3,417</b>	<b>8,064</b>	<b>15,294</b>
Costs for urban transformation provisions		-66	-56	-313	-400
Capital expenditure on property, plant and equipment		1,680	1,409	4,806	5,067
Depreciation		-677	-605	-2,315	-2,324
Deliveries of iron ore products, Mt		6.7	6.5	21.9	25.3
Production of iron ore products, Mt		5.7	7.0	22.7	26.2

# Signatures

Luleå, 11 February 2025  
Luossavaara-Kiirunavaara AB (publ)

Jan Moström  
President and CEO



## Financial information

### Interim Report Q1 2025

24 April 2025

### Annual General Meeting

24 April 2025

### Interim Report Q2 2025

14 August 2025

### Interim Report Q3 2025

22 October 2025

### Interim Report Q4 2025

(together with Year-end Report)

February 2026

Reports are available at [www.lkab.com/en/](http://www.lkab.com/en/)

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 Public Affairs and External Relations +46 (0)10 144 52 19.

# LKAB – Group

## Statement of income

MSEK	Note	Q4 2024	Q4 2023	Full year 2024	Full year 2023
Net sales	3, 4	9,451	10,798	33,146	42,923
Cost of goods sold <sup>1)</sup>		-6,291	-6,066	-22,503	-23,895
<b>Gross profit/loss</b>		<b>3,160</b>	<b>4,732</b>	<b>10,643</b>	<b>19,028</b>
Selling expenses <sup>1)</sup>		-221	-229	-439	-420
Administrative expenses		-269	-241	-868	-815
Research and development expenses		-320	-405	-1,260	-1,523
Other operating income		394	122	1,179	491
Other operating expenses		-116	-150	-488	-452
Share of profit of joint ventures		-9	-29	-45	-79
<b>Operating profit/loss</b>	3	<b>2,619</b>	<b>3,800</b>	<b>8,722</b>	<b>16,230</b>
Financial income		583	1,207	2,549	3,220
Financial expense		-566	-221	-320	-292
<b>Net financial income/expense</b>		<b>17</b>	<b>986</b>	<b>2,229</b>	<b>2,928</b>
<b>Profit/loss before tax</b>		<b>2,636</b>	<b>4,786</b>	<b>10,951</b>	<b>19,158</b>
Tax		-567	-1,154	-2,178	-3,938
<b>Profit/loss for the period</b>		<b>2,069</b>	<b>3,632</b>	<b>8,773</b>	<b>15,220</b>
Profit for the period attributable to:					
Parent company shareholders		2,072	3,630	8,764	15,206
Non-controlling interests		-3	2	9	14
Earnings per share before and after dilution (SEK)		2,960	5,186	12,519	21,723
Number of shares		700,000	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. For Q4 2023 selling expenses are increased by MSEK 165. For full-year 2023 selling expenses are increased by MSEK 178. Cost of goods sold decreases by the same amount.

## Statement of comprehensive income

MSEK	Note	Q4 2024	Q4 2023	Full year 2024	Full year 2023
<b>Profit/loss for the period</b>		<b>2,069</b>	<b>3,632</b>	<b>8,773</b>	<b>15,220</b>
<b>Other comprehensive income for the period</b>					
<b>Items that will not be reclassified to profit/loss for the year</b>					
Remeasurement of defined-benefit pension plans		162	-432	207	-323
Tax attributable to actuarial gains and losses		-33	89	-43	67
Changes for the period in the fair value of equity instruments measured at fair value through other comprehensive income		-881	1,733	-3,513	2,307
		<b>-752</b>	<b>1,389</b>	<b>-3,349</b>	<b>2,051</b>
<b>Items that have been or may be reclassified subsequently to profit or loss for the year</b>					
Exchange differences on translation of foreign operations for the period		-14	-170	115	-193
Remeasurement relating to high inflation		0	-	6	-
Changes in fair value of cash flow hedges for the period		-1	2	-3	2
Changes in fair value of cash flow hedges reclassified to profit/loss for the year		-	-	-2	4
Tax attributable to components of cash flow hedges		0	0	1	-1
		<b>-15</b>	<b>-168</b>	<b>117</b>	<b>-188</b>
<b>Other comprehensive income for the period</b>		<b>-767</b>	<b>1,222</b>	<b>-3,232</b>	<b>1,863</b>
<b>Comprehensive income for the period</b>		<b>1,302</b>	<b>4,853</b>	<b>5,541</b>	<b>17,083</b>
Comprehensive income for the period attributable to:					
Parent company shareholders		1,305	4,852	5,532	17,070
Non-controlling interests		-3	2	9	14

# LKAB – Group

## Statement of financial position

MSEK	Note	31 Dec 2024	31 Dec 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets		2,423	2,425
Property, plant and equipment for operations		38,048	35,615
Property, plant and equipment for urban transformation		14,370	10,678
Interests in associates and joint ventures		777	669
Financial investments	6	5,237	8,758
Non-current receivables		2	2
Deferred tax asset		2	5
<b>Total non-current assets</b>		<b>60,859</b>	<b>58,152</b>
<b>Current assets</b>			
Inventories		8,193	6,755
Accounts receivable		3,653	3,420
Prepaid expenses and accrued income		807	517
Other current receivables		2,709	2,283
Current financial investments	6	25,823	31,249
Cash and cash equivalents		4,816	4,572
<b>Total current assets</b>		<b>46,001</b>	<b>48,796</b>
<b>TOTAL ASSETS</b>		<b>106,860</b>	<b>106,948</b>

MSEK	Note	31 Dec 2024	31 Dec 2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		700	700
Reserves		1,500	4,907
Retained earnings incl. profit/loss for the period		76,531	75,199
<b>Equity attributable to Parent Company shareholders</b>		<b>78,731</b>	<b>80,807</b>
Non-controlling interests		64	54
<b>Total equity</b>		<b>78,795</b>	<b>80,861</b>
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities		282	2,410
Other non-current liabilities		56	56
Provisions for pensions and similar commitments		765	1,170
Provisions, urban transformation		11,273	9,159
Other provisions		1,639	1,703
Deferred tax liabilities		1,604	1,740
<b>Total non-current liabilities</b>		<b>15,619</b>	<b>16,238</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities		2,086	89
Trade payables		2,724	2,411
Current tax liabilities		1,013	718
Other current liabilities		379	510
Accrued expenses and deferred income		2,923	3,046
Provisions, urban transformation		2,683	2,449
Other provisions		638	626
<b>Total current liabilities</b>		<b>12,446</b>	<b>9,849</b>
<b>Total liabilities</b>		<b>28,065</b>	<b>26,087</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>106,860</b>	<b>106,948</b>

# LKAB – Group

## Statement of changes in equity

2023 MSEK	Equity attributable to Parent Company shareholders					Total	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			
<b>Opening equity 1 Jan 2023</b>	<b>700</b>	<b>-2</b>	<b>2,792</b>	<b>-3</b>	<b>67,793</b>	<b>71,279</b>	<b>40</b>	<b>71,320</b>
Profit/loss for the year	–	–	–	–	15,206	15,206	14	15,220
Other comprehensive income for the year	–	-193	2,308	5	-257	1,863	–	1,863
Comprehensive income for the year	–	-193	2,308	5	14,949	17,069	14	17,083
Dividend	–	–	–	–	-7,543	-7,543	–	-7,543
<b>Closing equity 31 Dec 2023</b>	<b>700</b>	<b>-195</b>	<b>5,100</b>	<b>2</b>	<b>75,199</b>	<b>80,807</b>	<b>54</b>	<b>80,861</b>

2024 MSEK	Equity attributable to Parent Company shareholders					Total	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			
<b>Opening equity 1 Jan 2024</b>	<b>700</b>	<b>-195</b>	<b>5,100</b>	<b>2</b>	<b>75,199</b>	<b>80,807</b>	<b>54</b>	<b>80,861</b>
Profit/loss for the year	–	–	–	–	8,764	8,764	9	8,773
Other comprehensive income for the year	–	110	-3,513	-4	175	-3,232	–	-3,232
Comprehensive income for the year	–	110	-3,513	-4	8,939	5,532	9	5,541
Dividend	–	–	–	–	-7,607	-7,607	–	-7,607
<b>Closing equity 31 Dec 2024</b>	<b>700</b>	<b>-85</b>	<b>1,587</b>	<b>-2</b>	<b>76,531</b>	<b>78,732</b>	<b>63</b>	<b>78,795</b>

# LKAB – Group

## Statement of cash flows

MSEK	Q4 2024	Q4 2023	Full year 2024	Full year 2023
<b>Operating activities</b>				
Profit/loss before tax	2,636	4,786	10,951	19,158
Adjustment for items not included in cash flow	852	-593	1,675	1,328
Income tax paid	-90	-854	-2,079	-2,904
Expenditures, urban transformation	-369	-314	-1,743	-1,829
Expenditures, other provisions	0	-8	-11	-23
<b>Cash flow from operating activities before changes in working capital</b>	<b>3,029</b>	<b>3,017</b>	<b>8,793</b>	<b>15,730</b>
<b>Cash flow from changes in working capital</b>				
Increase (-)/Decrease (+) in inventories	343	-165	-1,439	-550
Increase (-)/Decrease (+) in operating receivables	-1,830	138	-319	378
Increase (+)/Decrease (-) in operating liabilities	958	769	96	340
<b>Change in working capital</b>	<b>-529</b>	<b>741</b>	<b>-1,662</b>	<b>168</b>
<b>Cash flow from operating activities</b>	<b>2,500</b>	<b>3,757</b>	<b>7,131</b>	<b>15,898</b>
<b>Investing activities</b>				
Acquisition of property, plant and equipment	-1,849	-1,571	-5,408	-5,442
Government investment grants	26	-	112	20
Disposal of property, plant and equipment	0	247	63	251
Acquisition of subsidiaries	-	-	-	-3
Acquisition of other financial assets – operating	-24	-20	-158	-20
Disposals/acquisitions (net) in current investments	1,170	-2,097	6,330	-1,754
<b>Financing activities</b>	<b>-677</b>	<b>-3,442</b>	<b>939</b>	<b>-6,948</b>
Borrowing	-	62	-	75
Repayments	-	-1	-146	-3
Repayment of lease liabilities	-25	-24	-97	-90
Dividend paid to Parent Company shareholder	-	-	-7,600	-7,540
Dividend paid to non-controlling interests	-	-	-7	-3
<b>Cash flow from financing activities</b>	<b>-25</b>	<b>37</b>	<b>-7,850</b>	<b>-7,561</b>
<b>Cash flow for the period</b>	<b>1,798</b>	<b>354</b>	<b>220</b>	<b>1,389</b>

MSEK	Q4 2024	Q4 2023	Full year 2024	Full year 2023
Cash and cash equivalents at start of period	2,998	4,235	4,572	3,191
Exchange difference in cash and cash equivalents	20	-17	24	-8
Cash and cash equivalents at end of period	4,816	4,572	4,816	4,572
<b>Change in cash and cash equivalents</b>	<b>1,798</b>	<b>354</b>	<b>220</b>	<b>1,389</b>
<b>Sub-components of cash and cash equivalents</b>				
Cash and bank balances			4,068	3,897
Current investments (maturity <90 days)			748	675
<b>Cash and cash equivalents</b>			<b>4,816</b>	<b>4,572</b>
<b>Consolidated operating cash flow</b>				
<b>Cash flow from operating activities</b>	<b>2,500</b>	<b>3,757</b>	<b>7,131</b>	<b>15,898</b>
Acquisition of property, plant and equipment	-1,849	-1,571	-5,408	-5,442
Government investment grants	26	0	112	20
Disposal of property, plant and equipment	0	247	63	251
Acquisition of subsidiaries	0	-	-	-3
Acquisition/disposal of other financial assets – operating	-24	-20	-158	-20
<b>Operating cash flow (excluding current investments)</b>	<b>653</b>	<b>2,412</b>	<b>1,740</b>	<b>10,704</b>
Disposals/acquisitions (net) in current investments	1,170	-2,097	6,330	-1,754
<b>Cash flow after investing activities</b>	<b>1,823</b>	<b>315</b>	<b>8,070</b>	<b>8,948</b>
Cash flow from financing activities	-25	39	-7,850	-7,560
<b>Cash flow for the period</b>	<b>1,798</b>	<b>354</b>	<b>220</b>	<b>1,389</b>

## Employees

MSEK	Full year 2024	Full year 2023
Average number of employees	4,707	4,640
– of which women	1,289	1,246
– of which men	3,418	3,394

# LKAB – Parent Company

## Income statement

MSEK	Note	Q4 2024	Q4 2023	Full year 2024	Full year 2023
Net sales		8,758	10,026	30,081	39,769
Cost of goods sold <sup>1)</sup>		-5,816	-5,799	-20,649	-22,103
<b>Gross profit/loss</b>		<b>2,942</b>	<b>4,227</b>	<b>9,432</b>	<b>17,666</b>
Selling expenses <sup>1)</sup>		-187	-191	-300	-266
Administrative expenses		-188	-188	-566	-544
Research and development expenses		-297	-420	-1,172	-1,525
Other operating income		245	37	755	55
Other operating expenses		-11	-48	-85	-92
<b>Operating profit/loss</b>		<b>2,504</b>	<b>3,417</b>	<b>8,064</b>	<b>15,294</b>
<b>Profit/loss from financial items</b>		<b>1,872</b>	<b>1,075</b>	<b>3,251</b>	<b>2,389</b>
<b>Profit/loss after financial items</b>		<b>4,376</b>	<b>4,493</b>	<b>11,315</b>	<b>17,683</b>
Appropriations		408	1,341	408	1,341
<b>Profit/loss before tax</b>		<b>4,784</b>	<b>5,834</b>	<b>11,723</b>	<b>19,024</b>
Tax		-1,070	-1,360	-2,380	-3,882
<b>Profit/loss for the period<sup>2)</sup></b>		<b>3,714</b>	<b>4,474</b>	<b>9,343</b>	<b>15,142</b>

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. For Q3 2023 selling expenses are increased by MSEK 165. For full-year 2023 selling expenses are increased by MSEK 178. Cost of goods sold decreases by the same amount.

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

## Balance sheet

MSEK	Note	31 Dec 2024	31 Dec 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets		1,209	1,222
Property, plant and equipment for operations		32,253	30,193
Property, plant and equipment for urban transformation		14,370	10,679
<b>Financial assets</b>			
Interests in subsidiaries		3,321	2,921
Interests in associates and jointly controlled entities		797	1,043
Receivables from Group companies		2,360	2,275
Other non-current securities		3,227	3,226
Other non-current receivables		72	86
Deferred tax asset		760	886
<b>Total financial assets</b>		<b>10,537</b>	<b>10,437</b>
<b>Total non-current assets</b>		<b>58,369</b>	<b>52,531</b>
<b>Current assets</b>			
Inventories		7,129	5,771
Current receivables			
Accounts receivable		3,043	2,792
Receivables from Group companies		783	615
Other current receivables		2,567	2,120
Prepaid expenses and accrued income		732	433
<b>Total current receivables</b>		<b>7,125</b>	<b>5,960</b>
Current investments		25,872	29,918
Cash and bank balances		3,696	3,533
<b>Total current assets</b>		<b>43,822</b>	<b>45,182</b>
<b>TOTAL ASSETS</b>		<b>102,191</b>	<b>97,713</b>

# LKAB – Parent Company

## Balance sheet

MSEK	Note	31 Dec 2024	31 Dec 2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Restricted equity			
Share capital		700	700
Statutory reserve		697	697
Non-restricted equity			
Profit/loss brought forward		56,224	48,683
Profit/loss for the period		9,343	15,142
<b>Total equity</b>		<b>66,964</b>	<b>65,222</b>
Untaxed reserves		10,145	10,277
<b>Provisions</b>			
Provisions, urban transformation		11,273	9,159
Other provisions		1,532	1,728
<b>Total provisions</b>		<b>12,805</b>	<b>10,887</b>

MSEK	Note	31 Dec 2024	31 Dec 2023
<b>Non-current liabilities</b>			
Bond loans		–	1,998
Other non-current liabilities		–	24
<b>Total non-current liabilities</b>		<b>–</b>	<b>2,022</b>
<b>Current liabilities</b>			
Bond loans		2,000	–
Trade payables		2,137	1,955
Liabilities to Group companies		1,151	651
Current tax liabilities		973	679
Other current liabilities		215	371
Accrued expenses and deferred income		2,480	2,574
Provisions, urban transformation		2,683	2,449
Other provisions		638	626
<b>Total current liabilities</b>		<b>12,277</b>	<b>9,305</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>102,191</b>	<b>97,713</b>



# 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 Corporate 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	
	Full year 2024	Full year 2023	Full year 2024	Full year 2023	Full year 2024	Full year 2023	Full year 2024	Full year 2023	Full year 2024	Full year 2023
<b>MSEK</b>										
External income	29,329	38,420	3,919	4,367	-102	137	–	–	33,146	42,923
Internal income	774	1,136	2,384	2,577	106	97	-3,264	-3,811	–	–
<b>Total income</b>	<b>30,103</b>	<b>39,556</b>	<b>6,303</b>	<b>6,944</b>	<b>4</b>	<b>234</b>	<b>-3,264</b>	<b>-3,811</b>	<b>33,146</b>	<b>42,923</b>
<b>Operating profit/loss</b>	<b>9,268</b>	<b>16,484</b>	<b>504</b>	<b>640</b>	<b>-940</b>	<b>-935</b>	<b>-110</b>	<b>41</b>	<b>8,722</b>	<b>16,230</b>
Net financial income/expense									2,229	2,928
<b>Profit/loss before tax</b>									<b>10,951</b>	<b>19,158</b>

## 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	
	Full year 2024	Full year 2023	Full year 2024	Full year 2023	Full year 2024	Full year 2023	Full year 2024	Full year 2023
<b>MSEK</b>								
<b>Product/service area</b>								
Pellets	26,642	33,765	–	–	–	–	26,642	33,765
Fines	2,148	3,833	–	–	–	–	2,148	3,833
Magnetite		–	1,308	1,720	–	–	1,308	1,720
Mineral sands		–	227	366	–	–	227	366
Other industrial minerals		–	1,707	1,598	–	–	1,707	1,598
Mining and construction services		–	677	683	–	–	677	683
Other	539	822	–	–	24	26	563	848
<b>Total</b>	<b>29,329</b>	<b>38,420</b>	<b>3,919</b>	<b>4,367</b>	<b>24</b>	<b>26</b>	<b>33,272</b>	<b>42,812</b>
<b>Region</b>								
Europe	20,998	25,144	2,888	2,793	24	26	23,910	27,963
MENA	7,531	9,757	108	122	–	–	7,639	9,879
Rest of World	800	3,519	923	1,452	–	–	1,723	4,970
<b>Total</b>	<b>29,329</b>	<b>38,420</b>	<b>3,919</b>	<b>4,367</b>	<b>24</b>	<b>26</b>	<b>33,272</b>	<b>42,812</b>
Revenue from contracts with customers	29,329	38,420	3,919	4,367	24	26	33,272	42,812
Other income – financing activities	–	–	–	–	-126	111	-126	111
<b>Total external income</b>	<b>29,329</b>	<b>38,420</b>	<b>3,919</b>	<b>4,367</b>	<b>-102</b>	<b>137</b>	<b>33,146</b>	<b>42,923</b>

## Note 5 Purchase price allocation

On 19 February 2024 LKAB acquired 49 percent of the shares in Duroc Rail AB.

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.

### Purchase price allocation, associated company

The acquired company's net assets at the acquisition date. **49%**

MSEK	19 Feb 2024
Intangible assets	31
Non-current assets	20
Current assets	31
Non-current liabilities	0
Current liabilities	-25
Deferred tax	-7
<b>Net identifiable assets and liabilities</b>	<b>50</b>
<b>Consideration transferred</b>	<b>79</b>
<b>Goodwill</b>	<b>29</b>

## 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 Dec 2024 MSEK	Level 1	Level 2	Level 3	Total
Shares, financial investments	4,807	7	–	4,814
Share-based instruments, current investments	–	3,064	–	3,064
Interest-bearing instruments, current investments	–	22,759	–	22,759
Derivatives, other current receivables	–	15	–	15
<b>Total</b>	<b>4,807</b>	<b>25,845</b>	<b>–</b>	<b>30,652</b>

Group 31 Dec 2023 MSEK	Level 1	Level 2	Level 3	Total
Shares, financial investments	8,319	7	–	8,326
Share-based instruments, current investments	–	10,049	–	10,049
Interest-bearing instruments, current investments	–	21,200	–	21,200
Derivatives, other current receivables	–	51	–	51
<b>Total</b>	<b>8,319</b>	<b>31,307</b>	<b>–</b>	<b>39,626</b>

### 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. Share-based instruments 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 Dec 2024	31 Dec 2023
<i>As pledged assets for own liabilities and provisions</i>		
Company-owned endowment insurance	70	84
Cash deposits	120	116
Collateral provided, derivatives	176	147
<b>Total pledged assets</b>	<b>366</b>	<b>347</b>

### Contingent liabilities

MSEK	31 Dec 2024	31 Dec 2023
Guarantees, FPG/PRI	24	22
Guarantees, GP plan	3	3
Guarantees, Swedish Tax Agency	63	63
Guarantees, Vattenfall	157	–
Guarantees, other	21	–
Surety given for subsidiaries	150	137
Other surety	2	19
Collateral, remediation	247	254
Loan commitments to associates	–	395
<b>Total contingent liabilities</b>	<b>667</b>	<b>893</b>

## Note 8 Events after the end of the reporting period

There are no significant events after the end of the reporting period to report.

## 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*.

### Net financial indebtedness

MSEK	31 Dec 2024	31 Dec 2023
Loans payable	2,368	2,499
Provisions for pensions	765	1,170
Provisions, urban transformation	13,956	11,608
Provisions, remediation	1,734	1,701
Less:		
Cash and cash equivalents	-4,816	-4,572
Current investments	-25,823	-31,249
Financial investments	-424	-431
<b>Net financial indebtedness</b>	<b>-12,240</b>	<b>-19,274</b>

### Net debt/equity ratio

MSEK	31 Dec 2024	31 Dec 2023
Net financial indebtedness	-12,240	-19,274
Equity	78,795	80,861
<b>Net debt/equity ratio, %</b>	<b>-15.5</b>	<b>-23.8</b>

### Return on equity

MSEK	31 Dec 2024	31 Dec 2023
Profit/loss after tax R12	8,773	15,220
Average equity	79,828	76,090
<b>Return on equity, %</b>	<b>11.0</b>	<b>20.0</b>

## Note 10 Quarterly data for the Group

MSEK	Note	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Net sales		9,451	8,373	9,851	5,471	10,798	10,819	9,350	11,955
Operating profit/loss		2,619	2,067	2,666	1,370	3,800	4,987	2,257	5,186
Net financial income/expense		17	599	800	813	986	65	1,345	533
Profit/loss before tax		2,636	2,666	3,466	2,183	4,786	5,052	3,602	5,719
<b>Profit/loss for the period</b>		<b>2,069</b>	<b>2,116</b>	<b>2,845</b>	<b>1,743</b>	<b>3,632</b>	<b>4,001</b>	<b>3,048</b>	<b>4,539</b>
Costs for urban transformation provisions		-66	-127	-63	-57	-56	-221	-78	-46
Operating cash flow		653	1,045	1,505	-1,464	2,412	1,608	3,519	3,163
Investments in property, plant and equipment		1,849	1,393	1,484	682	1,571	1,244	1,557	1,072
Deliveries of iron ore products, Mt		6.7	5.9	6.4	3.0	6.5	6.3	5.8	6.7
Proportion of pellets, %		87	85	87	95	82	82	81	90
Production of iron ore products, Mt		5.7	4.9	5.3	6.7	7.0	7.0	5.3	6.9
Return on equity <sup>1)</sup> , %	9	11.0	13.5	16.3	15.4	20.0	19.5	21.5	20.9
Net debt/equity ratio <sup>1)</sup> , %	9	-15.5	-16.1	-18.3	-23.3	-23.8	-18.1	-17.6	-21.0

1) Rolling 12 months.