Europe’s leading mining and minerals group

Annual and Sustainability Report 2025

The English version of this report is a translation of the Swedish original version. In case of discrepancies, the Swedish version shall prevail.

LKAB

Contents

About the Annual and Sustainability Report 2025

The Board of Directors and the President hereby submit the Annual and Sustainability Report for 2025 for Luossavaara-Kiirunavaara AB (publ), corporate identity number 556001-5835, a limited liability company domiciled in Luleå that is wholly owned by the Swedish state.

- The administration report comprises pages 32–48 and 50–121.
- A statutory sustainability report has been prepared in accordance with Chapter 6 of the Swedish Annual Accounts Act. The sustainability efforts are reported in accordance with the guidelines set out in the EU Corporate Sustainability Reporting Directive (CSRD). The Sustainability Report comprises pages 50–121.
- In this publication, the terms sustainability report and sustainability reporting are used synonymously; the term sustainability report is used consistently in accordance with the ESRS.
- Information on climate risks forms part of the Sustainability Report and can be found on pages 65–66.

"During the year we have been affected by an unpredictable and uncertain global environment. Geopolitical tensions and global turbulence have had a clear impact on trade flows, where we have seen a sharp deterioration in market conditions. Despite this, we have remained focused on strengthening stability in both production and delivery capabilities, where we are now gradually beginning to see improvements."

Jan Moström
President and CEO

Europe's leading mining and minerals group

LKAB is an international mining and minerals group that offers iron ore and mineral products. We mine over 80 percent of all iron ore in the EU, and since 1890 we have developed through unique innovations and technology solutions. The ambition is to develop carbon-free processes and products by 2045.

Our high-quality iron ore products account for around 86 percent of sales. Mineral products and services in the mining and construction industries are important growth areas for the future. LKAB is wholly owned by the Swedish state and the operations are driven forward by over 5,000 employees in around 12 countries.

Our mission:
Innovative and competitive mining and processing of iron ore and minerals to produce climate-efficient quality products.

Our vision:
We are leading the transformation of our industry toward a sustainable future.

Key ratios	2025	2024
Operating profit, MSEK	3,274	8,722
Return on equity, %	3.7	11.0
Permanent employees at year-end	5,308	5,222
Investments during the year, MSEK	6,017	5,408
Iron ore products delivered, Mt	25.8	21.9
Iron ore products produced, Mt	25.9	22.7
Mineral resources, excl. mineral reserves, bn tonnes[1)]	6.3	5.4

[1)] Including "must take" material. For definition see page 200.

86%

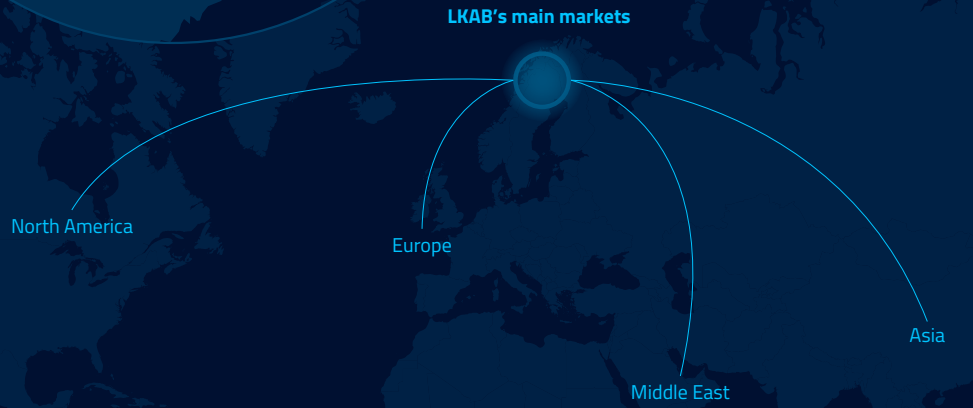
In 2025 we produced 86 percent of all iron ore in the EU.

SEK 33 bn

In 2025 our sales totalled SEK 33 billion.

26 Mt

In 2025 we delivered around 26 million tonnes of iron ore products.



Based in the Swedish orefields

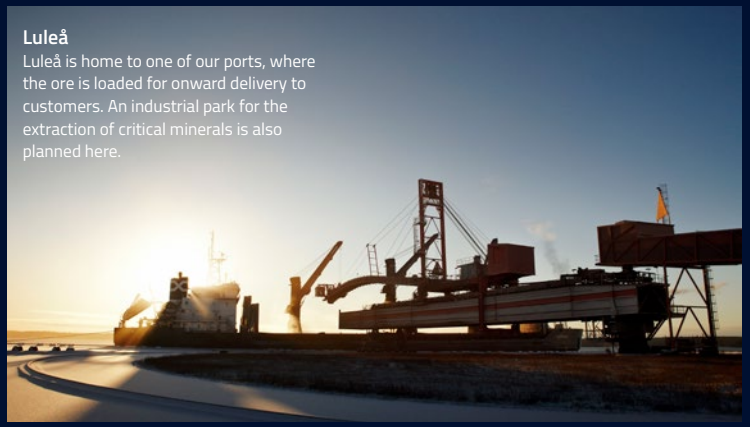
LKAB mines iron ore in Kiruna, Gällivare and Svappavaara. The mines in Kiruna and Gällivare are the world's largest underground mines for iron ore. In Svappavaara, ore is mined in the Leveäniemi open-pit mine.

The ore is crushed, concentrated and processed into pellets and fines and then transported by rail on the Iron Ore Line to our ports in Luleå and Narvik. From Luleå, the ore is mainly supplied to steel customers in Europe, while Narvik serves as an ice-free port for exports to a global market.

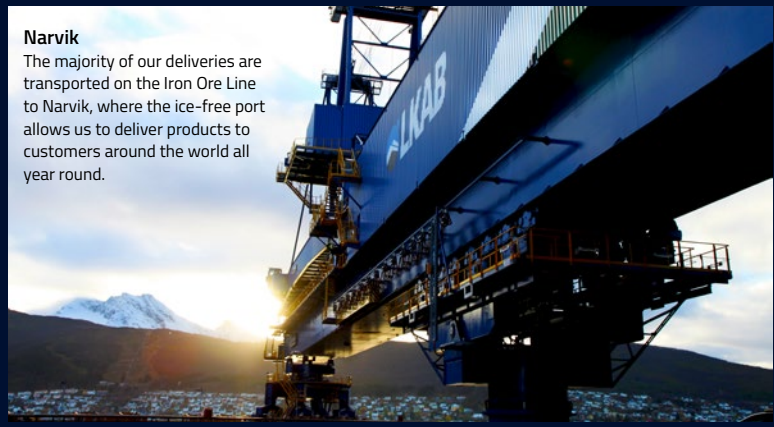
Gällivare
The Malmberget mine, located in Gällivare, is an underground mine and is at the centre of our transformation.

Svappavaara
At our open-pit mine we have established Scandinavia's first geomorphological test site, an innovative method of recreating natural landscapes in mining areas.

Kiruna
The Kiruna mine is one of the world's most advanced underground mines. Today it is the world's largest underground mine for iron ore mining.



Luleå
Luleå is home to one of our ports, where the ore is loaded for onward delivery to customers. An industrial park for the extraction of critical minerals is also planned here.



Narvik
The majority of our deliveries are transported on the Iron Ore Line to Narvik, where the ice-free port allows us to deliver products to customers around the world all year round.

Our business areas

The LKAB Group is managed in two business areas: the Iron Ore business area and the Special Products business area. Group-wide functions are reported under Other segments. Read more about the development of our business areas in 2025 in the Group overview on pages 36–38.

Iron Ore business area

Production and deliveries of high-quality iron ore products to steel producers around the world are the foundation of our business and our continued growth and profitability.

Offering

Our core products are iron ore pellets and fines used for steelmaking.

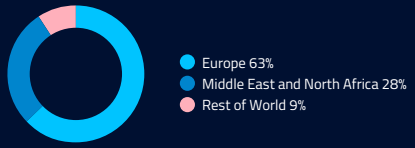
Blast furnace pellets are ready for use in production in blast furnaces on delivery to the customer. The pellets act as an iron-bearing material in iron and steelmaking by being reduced and melted in blast furnaces.

Direct reduction pellets are used by customers that make steel in a gas-based direct reduction process, followed by melting in an electric arc furnace.

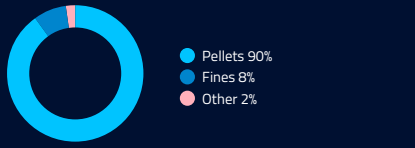
Fines means crushed, concentrated iron ore that our customers sinter together into lumps before it can be reduced and melted during ironmaking in blast furnaces.

Share of the Group's external sales **86%**

Sales by region
Percentage of sales, MSEK



Sales by product
Percentage of sales, MSEK



Special Products business area

Special Products has two main lines of business: development and sales of industrial minerals, and products and services for the mining and construction industries. Europe is our main market, but we have customers throughout the world. The business area is mainly operated through various wholly owned subsidiaries.

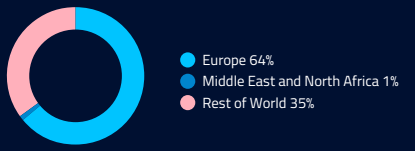
Offering

We offer a product portfolio of some 30 industrial minerals for industries other than the steel industry, of which magnetite is the largest product segment. As well as magnetite products, we offer various mineral products that are processed and customised for each market and application.

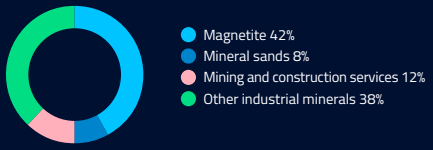
We provide products and services to the mining and construction industries to support the production chain for our iron ore products, including drilling systems, rockwork and concrete work, engineering services and explosives.

Share of the Group's external sales **12%**

Sales by region
Percentage of sales, MSEK



Sales by product and service area
Percentage of sales, MSEK



Our value chain

LKAB's operations form the basis of many long value chains. By taking responsibility and through our ongoing transformation, we want to contribute to the development of the industry in a sustainable direction. We are focusing on reducing our carbon emissions, increasing resource efficiency, utilising more of the material we already mine and taking responsibility for the people and communities where we operate.

LKAB's operations

We secure access to raw materials, energy and services through strategic supplier partnerships that strengthen sustainability, quality and stable production.

We carry out exploration to secure the long-term supply of iron ore and other minerals, and to develop knowledge about our deposits. This strengthens our basis for decision-making and creates value for future mining.

Our iron ore is mined both above and below ground. Mining affects the landscape, the environment and local community. It requires us to act responsibly, engage in dialogue and work in close cooperation with authorities and local communities.

The crushed iron ore is processed above ground into iron ore pellets and fines. Our iron ore has a high iron content and purity, and through our processing we create products of consistent quality that enable our customers to produce steel more efficiently.

By-products from the processing, in the form of waste rock and tailings, are to some extent used as construction material on our industrial sites. In the future we plan to also extract critical minerals, for new business opportunities and to help strengthen Europe's self-sufficiency.

We are one of Sweden's largest freight companies and transport our iron ore products to customers all year round. The majority of the products are delivered to steelmakers.

We supply iron ore and mineral products to customers around the world. Our customers demand iron ore products of a consistently high quality as inputs to their steelworks, and have high requirements of these products.

The steel products made by our customers are processed further into end products, including for infrastructure and industry. The construction sector accounts for a large share of steel use in Europe, where the automotive industry is also a significant user.

For illustrative purposes the Iron Ore business area, which is the Group's largest business area, is more prominently visible in the value chain.

Targets and outcomes

Our strategic targets for sustainable value creation for the period 2022–2030 support our vision of leading the transformation of our industry toward a sustainable future. Our strategic targets will be reviewed in 2026.

Stable and resource-efficient operations

LKAB shall have the financial strength required to implement our strategy and increase flexibility in our transformation.

Brief comments on the year's outcome: The net debt/equity ratio increased in 2025 as a result of higher provisions for urban transformation. The return on equity has not reached the target level due to lower profit, primarily as a result of lower iron ore prices, a stronger Swedish krona (SEK) against the US dollar (USD) and increased costs for urban transformation. The Board of Directors is proposing to the Annual General Meeting that a dividend amounting to MSEK 1,500 is paid, which is 50 percent of net profit for the year.

	2025	2024	Target for 2026	Target for 2030
Net debt/equity ratio, %	8.4	-15.5	<60.0	<60.0
Return on equity, %	3.7	11.0	>9.0	>9.0
Dividend, %	50[1)]	50	40–60	40–60

[1)] The Board's proposal to the Annual General Meeting regarding dividend in relation to net profit for 2025. [2)] Lost-time injuries per million hours worked for the Group, including suppliers. [3)] The target for 2030 is to achieve a 60/40 gender balance in management teams. [4)] Energy consumption with deductions made for waste heat [5)] Energy consumption have been updated since LKAB's full-year report for 2025 as a result of an audit conducted. [6)] A description of the biodiversity target can be found in the Sustainability Report on pages 85–89.

Safe, healthy and stimulating workplace

To retain, develop and recruit the skills we need, LKAB must be a safe and attractive workplace that contributes to increased prosperity and thriving communities where people want to live and settle.

Brief comments on the year's outcome: We currently have an extensive initiative relating to occupational health and safety, aimed at lowering risk acceptance and increasing the focus on risks that can lead to serious or fatal accidents. During the year, training and coaching in visible felt leadership that all managers in the Group must complete was begun. The accident rate for the year was 5.2 (4.9); the increase shows the importance of continuing our efforts to improve the safety of everyone working in our operations. At the end of the year the percentage of women in the workforce was 29 (29) percent, and among management 34 (31) percent.

	2025	2024	Target for 2026	Target for 2030
Lost time accidents per million hours worked[2)]	5.2	4.9	4.0	2.0
Long-term sickness absence, %	0.7	0.7	0.8	0.8
Women in the workforce, %	29	29	30	–[3)]
Women in management positions, %	34	31	30	–[3)]

Climate-efficient sustainable transformation

We shall lead the transformation of the iron and steel industry toward reduced climate impact and sustainable development.

Brief comments on the year's outcome: Carbon emissions from our own operations (Scope 1 and 2) were affected by higher production volumes compared with the previous year. Energy consumption per tonne of finished product decreased from the previous year, achieved partly through higher and more stable production combined with increased sales of waste heat. During the year important steps were also taken to achieve our long-term target of a biodiversity net gain in the regions where we operate.

	2025	2024	Target for 2026	Target for 2030
Energy consumption, kWh per tonne of finished product[4)]	166[5)]	176	162	154
Carbon emissions, kt	669	600	608	536
Biodiversity	–[6)]	–[6)]	–[6)]	–[6)]

Jan Moström
President and CEO

Stable operations in an uncertain world

In 2025 we have been affected by an unpredictable and uncertain global environment. Geopolitical tensions and global turbulence have had a clear impact on trade flows, where we have seen a sharp deterioration in market conditions. Despite this, we have remained focused on strengthening stability in both production and delivery capabilities, where we are now gradually beginning to see improvements.

For LKAB, the year has brought both trials and progress. We are very much affected by market developments in the form of lower pellet premiums, but during the year it was primarily the weaker US dollar (USD) that weighed on our sales. We have also had a substantial increase in costs associated with the urban transformation in Kiruna. Our focus has been on our own operations and the areas we can influence directly, and during the year we improved our delivery reliability and production stability compared with the previous year. Although we have not yet reached the volume levels we are aiming for going forward, our efforts have begun to show results.

Safety efforts continue to be a priority. During the year we strengthened our systematic efforts to lower risk acceptance and to develop a sustainable safety culture. At the same time, we recognise the need for further measures to achieve a zero-injury workplace.

We are taking our progress and lessons learnt with us into 2026 and continuing our development.

A rapidly changing operating environment

The year has been marked by increased geopolitical tensions and new trade conflicts, a situation that has been further reinforced at the beginning of 2026 by new conflicts and unrest. This challenges European competitiveness through both technological and political changes, which also affect LKAB. This creates uncertainty for the industry, but also more clearly demands robust structures and an ability to handle different scenarios and make informed decisions under pressure.

China's export controls on rare earth elements were a stark reminder of how vulnerable the global industry is. These materials are crucial for the production of semiconductors, wind turbines, electric motors and defence systems, among other things, and are needed for the transition in general. When a country controls the majority of the world's production and changes its terms, it has a direct impact on global value chains. The US reacted quickly, with major initiatives for domestic production. Europe is also moving in the same direction, but the pace is inadequate in comparison. To create our own capacity, independent of both China and the US, requires both political consensus and a new view of the importance of strategic projects around the entire value chain for critical minerals. This is where our role gets even more crucial, with LKAB becoming increasingly important for

In Kiruna we need permits to continue mining below the current main haulage level and to develop the new iron ore deposit.

Sweden's and Europe's security of supply, transition and competitiveness. We have several of the assets that Europe needs – iron ore, phosphorus and rare earth elements. We can help reduce Europe's dependence on imports and meet the climate threat if we are given the conditions in which to develop our ventures.

At the same time, the energy issue continues to affect the competitiveness of European industry. Volatile electricity prices, grid constraints, complex permitting processes and the absence of long-term rules of play mean companies are hesitant to make major investments. Climate change also requires large amounts of fossil-free electricity, at the right time. Our commitment to electrification, automation and digitalisation, as well as the shift to carbon-free processes and products, is based on energy systems operating efficiently and the political systems for the transition being clear. Norrbotten currently has good conditions for a stable and competitive electricity supply. It is crucial for us and for Sweden that this remains the case.

Permitting processes and Europe at a crossroads

Permitting processes are currently one of Europe's most critical bottlenecks. The regulations are complex and the review times are long, creating significant uncertainty for major investments with long planning horizons.

It is a difficult landscape to navigate, while Europe at the same time has clear ambitions for the climate, industrial competitiveness and security of supply. It is hoped that the work underway in the EU regarding simplification and streamlining of permitting processes, primarily aimed at strategic projects within the CRMA[1] framework, will have an impact.

Our development relies on modern and efficient permitting processes. Without faster and more predictable processes, projects risk being delayed and Europe's transition risks slowing down. At the same time, the increased importance of security policy has put the climate issue further down the agenda in some contexts. For us, this makes timing and risk assessment even more important.

We are convinced that carbon-free production is both necessary and profitable in the long term, but the steps we take and the decisions we make in our transition must be taken at the right pace and under the right conditions. At the same time, it is difficult to see who would have better conditions than us in Sweden to build competitiveness based on carbon-free processes.

Our greatest challenge going forward

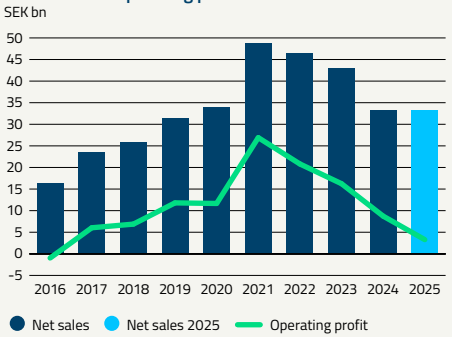
To secure our future production, we need permits to develop our operations.

During the year the environmental permit proceedings for the operations in Gällivare moved into the main hearing. It is essential that an environmental permit is granted if we are to continue developing the business, as the application covers not only the existing production of iron ore and iron ore products but also the establishment of new facilities for extracting phosphorus and rare earth elements, and for the production of fossil-free sponge iron using hydrogen technology. The hearing will continue in the spring and is expected to be completed by summer 2026. Our focus remains on preparing and delivering high quality documentation to allow an efficient process.

In Kiruna we need permits to continue mining below the current main haulage level and to develop the Per Geijer iron ore deposit, where we also have the potential to extract critical minerals. Kiruna is our largest production site and the granting of permits is crucial for our shared future. At present, we are awaiting a decision from Bergsstaten (the Mining Inspectorate of

[1] Critical Raw Materials Act, an EU regulation to strengthen Europe's supply of critical raw materials.

Net sales and operating profit



- In total, our deliveries of iron ore products during the year amounted to 25.8 (21.9) Mt and production increased to 25.9 (22.7) Mt.
- The average global spot price for iron ore was USD 102 (110) per tonne. At the end of the year the price was USD 109 per tonne. Quoted pellet premiums were just over USD 9 per tonne lower year-on-year.
- Operating profit for the year amounted to SEK 3.3 (8.7) bn. Profits were mainly impacted by lower iron ore prices and a stronger Swedish krona (SEK) compared to the US dollar (USD), as well as the increased costs of urban transformation linked to the expanded impact area in Kiruna.
- In terms of development within the business areas, operating profit for the Iron Ore business area amounted to MSEK 2,947 (9,268). The decrease is mainly due to lower iron ore prices and the strengthening of the Swedish krona against the US dollar. The Special Products business area reported an operating profit of MSEK 448 (504). The lower profit is mainly a result of lower sales of rockwork services, as several major contracts were completed in 2024.

Sweden) on our concession application for the new iron ore deposit before we can take proceedings further.

The earlier rejection of a collective application for Kiruna has made the process more complex. We are now seeing how upgrades and changes aimed at reducing our emissions – for example, through the use of hydrogen in the pelletising plants – are being delayed by regulations that have not been adapted to today's technical possibilities. We therefore see clearly that permitting processes must be modernised if Sweden is to take on the role that the EU expects in securing the supply of minerals.

Decisive steps in achieving the strategy

During the year we took important strategic steps forward, including an investment decision for a new sorting plant in Gällivare, which will contribute to increase future production capacity. Construction of the demonstration plant in Luleå for extracting phosphorus and rare earth elements picked up speed in 2025. The plant will fulfil an important role in verifying and further developing the process prior to full-scale operation. We have also installed a new ship loader in Narvik to improve efficiency and reduce vulnerability in the logistics chain.

A strong supply of skills is crucial for our continued development, and our culture has a key role to play here. It is important for our journey of transformation that LKAB is shaped into a long-term, attractive and successful company. Efforts to ensure a safe and inclusive work environment where people can develop will therefore continue to be a high priority within the Group, with our managers and leaders having an important part to play.

Safety as our top priority

Our focus on safety will always be a priority. One important step in our continued safety efforts is the development of visible leadership throughout the Group. Over a period of around two years all leaders will receive training in safety issues, with a focus on visible felt leadership – a leadership philosophy that prioritises people and relationships. We are now focusing our safety efforts on reducing risk acceptance through leadership and on enhancing control of critical risks through Critical Control Management (CCM), a method that helps us identify and manage risks before they develop into serious accidents.

Our goal is to ensure safe and healthy workplaces for everyone. We are not content with analysing incidents that have occurred; we are instead looking ahead, and reviewing the critical control points and risks that are most decisive in anticipating and preventing accidents. Our focus on control and leadership based on risk gives us the opportunity to move our safety culture and its performance on to the next level.

By systematically identifying and highlighting the most serious risks, we can direct our resources towards those areas where our efforts make the most difference. As a result, our safety efforts are expected to be more accurately targeted and more effective. This will enhance both our organisation and the safety of all employees.

Increased capacity on the Iron Ore Line is necessary so that LKAB can grow and increase our delivery volumes.

Stability and long-term development of the business

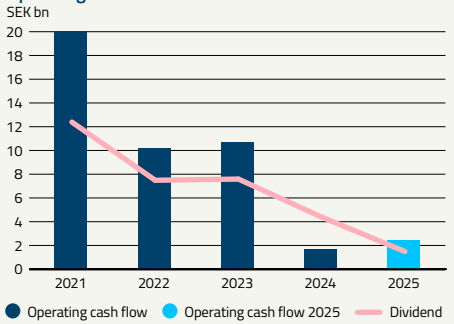
We are seeing progress in our long-term efforts to strengthen our production and delivery systems. Operations have been more stable during the year, with fewer production disruptions than in the year prior. Our processes are more robust, and the ability to detect and rectify deviations in time has improved. These improvements are the result of focused efforts by all employees.

Digitalisation and increased access to real-time data makes us more proactive and productive throughout the production chain. At the same time our cultural journey continues, with transparency and shared goals creating

Financial key figures	2025	2024
Net sales, MSEK	33,325	33,146
Operating profit, MSEK	3,274	8,722
Costs for urban transformation provisions, MSEK	-4,954	-313
Net financial income/expense, MSEK	414	2,229
Profit/loss before tax, MSEK	3,688	10,951
Profit/loss for the year, MSEK	2,976	8,773
Capital expenditure on property, plant and equipment, MSEK	6,017	5,408
Operating cash flow, MSEK	2,382	1,740
Return on equity, %	3.7	11.0
Net debt/equity ratio, %	8.4	-15.5
Dividend to owner[1], MSEK	1,500	4,400

[1] The dividend proposed by the Board of Directors is subject to approval by the Annual General Meeting on 23 April 2026.

Operating cash flow and dividend



Non-financial key ratios	2025	2024
Carbon emissions, kt	669	600
Energy consumption, kWh per tonne of product	166[2]	176
Accident rate	5.2	4.9
Number of permanent employees at year-end	5,308	5,222
Percentage of women among permanent employees, %	29	29

[2] Energy consumption have been updated since LKAB's full-year report for 2025 as a result of an audit conducted.

better conditions for prioritising the right things. We avoid suboptimisation and strengthen cooperation between functions. We are still on a journey, but the development is positive.

Community development is essential for the future

Our operations affect our local communities and currently there are ongoing urban transformations at different stages in both Gällivare and Kiruna.

During the year the need for continued urban transformation in Kiruna was communicated. An extended deformation forecast marks a crossroads: the extent of our impact on the community is increasing, and everything must take place within the next 10 years. This will require major efforts by LKAB, Kiruna Municipality and the state. Together we need to take steps forward with responsibility and clarity.

The development of our community is unique in its nature, as Kiruna's and LKAB's futures are closely linked. Our responsibility is great and clear: we must ensure that the community and our business develop together. This is not an investment in the traditional sense; rather, for us it is a prerequisite and an investment to allow us to continue our mining operations together with a strong local community.

I fully understand that this brings major, and at times painful, changes to the daily lives of the people in Kiruna. Together with residents and the municipality, we are working to carry this out in the best possible way.

A long-term approach creates opportunities

Despite the uncertainties in the world around us, there are good reasons to believe in the future. The world will continue to demand what we produce: high-quality iron ore, future carbon-free sponge iron and critical minerals. LKAB is in a unique position to contribute to both Swedish and European competitiveness and to the industry's transition. We have a clear strategy, a stable business and an organisation that demonstrates its ability to handle complex challenges. Through our export revenues, investments and jobs, we contribute to Sweden's prosperity.

I would like to pass on my warmest thanks to all our employees for the commitment and responsibility they have shown over the year. Together, we have created stability in our business in a time of change.

Going forward, the focus is on continuing to develop the business, taking responsibility in the local communities and strengthening our competitiveness. LKAB is well positioned to take on these tasks.

"We have a responsibility to preserve history when we implement changes in the community that affect what the future community will look like."

Luleå, 26 March 2026

Jan Moström
President and CEO

Key events during the year

First quarter

- The Land and Environmental Court announced our environmental permit application for establishing an industrial park in Luleå for the extraction of critical minerals such as phosphorus and rare earth elements.
- The European Commission gave three of LKAB's projects the status of Strategic Project under the Critical Raw Materials Act. These are the industrial park for critical minerals in Luleå, the Malmberget mine in Gällivare, and the Per Geijer iron ore deposit in Kiruna, which contains significant amounts of rare earth elements.

Third quarter

- Kiruna Church was moved to its new home next to the new city centre. This turned into a unique world event, and the relocation was followed with great interest both nationally and internationally.
- An updated deformation forecast for Kiruna was announced, with both current mining and the extent of the orebody resulting in a larger impact area.
- Investment decision to build a new sorting plant adjacent to the mine in Gällivare. With a new sorting plant we can secure today's production and increase capacity for our planned expansion.

Fourth quarter

- The main hearing for an environmental permit in Gällivare began during the year and will continue in the spring of 2026. The application aims to secure current mining operations as well as the beginning of our long-term transformation plans, including the extraction of critical minerals.
- A new ship loader was installed in Narvik. This is a strategic investment in our logistics system, with each improvement and efficiency measure strengthening our position in the global market.
- At the end of the year we submitted the application to purchase state-owned land in Kiruna for the extended urban transformation. The areas concerned were identified in consultation with Kiruna Municipality.

Responsible community development

Ever since the company started in 1890, our ability to develop together with our local communities has been essential to our success and continued existence.

The location of the deposits in Kiruna and Gällivare, as well as LKAB's method of mining, mean that the mining must take place at greater depths and closer to the communities, giving rise to ground deformations. In order for both our operations and the surrounding communities to continue developing, we are carrying out extensive urban transformations, including the relocation of buildings and infrastructure.

Expanded impact in Kiruna

The relocation of parts of Kiruna has been going on for many years, with the new Kiruna city centre having been inaugurated and the old city centre is being decommissioned. The relocation of Kiruna Church during the year marks a milestone in our ambitions to preserve cultural heritage while developing the communities for the future.

During the year LKAB announced an updated deformation forecast with an expanded impact area through which an additional approximately 2,700 homes and properties and 6,000 people are affected. Dialogue and cooperation with affected property owners, residents, the municipality and authorities has begun. The extended urban transformation needs to be implemented within the next 10 years. Time-critical issues include the need for new land to replace the impact area. With the state being the largest landowner in the region, we applied to acquire buildable land, where the areas were identified in consultation with Kiruna Municipality.

Gällivare takes shape

In Gällivare, the development of new districts has been going on for many years as the community around Malmberget and the mine approaches full decommissioning. This means that the land access needed for the current main haulage level is almost secured. Several new residential areas and meeting places have begun to emerge. Repisvaara and Nuolajärvi are examples of new residential areas that LKAB and Gällivare Municipality have jointly built up, with the vision of Gällivare as a small Arctic town.

Long-term commitment to continued development

The transformation affects many people, and living with constant change is challenging for everyone who lives in and around the communities. We are humbled by our responsibility and impact on people's lives, and work continuously to minimise disruptions from construction work and other negative effects that may be experienced.

Since 2006 LKAB has paid out approximately SEK 37 billion in respect of the urban transformation and at the end of the year we had SEK 32 billion set aside in provisions for future transformation. Of the funds paid out so far, just over SEK 17 billion relates to the construction of replacement properties[1] and the relocation of cultural buildings, while around SEK 20 billion mainly relates to compensation to the municipalities and our costs for construction and demolition of infrastructure, but also includes other costs such as administrative expenses and compensation to businesses.

We are a major employer in our regions, and maintaining attractive communities where people want to live their lives is important to us – indeed, we depend on it. We build new homes, develop recreation and activity areas, and sponsor local cultural and sports activities. The development also enables new businesses to be established, providing more jobs.

For LKAB, community development is essential and represents an investment in our local communities where together we are creating opportunities for our shared future.

[1] Including own property stock.

Focus on dialogue and collaboration

During the more than 20 years that the urban transformation has been actively going on, we have built up great experience and knowledge of the conditions for implementing this development together with the communities and people affected.

Kiruna – milestones in 2025

- Declaration of intent signed with Kiruna Municipality on working together for Kiruna's development.
- Agreement signed with Kiruna Municipality on compensation for infrastructure and properties.
- Application submitted to the National Property Board of Sweden for the purchase of state-owned land for urban transformation and community building purposes.
- Community dialogues with Kiruna residents, the municipality and authorities to plan and manage the continued transformation and what is important for the Kiruna of the future.
- The people directly affected by the extended impact area are offered new homes in accordance with established compensation principles.
- By the end of 2025 around 1,800 replacement homes have been built in total.
- By the end of 2025 around 30 buildings have been moved, including Kiruna Church.

Gällivare – milestones in 2025

- LKAB has begun signing agreements on replacement properties with residents in the area of Malmsta in eastern Malmberget.
- Agreement signed with Gällivare Municipality on compensation for infrastructure and properties for eastern Malmberget.
- Declaration of intent signed with Gällivare Municipality on working together for Gällivare's development.
- By the end of 2025 around 1,800 replacement homes have been built in total.
- By the end of 2025 around 75 buildings have been moved in total.

Read more about our work with the community development in the Sustainability Report on page 107.

In Kiruna eight heritage buildings were moved in 2025, including Kiruna Church.

Gällivare with Dundret in the background.

Strategy

Operating environment and market conditions

Uncertainty in the global landscape is affecting many markets and industries, which are increasingly marked by a focus on reducing exposure to geopolitical risks. This is also impacting the iron and steel industry, which is navigating between climate goals, cost pressures and global risks at a time when competitiveness and security are becoming increasingly important.

Geopolitical uncertainty affects trade flows

Over the year, geopolitical uncertainty in the world has increased. Trade policy measures such as tariffs, quotas and import restrictions are impacting global markets and trade flows. Regional control and security in supply chains for, among other things, energy, minerals and metals as well as technology, are becoming increasingly important to ensure reliability and sustainability in the long term.

An increased focus on regionalisation – including by the EU, which wants to reduce its supply risks and strengthen its self-sufficiency in such things as critical raw materials – is leading to changed conditions. The global situation thus affects both raw material flows and investment patterns, with actors wanting to reduce exposure to geopolitical risks. This can also be seen in the iron and steel industry.

A structural shift for the global steel industry

The steel industry is undergoing a structural shift. China has long been the largest growth market for steel, but the country's demand for steel is showing signs of having peaked and demand is decreasing. Production has not yet managed to adapt to this trend, and instead exports of steel to other regions have increased. Growth in demand for steel in other Asian markets, such as India, is strong, but is only expected to partially offset the decrease in China. Global demand for steel is expected to grow more slowly in the future than in the past 25 years.

Requirements for lower carbon emissions

Demands to transform the iron and steel industry towards lower carbon emissions are increasing. The use of coal in traditional steelmaking in blast furnaces generates substantial emissions of carbon dioxide, making iron and steel an emissions-intensive sector. At the same time, iron and steel serve fundamental functions in our societies by building prosperity and will be needed for future development.

The technology most ready to replace the blast furnace process for steelmaking from iron ore is shaft-based direct reduction with natural gas combined with melting in an electric arc furnace. The Middle East and North Africa already have a large share of production based on direct reduction with natural gas. In many cases, this process has today more than 50 percent lower emissions of carbon dioxide compared to what is generated by traditional

steelmaking in the blast furnace process. Through further development and by replacing natural gas with fossil-free hydrogen, emissions can more or less be eliminated. Direct reduction with natural gas or hydrogen places high demands on the iron raw material, and demand for high-grade iron ore that can be used for direct reduction pellets is expected to increase.

Europe's steel industry is driving the transition, but uncertainties are affecting the pace

The transformation of the steel industry to reduce carbon emissions, primarily through the further development of existing production processes, has begun. The European steel industry is driving the development, with various investment decisions having already been made to build electric arc furnaces and direct reduction plants to replace blast furnaces and produce steel with lower emissions of carbon dioxide per tonne. The pace of Europe's transition is affected by a challenging economic and market situation, with lower margins as a result of higher energy costs, strong global competition and partly uncertain regulatory conditions. Aside from long permit proceedings, there are a number of uncertainties that risk obstructing or hindering the transition. These include uncertainty about the development of technology and costs for alternative manufacturing processes and for carbon capture and storage (CCS), as well as increased demands for stable access to renewable energy. As a result, a number of transition projects announced in the European steel industry have been delayed or paused.

Squeezed margins in steelmaking

The market situation for the steel industry is already characterised by squeezed margins as a result of structural global overcapacity. This makes it difficult for operators to take the necessary decisions and make major investments in order to meet the requirements for reduced carbon emissions. The transition to lower-emission processes could initially lead to higher production costs, potentially affecting the competitiveness of those operating in a global market. To offset this and to maintain market shares, steelmakers are therefore implementing cost savings and restructuring programmes. At the same time, the industry has been putting strong pressure on the EU to strengthen its framework of protective measures against steel imports when the current regulations expire in June 2026.

Increased demand for high-quality iron ore products

Transitioning the iron and steel value chain to reduced carbon emissions is likely to reduce structural overcapacity in some regions and to drive increased demand for high-quality iron ore products. High-grade direct reduction pellets are a prerequisite for the production process of direct reduction and electric arc furnaces.

At the same time, the global supply of iron ore and concentrates of high quality – required for pelletisation, among other things – is limited, and competition for these raw materials is expected to increase. The iron and steel industry is thus also being forced to develop and adapt processes for the production of low-carbon steel based on low-grade iron ore. Technological development is ongoing, but alternatives that use iron ore of lower quality are not as efficient and need to be developed in order to become competitive.

In parallel, demand for recycled scrap steel is expected to increase. The supply of high-quality scrap is at risk of becoming a major challenge, especially in view of the requirements being made for the production of flat and advanced steel grades. This is expected to change the balance of supply and demand for higher-quality iron-bearing raw materials and drive up the costs for steel companies that rely on this type of scrap. Suppliers who can meet quality requirements will be in a stronger position and buyers will be forced to evaluate other alternative iron-bearing materials.

Access to energy is becoming a competitive factor

The shift from carbon-based processes within the steel industry makes energy a crucial competitive factor. The coal used in blast furnaces is priced in a global seaborne bulk market, while the cost of alternative energy sources for steelmaking, such as electricity, natural gas or hydrogen, depends to a greater extent on regional conditions. Energy is therefore becoming an enabler for competitiveness, and regions with good access to these alternative energies at a low price will have an advantage.

Northern Sweden has an almost entirely fossil-free power generation mix and competitive electricity prices. As a result, there are good conditions in the region to transition in order to reduce carbon emissions. In other parts of Europe and the world, the transition of power generation from fossil fuels to fossil-free sources is a major challenge. In these regions a gradual transition is generally planned, starting with replacing coal with natural gas. In the US, the Middle East and North Africa this is already a reality, as they have good access to domestic natural gas, whereas Europe is heavily reliant on imported natural gas for its energy sector. Since the outbreak of the war in Ukraine, the EU has sharply reduced imports of Russian natural gas, with the aim of completely phasing out Russian gas by 2028. Europe's natural gas needs are instead largely met through imports of liquefied natural gas (LNG), for which the US is the largest supplier. This has led to higher energy prices, which has negatively affected growth and the competitiveness of European industry. The price of natural gas and electricity has a great bearing on the investment costings for transforming iron and steel production processes.

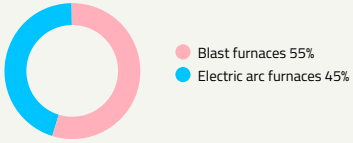
Regulatory conditions set the playing field

In a global comparison, the EU has the most extensive and ambitious political frameworks for driving the transition and achieving the climate goals. These include the EU ETS[1)] emissions trading system and the Carbon Border Adjustment Mechanism (CBAM[2)]), which taxes embedded emissions in imported goods. Other regions,

[1)] EU Emissions Trading System.
[2)] Carbon Border Adjustment Mechanism.

Overview of existing blast furnaces and electric arc furnaces in Europe.

Distribution of steelmaking capacity in existing blast furnaces and electric arc furnaces in Europe



Although steel production using electric arc furnaces is more geographically widespread in Europe, blast furnace-based steelmaking accounts for a larger share of total capacity.

Source: Eurofer and CRU, Steel Market Outlook January 2026.

such as China, are also taking steps to establish a more ambitious climate policy and to tax carbon emissions.

Climate goals and policy tools set the framework for industrial transition and create incentives for sustainable investment. During the year, the EU agreed on a binding target of a 90 percent reduction in the Union's carbon emissions by 2040 compared with 1990 levels, in addition to the target of a 55 percent reduction by 2030. By 2050, the EU is to achieve net zero emissions. With CBAM and the phase-out of free emission allowances under the EU ETS, the costs of emitting carbon dioxide are expected to rise. This will increase incentives for companies to invest in new technology and fossil-free processes, while also protecting European industry from carbon leakage.

High ambitions called into question

Although the consequences of climate change are becoming increasingly clear, as is the fact that carbon emissions are not decreasing in line with the targets in the Paris Agreement, the high ambitions for climate efforts are increasingly being questioned. In an economically challenging situation and with increased focus on security policy, there is a risk that the climate transition will fall further down the agenda. Countries and regions have different priorities, creating uncertainty for actors operating in global markets and increasing the level of risk in investments for transition. Stability in policy instruments, energy supply and market conditions are crucial for being able to make the necessary investment decisions. Uncertainty around legislation and future energy solutions risks slowing down the transition. At the same time, the rising costs of emissions and the need for major investments to meet climate requirements could negatively impact competitiveness of companies that do not act in time. The industry must navigate between climate goals, cost pressures and global risks – all while uncertain times increase the focus on competitiveness and security.

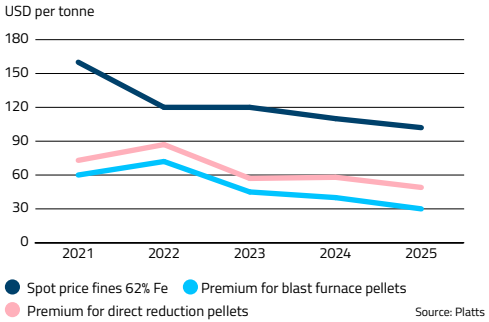
Critical minerals will strengthen Europe's self-sufficiency

At a time of geopolitical uncertainty and increased regionalisation, the issue of reducing import dependency is highly topical. One objective of the EU's Critical Raw Materials Act (CRMA[1]) is to increase Europe's self-sufficiency in critical minerals such as rare earth elements (REE) and phosphorus. The EU currently has a large import dependence, with limited or no production of its own.

REE have unique properties and are used in a variety of technical applications, including the manufacturing of permanent magnets used in electric motors and generators. China currently dominates the global REE market, from mining to processing. Phosphorus is a crucial input for mineral fertiliser and is necessary for sustainable food production. Before the outbreak of war in Ukraine the EU imported significant amounts of phosphorus from Russia, but this has since decreased significantly. European producers of mineral fertilisers therefore need to seek out suppliers that are geographically further away.

There is good potential to extract these minerals as by-products from Swedish apatite-rich iron ore, thereby increasing self-sufficiency in Sweden and the EU. Read more about LKAB's opportunities for this on page 23.

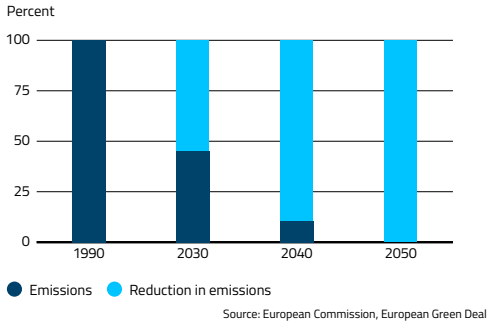
Development of iron ore price and pellet premium



Source: Platts

Historical development of the iron ore price and pellet premiums. The majority of LKAB's sales are made in US dollars (USD).

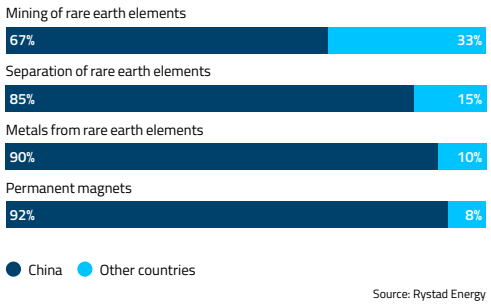
EU emissions target for 2050



Source: European Commission, European Green Deal

The EU's target is to become climate neutral by 2050 by phasing out fossil fuels and lowering carbon emissions.

Rare earth elements in the world



Source: Rystad Energy

China dominates the global market for rare earth elements, from mining to processing. Currently, no mining is carried out within the EU and only about one percent of separation and processing takes place within the EU.

[1] Critical Raw Materials Act, EU regulation to strengthen Europe's supply of critical raw materials.

A challenging operating environment, but good conditions for LKAB's strategy in the long term

The global steel industry is facing structural challenges and the operating environment is characterised by geopolitical uncertainty, increased trade barriers and instability that may further impact market conditions and supply chain capabilities. There is uncertainty regarding the necessary investments and technology shifts required for the transition to lower carbon emissions. At the same time, the requirements for more sustainable processes and products are increasing.

- In the iron and steel value chain, the transition is expected to drive increased demand for high-quality iron ore products, giving LKAB a competitive position in which we expect to see increased demand in the future for our high-quality iron ore pellets.
- In the Middle East and North Africa, there is demand for LKAB's iron ore products, as a large share of the region's production is based on direct reduction with natural gas and requires high-quality iron ore pellets. At the same time, war and regional tensions represent a significant market risk.
- In Norrbotten, there is good access to fossil-free electricity at competitive prices. LKAB's geographical location provides favourable conditions for producing hydrogen from fossil-free electricity and transitioning to carbon-free processes, thereby increasing the added value to our products by processing.
- In addition, LKAB has the potential to extract rare earth elements and phosphorus, as by-products of our iron ore, which can both strengthen LKAB's business and help reduce the region's import dependency.

Despite a challenging operating environment, LKAB is in a strong position.

Fundamental requirements for our mining operations

LKAB is one of Europe's leading producers of iron ore and mineral products. Since the company was founded 135 years ago, we have used innovation to streamline the production of iron ore products and, step by step, increased the added value by processing in order to remain competitive in the market.

Conditions required for strong competitiveness

Through exploration work we have increased our mineral resources in recent years, thereby creating the conditions for increasing our volumes.

That the iron ore we mine has a high iron content and low levels of impurities after concentration provides a favourable starting point for our transformation strategy and long-term competitiveness. In the future, by also extracting phosphorus and rare earth elements from the iron ore that we mine, we can broaden our business and contribute to Sweden's and Europe's self-sufficiency in critical minerals.

A long-term strategy for the mining of the future

Our long-term strategy aims to ensure competitiveness and profitability, both here and now and for the future, while contributing to more sustainable development of the industry. Our focus is on safe, stable and efficient production and on developing innovative methods and carbon-free processes adapted to what is technically possible, economically sustainable and feasible within reasonable time frames. We manage our strategic risks on an ongoing basis in order to balance long-term and short-term goals. Through our strategy, we make the most of the conditions and opportunities we have and look to the future.

Iron ore resources for future generations

The foundation for long-term mining operations involves securing mineral reserves and mineral resources. Converting mineral resources into mineral reserves means ensuring that a deposit can be mined safely and profitably, even if the ore is located deep underground.

Exploration provides long-term mining plans

We carry out continual exploration work in order to secure a long-term supply of iron ore and other minerals.

The latest results of our exploration work and technical studies show continued increases. Total mineral reserves and mineral resources as at 31 December 2025 amounted to 7.2 billion tonnes, of which total mineral reserves are 0.9 billion tonnes.

The total volume of rare earth elements amounted to approximately 3.1 million tonnes (in situ REE oxides). This includes LKAB's mines in Kiruna and Gällivare, as well as the Per Geijer iron ore deposit in Kiruna.

For more information about our exploration and our reserves, resources and mineral contents see page 199.

Mineral resources and reserves in relation to our mining since 1890

After 135 years of mining, our total volume of mined iron ore amounts to around 2 billion tonnes. This means that today's reported mineral resources and mineral reserves amount to more than three times what has been mined throughout our history.

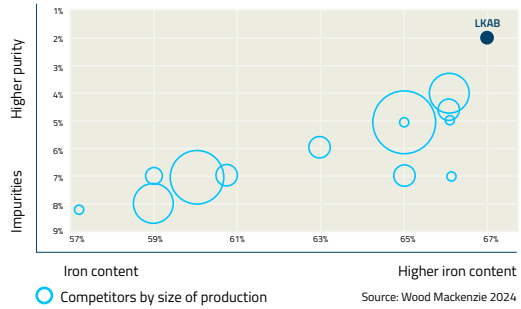
Iron ore with good properties

LKAB's iron ore pellets and fines, processed from magnetite ore, are characterised by consistent high quality and good concentration properties. This enables a high iron content in the concentrate, providing good conditions for efficient pellet production and further processing. The properties of the magnetite also provide an advantage in the sintering process, where fines (fine particles of ore) are merged into larger pieces at a high temperature (sintered) to then produce iron ore pellets.

The high added value of our iron ore pellets enables us to achieve price premiums on top of the base price for high-quality iron ore products. Read more about how pellet premiums developed in 2025 in the Group overview on page 36.

Iron content and purity

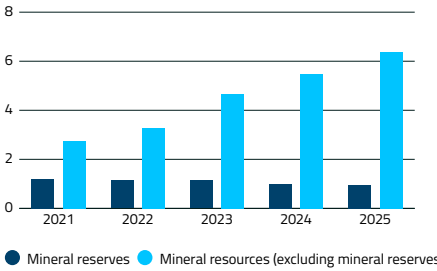
The iron content and combination of aluminium and silicon



Our iron ore pellets and fines, processed from magnetite ore, are characterised by consistent quality and good concentration properties.

Mineral reserves and mineral resources

Billion tonnes



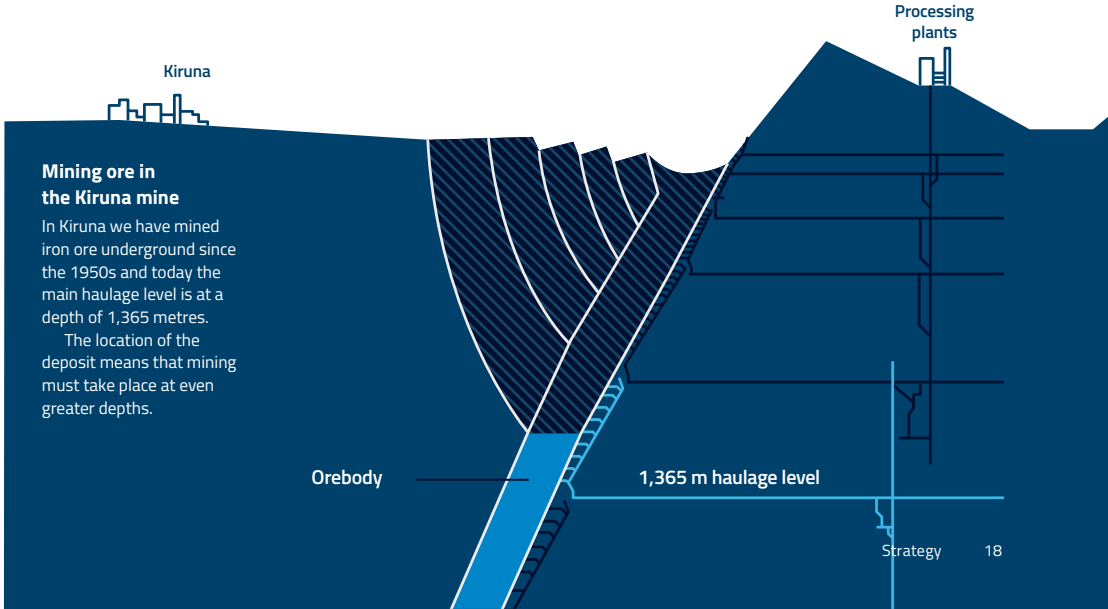
Mineral reserves are the parts of the deposit that can be mined technically and profitably under present conditions. Mineral resources are the estimated amounts of minerals present in the ground that could possibly be economically extracted. The graph includes "must take" material – for a definition, see page 200.

Total volume of mined crude ore and upgraded iron ore products

Million tonnes

	2025	2024
Crude ore, magnetite and hematite	44.9	43.3
Upgraded iron ore products	25.9	22.7

Crude ore is iron ore from the mines before any further processing, and the volume also includes waste rock. Magnetite and hematite are examples of iron ore minerals.



Creating profitability in the operations

Our iron ore mining primarily takes place in underground mines in Kiruna and Gällivare. Underground mining is generally more expensive than open-pit mining, which means that we operate with a higher cost base than competitors with open-pit mines. Continued profitable mining is crucial if we are to be able to invest in and develop our business.

Underground mining brings challenges

As mining is capital-intensive, production volumes, cost control and productivity are crucial to ensure competitiveness in mining operations.

Our exploration work shows that our orebodies are located at ever greater depths. This means that we face major challenges. Above all, it concerns maintaining the safety of our employees and contractors despite deeper mining, as well as developing processes and working methods that enable efficient mining operations.

Higher volumes for greater profitability

To increase revenues, we have a long-term objective to increase our production volumes and at the same time increase the value added by processing.

Successful exploration has enabled us to see opportunities to increase our production volumes, thereby achieving a lower cost per unit produced. Our aim is to increase volumes by 20–50 percent during the 2030s. This requires the capacity to balance the necessary investments with efficiency improvements in the operations, in order to increase productivity.

Processing increases revenues

By further processing our products into high-quality iron ore pellets, for example, we can increase the value of the iron ore – and thereby create the conditions for a higher premium compared with the price of the world's iron ore products in general. Going forward, the ambition is to further upgrade our products to produce products such as carbon-free sponge iron.

Extracting critical minerals will strengthen the business

Our iron ore contains apatite, a mineral from which we can extract phosphorus and rare earth elements. Extracting these will bring in increased revenue from the ore we are already mining. This provides an opportunity to further broaden our business and strengthen our long-term competitiveness.

Innovation and the realisation of our strategy

Innovation and technological development have long characterised our operations, and we work both to improve today's operations and to lay the foundation for the production systems of the future.

Our innovation and development work is carried out through six priority programmes in the areas of mining, processing, logistics, energy systems, production systems, and the environment and water. Most projects are conducted in collaboration with strategically important suppliers, research institutions and other companies in the mining industry.

Read more about our strategic framework and how we are developing LKAB for the future on pages 20–23.

We use drone technology and robotic solutions when inspecting mines to increase safety and efficiency.

Competitiveness among iron ore producers

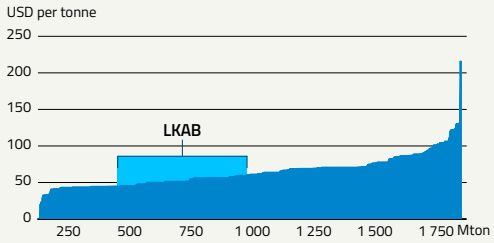
The graph illustrates competitiveness in our industry and shows the cost per tonne for mining and processing iron ore. Further to the right on the graph shows a higher cost per unit produced and thus, poorer competitiveness. Further to the left shows a lower cost per unit produced and therefore, stronger competitiveness.

Our position

Through higher volumes and a high level of value-added processing compared with the industry at large, LKAB is able to maintain strong competitiveness, which is often measured by the position on cash-cost curves. LKAB's position is normally in the better half of the industry's cash-cost curve. Small changes in the cost base can have a significant impact on a company's position, as the curve is relatively flat in the lower-cost half. In analysis firm Wood Mackenzie's calculation for 2025, the cost per tonne of produced units has decreased compared with 2024.

Cash cost of iron ore producers

Cost level per iron ore producer and accumulated iron ore production globally. The graph has been adjusted for differences in concentration, impurities and premiums, with the cost level of all mines being related to the price for iron ore fines 62%.



Source: Wood Mackenzie, Q4 2025

Our three strategic areas

A NEW WORLD STANDARD FOR MINING

Mining at greater depths through automation, electrification and digitalisation for increased volumes

CARBON-FREE PROCESSES

Increased product value and reduced climate impact

CRITICAL MINERALS

Extraction of phosphorus and rare earth elements for greater self-sufficiency

We drive the development of our operation in three areas. A new world standard for mining at great depths for increased volumes. A focus on carbon-free processes and products is contributing to higher product value and reduced climate impact. The extraction of phosphorus and rare earth elements is developing our business and helping to strengthen Europe's self-sufficiency in critical minerals.

Our strategy sets out the path to securing our long-term competitiveness.

A new world standard for mining at great depths

To create the conditions for profitable mining at greater depths, LKAB is developing a new world standard which focuses on automation, electrification and digitalisation. This also creates opportunities to transform the operations in order to reduce carbon emissions in the value chain.

Today, underground mining takes place in the Kiruna mine at a depth of 1,365 metres and in the Malmberget mine at a depth of 1,250 metres. Exploration shows that the orebodies extend ever deeper below the current main haulage levels, and the future mining therefore needs to take place at greater depths. We need to enable mineral resources to be converted into mineral reserves safely and efficiently.

Mining at greater depths involves, in addition to increased costs, challenges related to higher rock stresses, increased seismic activity and more complex logistics. Future mining will require safe and innovative solutions in safety, technology and working methods.

Developing to improve productivity

We are developing a new world standard for mining that enables a safer working environment and higher productivity. Through digitalisation, electrification and automation we are able to optimise production, with reduced downtime. Some of the innovations we are working with and developing include:

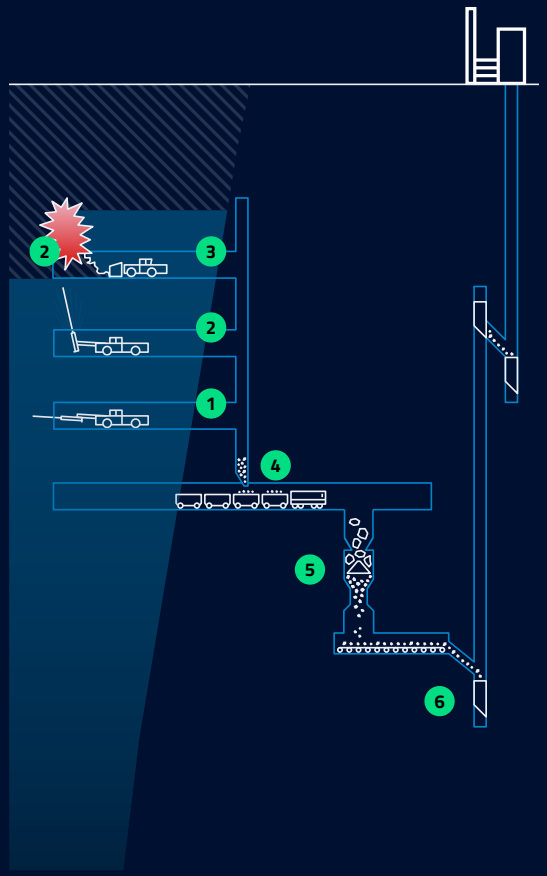
- Autonomous machinery, mining systems and real-time monitoring of rock stresses and seismic activity to increase safety and reduce downtime. In the longer term the goal is to increase productivity by being able to work more hours of the day.
- Electrified machinery and energy-efficient transport systems reduce both operating costs and climate impact, while also improving the work environment for our employees.
- Digitalised control systems increase the precision of the mining process and enable remote control, which improves productivity.

These innovations contribute to a safer work environment by reducing the need for human presence in high-risk areas. There is also a direct link with our long-term goal of carbon-free processes. Electrified machinery and other battery-powered equipment are already being used in the operations, to not only improve productivity but also reduce climate impact.

Our aim is that new technology and new methods from ongoing development projects can be gradually introduced into existing operations and at current mining depths once they have been proven to work, are safe, and can contribute to higher volumes.

New world standard brings new opportunities

With the right conditions, we can strengthen our position and pave the way for safe, sustainable and profitable mining at even greater depths, down to 2,000 metres. This will be possible if the technical, economic and environmental factors come together and are supported by market conditions.



Mining iron ore underground

1 Drifting

Tunnels are made in the rock by means of drilling, blasting, scaling (removing loose rock) and rock reinforcement.

2 Production drilling and blasting

Production drilling and blasting are carried out using remote-controlled drilling units that drill long, upward holes through the ore, which are then filled with explosives.

3 Production loading

Production loading involves loaders taking the iron ore and tipping it into rock shafts.

4 Chute loading and haulage

The shaft discharges down into rail cars or trucks, which haul the ore to large crushers. Continuous development of automation for all its haulage systems has made LKAB a world leader in this area.

5 Discharging and crushing

The rail cars and trucks are emptied into discharging stations for feeding to the crushers, where the ore is crushed into pieces about 10 centimetres in size.

6 Hoisting

Hoisting takes place via ore elevators, known as skips, which haul 40 tonnes of ore at 60 km/h.

LKAB's operations in Gällivare, where we are planning several new facilities.

Initiatives for carbon-free processes

The operations in Gällivare play a key role in our transformation and our goal of carbon-free processes and products.

Examples of planned facilities in Gällivare

Direct reduction plant
Planned demonstration plant for fossil-free sponge iron production. The plant is part of the early implementation of the hydrogen-based Hybrit method.

Hydrogen plant
Planned demonstration plant for hydrogen production. Using fossil-free electricity we can produce hydrogen from water, through a process known as electrolysis where water molecules are split into oxygen and hydrogen. The hydrogen can then be used as a reducing agent in the direct reduction process.

Our high-quality iron ore products

LKAB expects to deliver products for both traditional and fossil-free steelmaking for a long time. Through processing and innovation, the products contribute to greater efficiency, lower emissions and a more sustainable steel industry.

Fines are crushed, ground and concentrated iron ore that must be sintered together with additives before it can be used in blast furnaces.

Blast furnace pellets are agglomerated iron ore in the form of round balls with a high iron content that can be used directly in blast furnaces without additional processes, thereby reducing energy consumption and carbon emissions.

Direct reduction pellets are used in the direct reduction process, where the pellets are reduced in a shaft furnace and subsequently melted in an electric arc furnace. The process can be made fossil-free by replacing natural gas with hydrogen. The pellets have a very high purity and iron content.

Sponge iron is the result of direct reduction and consists of solid iron that can be used directly in steelmaking in electric arc furnaces. Global production is still limited but is expected to increase significantly, as it enables fossil-free steelmaking by direct reduction with hydrogen.

Carbon-free processes

A key part of our strategy is to increase the value added to our iron ore products by processing while also developing carbon-free processes and products. This will strengthen our competitiveness and contribute to a more sustainable iron and steel industry. The path to achieving this involves fuel switching, electrification, energy efficiency measures and further upgrading the products.

The global iron and steel industry accounts for a large proportion of the world's carbon emissions and in order for LKAB to remain viable in the long term, we need to transform our operations. To reduce our carbon emissions, and ultimately those of the industry, we are working towards a transition to carbon-free processes using, among other things, fossil-free electricity and hydrogen.

Transformation plan for processing in several steps

Part of our transformation plan involves continuing to develop our processing to further increase the value added to our products, and to reduce carbon emissions downstream in the value chain. Following long-term testing and development work in Gällivare we have replaced fossil fuel with bio-oil in one of our pelletising plants, resulting in the world's first iron ore pellets produced using fossil-free fuel.

In the longer term, our ambition is to gradually transition to carbon-free iron ore pellets and to offer a future product in the form of carbon-free sponge iron. Sponge iron is an umbrella term for direct reduced iron (DRI) and hot briquetted iron (HBI) that is manufactured through direct reduction using gas. In terms of production technology LKAB is focusing mainly on using the hydrogen-based Hybrit method, which is a fossil-free production process.

Electrification of operations

As part of our transformation plan, electrification of our operations is already under way. This includes our work towards gradual electrification of the mining operations which, together with ventilation solutions, not only improves the working environment but also reduces climate impact. The work includes fuel switching, electrical power management and the electrification of vehicles. Our ambition is to electrify the vehicle fleet throughout our operations, from mine to port. A project to use electric trucks above ground in Gällivare, for example, completed its first test phase at the beginning of the year.

The industry's transition to lower carbon emissions

There are many indications that carbon emissions will incur higher costs in the future, throughout the value chain. The steel industry's transition to lower carbon emissions is expected to take place primarily through the shift to direct reduction plants and electric arc furnaces. This process requires high-quality iron ore, and the gradual transition is therefore expected to drive up demand for high-quality iron ore pellets.

Our high-quality iron ore products, combined with a limited supply of recycled steel in the form of high-quality scrap, strengthen LKAB's position in the market. Our transition to carbon-free processes contributes to the development of fossil-free steel, a product that is expected to be widely used in the future.

Critical minerals

The iron ore we mine also contains apatite. By exploiting this by-product and extracting phosphorus and rare earth elements we can increase resource utilisation while strengthening the flexibility of our business.

The apatite contained in our iron ore is an untapped resource. Apatite is a phosphate mineral and an important source of phosphorus. The apatite also contains rare earth elements that are not currently mined in Europe. The EU has identified both phosphorus and rare earth elements as critical minerals; through their extraction, we can create new business opportunities while also helping to reduce Sweden's and Europe's import dependence.

Phosphorus is used, among other things, for the production of mineral fertilisers – on which around half of the world's food production depends. Domestic production of phosphate minerals in the EU is currently limited. The main uses for rare earth elements are linked to the manufacture of permanent magnets that are used in electric motors and generators: found in everything from electric cars to wind turbines, electronics and in many applications in industry. Increased electrification of society's transport sector and increased digitalisation means the need is great, and global demand is expected to increase significantly.

Future initiatives selected as Strategic Projects

The EU's Critical Raw Materials Act (CRMA) aims to ensure a sustainable supply of critical raw materials within the Union, with certain minerals and rare earth elements being classed as strategic. Currently, China dominates both mining and processing on the world market for rare earth elements, while Europe has a great need to produce electric vehicles, wind turbines and other technology. The topic of rare earth elements has become increasingly important geopolitically and played a crucial role in the trade war between the US and China in 2025.

During the year the European Commission selected three of LKAB's future initiatives as Strategic Projects under the CRMA: our planned industrial park for critical minerals in Luleå, the Malmberget mine in Gällivare and the Per Geijer iron ore deposit in Kiruna. The announcement is a recognition of our ability to contribute to securing Europe's access to critical minerals and reducing its dependence on other countries.

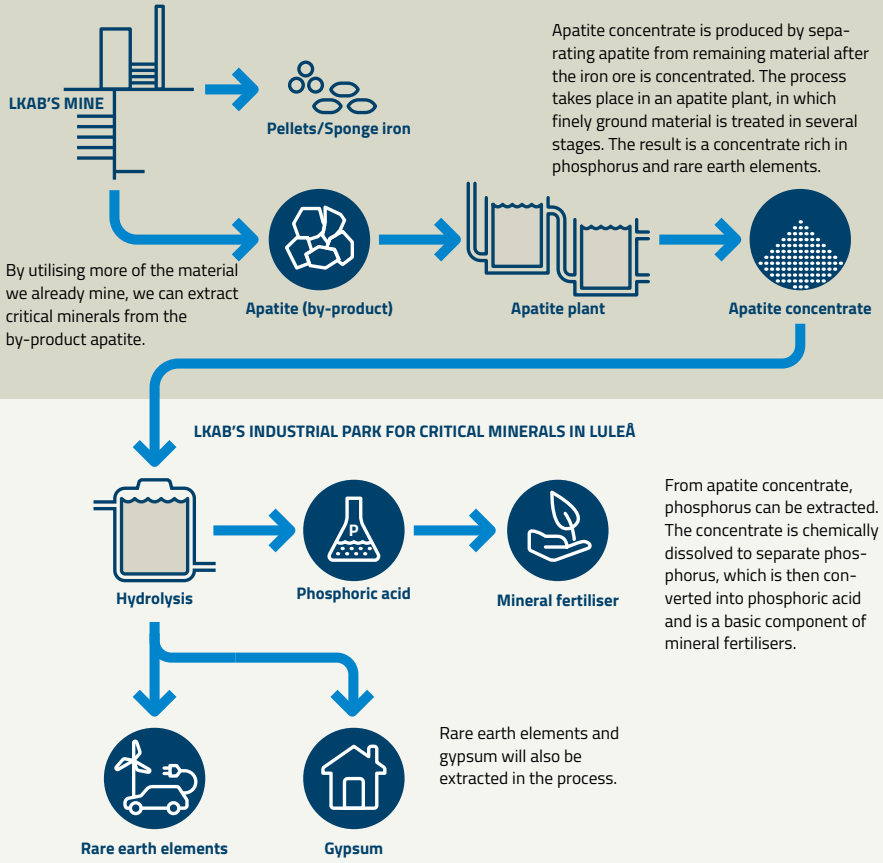
Development projects progressing as planned

We are working continuously to harness the business opportunity that apatite represents and to become a future supplier of critical minerals.

Currently, we are building a demonstration plant in Luleå for the extraction of phosphorus and rare earth elements from apatite concentrate. In addition, this process also results in significant amounts of gypsum, which can be used in, for example, the construction industry. The plant will also be a research and development centre, playing an important role in building new competences and testing processing methods for refinement.

We also have an ongoing environmental permit process for a full-scale industrial park in Luleå and have applied for a permit for expanded operations in Gällivare, including the establishment of an apatite plant.

Apatite – the foundation for greater self-sufficiency



Our scale-up model

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 secure operational and technical conditions as well as financial sustainability over time. If the right conditions are not in place, the initiative will be cancelled or postponed until the situation is deemed to be more favourable.

PHASE 1

Pilot study

A pilot study is carried out on a small scale to learn lessons and check the design of the study. Values are collected that can be used in later phases.

Examples of existing projects

Pilot plant in Gällivare that extracts apatite from by-products of the mining. The aim is to make use of by-products from iron ore production to produce phosphorus and rare earth elements.

Pilot plant in Luleå that reduces iron ore using the hydrogen-based Hybrit technology. The aim includes the development of a new hydrogen-based method of efficient fossil-free iron and steel production as well as producing fossil-free sponge iron. LKAB is conducting this initiative together with the steel company SSAB and energy company Vattenfall.

PHASE 2

Demonstration

After a pilot study, a demonstration plant is established to test, evaluate and further develop technologies and solutions.

Examples of projects in progress

Ongoing construction of a demonstration plant in Luleå for the extraction of phosphorus and rare earth elements from apatite concentrate, which is extracted from by-products of iron ore production.

PHASE 3

Industrialisation

If the outcome is positive, an industrial phase begins where the operations and their capacity are scaled up to industrial level to become an integral part of the business.

PHASE 4

Expansion

If the conditions are right, there is an expansion phase where the operations are scaled up further to either supplement or replace the previous operational process.

Sponge iron, LKAB's planned future carbon-free product.

Conditions for implementing the strategy

- CAPACITY ON THE IRON ORE LINE
- EFFICIENT PERMIT PROCESSES
- ELECTRICITY INFRASTRUCTURE AND FOSSIL-FREE ELECTRICITY
- SECURE SKILLS SUPPLY

LKAB operates in a capital-intensive industry with a planning horizon that extends across decades. To realise strategic initiatives and create long-term value we are dependent on sufficient capacity on the Iron Ore Line, efficient permit processes, electricity infrastructure and expanded access to fossil-free electricity, and opportunities to develop and attract skilled workers. These conditions affect the investment decisions and operational planning of both LKAB and other actors in Norrbotten.

Capacity on the Iron Ore Line

An increasing number of actors are showing interest in the Iron Ore Line, and the need for transport capacity and reliability is growing. For LKAB, today's capacity shortages pose major challenges that affect the conditions for continued investment and growth.

Efficient and safe logistics are a fundamental requirement for our business. It was thanks to the railway that we were able to transport our products to the ports of Luleå and Narvik 135 years ago. The Iron Ore Line, a 500-kilometre long single-track railway, remains the only option available for transporting our iron ore products to customers in Sweden and abroad. The capacity of the Iron Ore Line has a direct impact on how much and at what rate we can deliver.

Increased capacity on the Iron Ore Line is essential

The challenges around the Iron Ore Line concern more than just tracks and track capacity. Fundamentally, it involves putting conditions in place for managing the various types of unforeseen events and operational disruptions that currently have a major negative impact, and not just for LKAB. In the coming years the need for transport capacity is also expected to increase sharply as a result of increased interest in using the Iron Ore Line from other actors as well, including industrial enterprises and the Swedish armed forces.

During the year the Swedish Transport Administration carried out various maintenance initiatives on the Iron Ore Line, including restorative repair work and extending passing places allowing longer trains to pass each other. However, the measures required are multiple and challenging, and initiatives to create the necessary increased capacity are urgent. The Iron Ore Line needs to be managed as a coherent system, with the planning and implementation of maintenance and capacity-enhancing measures coordinated more efficiently between the Swedish Transport Administration, its Norwegian equivalent Bane NOR, maintenance contractors and operators like ourselves.

We work actively on what we can influence

To proactively contribute to securing our transport needs, we conduct various activities of our own. In recent years we have invested in new cars and upgraded locomotives, invested in a new locomotive workshop and acquired a minority stake in Duroc Rail, which specialises in the maintenance and repair of wheels for locomotives and railway cars.

We have also strengthened our internal processes around, for example, loading and unloading. LKAB's proactive efforts can be summed up in three steps: own initiatives, collaboration with the Swedish Transport Administration and finally dialogue with governing politicians.

Visualisation of railway yard extension at Sikträsk. Photo: Swedish Transport Administration

Work to increase capacity has begun

The Swedish Transport Administration has begun constructing new passing places and railway yard extensions on the southern part of the Iron Ore Line, between Boden and Gällivare.

The aim is to create better conditions for efficient and sustainable rail traffic with greater opportunities for passing and circulation on the single-track system. The work also includes reviewing and improving tracks, points, signalling systems and electrical and overhead contact line systems along the Iron Ore Line to cope with more traffic and heavier trains.

Constructions started in 2025

- Sikträsk railway yard extension
- Extension of passing loop at Harrträsk station
- Extension of passing loop at Nuortikon station
- Murjek railway yard extension (operational passing place)
- Extension of passing loop at Näsberg station

Source: Swedish Transport Administration

How the permitting processes work

The permitting processes follow a clear but complex structure, in which each step must be approved before a project can proceed further.

1 2 3 4

Investigation and exploration

- Identification of deposits and analysis of opportunities.
- Preliminary studies that include dialogue with landowners and stakeholders.
- Exploration permit under the Minerals Act.

Exploitation concession

(Under the Minerals Act 1–10 years)

- The application is submitted in order to obtain a right to extract deposits.
- Approval requires review of land use and mineral rights.

Environmental permit

(Under the Environmental Code 1–7 years)

- The application for an environmental permit. includes extensive analysis and minimisation of negative environmental impacts, such as on water and air.
- Review by environmental court, potentially with appeals.

Implementation

- If a permit is obtained the project can be started, with continuous monitoring and cooperation with stakeholders.

The figure provides a schematic overview.

Our four ongoing processes

- Main hearing relating to environmental permit for operations in Gällivare, both for existing mining and processing activities and for expanded operations including a demonstration plant for fossil-free sponge iron and an apatite plant.
- Ongoing environmental permit proceedings for the processing of phosphorus and rare earth elements in Luleå.
- Establishment of a demonstration plant and research centre for further processing of critical minerals in Luleå has begun.
- Application submitted for an exploitation concession for the Per Geijer deposit in Kiruna, which, in addition to iron ore, also contains phosphorus and rare earth elements.

More efficient permitting processes

Unpredictable and long permitting processes are a challenge for the entire mining industry and may ultimately affect both Sweden's and Europe's competitiveness and ability to be self-sufficient. For LKAB, protracted processes risk delaying strategic activities and initiatives, with major consequences for our operations and transformation.

Various types of permits and decisions by authorities are required in order to conduct mining and mineral operations, including environmental permits under the Environmental Code, planning cases and exploitation concessions under the Minerals Act. It is within these permitting processes that the legal and environmental reviews required to start, conduct and develop LKAB's mining operations and minerals business take place.

We are currently engaged in four major permitting processes, each of which is critical to both our business today and our future.

Major risks of protracted processes

Sweden needs a permitting system that makes it possible to transform. Current permitting processes are often long, unpredictable and inefficient. Protracted processes are one of the biggest risks to LKAB's operations and transformation, as we risk not being able to implement the necessary investments and initiatives in time.

Our time horizons are long, with planning and investment horizons spanning decades. To enable us to invest in our mines, facilities and technology, permitting processes need to be faster – without compromising environmental protection.

Dialogues for our efforts going forward

Among what is needed to create greater clarity and efficiency, there must be greater coordination of new laws and regulations. In recent years LKAB has conducted extensive internal work to identify, manage and coordinate permitting matters with authorities and stakeholders at an early stage in the process. This has been identified as an important success factor for the process and we are constantly developing and working on these methods. One example is the introduction of thematic consultations as a working method – in which we bring together relevant stakeholders such as government officials, industry organisations and experts to jointly review and discuss specific matters.

Together with industry organisation Svemin, we are also working to shed light on permitting issues in general. We also maintain a broad dialogue with relevant authorities. At the same time, it is important for governing politicians at both local and national levels to have a general understanding of our operating conditions.

New opportunities as interest increases

Interest in and understanding of the importance of minerals and metals to society has increased both within and outside of Europe, focusing on rare earth elements. The EU's Critical Raw Minerals Act (CRMA) aims to increase Europe's self-sufficiency and marks a step forward in this development. This is a positive message, but we now want to see the results of this.

Fossil-free electricity and expanded power infrastructure

Our development and transformation require access to fossil-free electricity and the development of the energy system to meet the growing demand for electricity.

As our mining operations develop and the product processing increases, our energy needs are expected to rise. We will require an electricity system that delivers fossil-free electricity at competitive prices around the clock, year-round, while continuing to provide favourable conditions for electricity-intensive industry.

One example is our planned expansion of our operations in Gällivare, which requires extensive expansion of the electricity network, particularly the national grid, a critical part of our electricity supply.

Expansion of the electricity grid

The Swedish orefields and Norrbotten currently lack a fully developed national transmission grid, which today extends only as far as the Lule River. In the first quarter of 2026, the Swedish power grid operator, Svenska kraftnät, announced plans to extend the grid into northern Norrbotten. They will finance a 400 kV transmission line between Naalojärvi-Kiruna, a new substation in Kiruna, a transmission line between Naalojärvi-Messaure, and connection bays at the substations in Naalojärvi and Messaure. The aim is to create conditions for a socio-economically efficient, internationally competitive, sustainable and secure electricity supply in Sweden.

The decision to extend the grid to the Swedish orefields is welcome and strengthens our long-term ability to meet future energy needs.

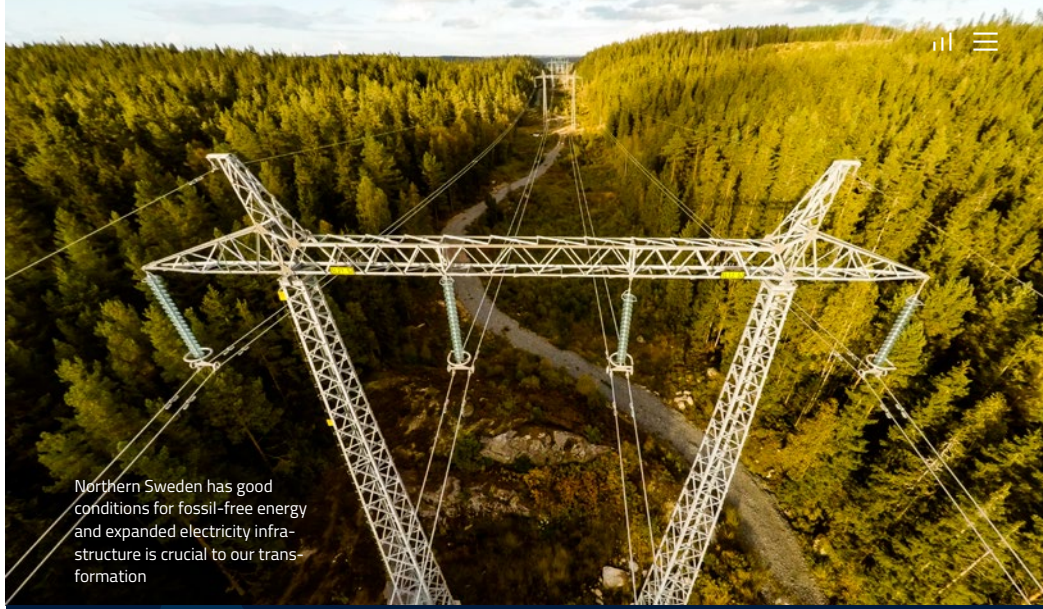
Norrbotten's potential for electricity production

Northern Sweden has great potential for competitive electricity production due to the combination of existing hydropower, good wind conditions and large land areas. We are therefore evaluating various options and working with authorities and other actors to ensure that Svenska kraftnät's future energy system meets the needs of industry and society. At the same time, it is important to recognise that other stakeholders could be affected by such initiatives, which calls for dialogue and consideration in the planning process.

Fossil-free electricity and the role of hydrogen in the transformation

We support Sweden's energy policy for fossil-free electricity production and are open to all forms of fossil-free electricity, including wind, nuclear, solar and hydropower. Electricity production and grid expansion must go hand in hand with the rising electricity demand to enable the transition to a fossil-free welfare state. It is important that the electricity costs remain low and the supply of electricity stable, especially for industry. Power generation choices should therefore be adapted to regional conditions. In electricity zone 1, where LKAB operates, new onshore wind power can be expanded fastest and at the lowest production cost. Combined with existing hydropower, this creates conditions for increased electricity use at a competitive cost for LKAB.

Fossil-free hydrogen plays a key role for LKAB as a reducing agent in future sponge iron production, replacing oil and coal in existing processes. As hydrogen can be stored, this creates future opportunities to partly adapt hydrogen production to the availability of weather-dependent electricity production. However, realising these opportunities requires clear legislation and regulations for hydrogen infrastructure, including guidelines for large-scale production, storage and distribution of hydrogen, which are currently lacking.



Northern Sweden has good conditions for fossil-free energy and expanded electricity infrastructure is crucial to our transformation

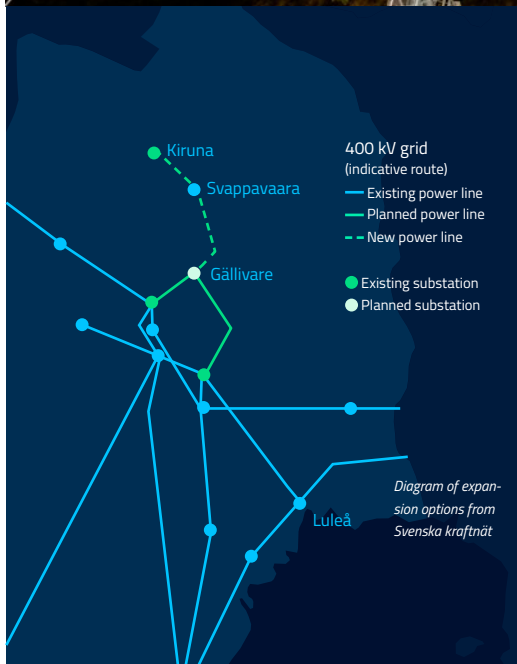


Diagram of expansion options from Svenska kraftnät

Planned expansion for more efficient electricity distribution

In electricity zone 1, which includes Norrbotten and northern Västerbotten, there is currently a situation of rapid industrial expansion and rapidly increasing electricity use. The region is characterised by investments in fossil-free industry and electrification, creating a growing need for both capacity and security of supply in the electricity grid. The need for power is expected to increase significantly in the period up to 2045.

Svenska kraftnät (Svk) will therefore expand the transmission grid to northern Norrbotten County, which is important from a security policy perspective and for societal development in Norrbotten.

Source: Svenska kraftnät, Svk 2025/2945

Secure future skills supply

As technology develops and our strategy is realised, new skills and recruitment needs emerge. A clear example is the construction of the demonstration plant in Luleå for extracting of phosphorus and rare earth elements.

For LKAB, it is crucial to retain and develop our employees, while at the same time recruiting new skills to meet current and future needs. To ensure skills supply, we recruit new employees both nationally and internationally. We actively work to maintain a proactive and reliable supply of skills based on diversity and inclusion.

Leadership and diversity for development and progress

We strive to be an attractive employer by creating a safe and inclusive culture that gives every employee the opportunity to develop. We place great emphasis on leadership and skills development, and during the year we launched a Group-wide leadership development model that provides managers and leaders with a shared foundation for sustainable leadership.

We work to increase diversity within the Group and have an ambition to reflect the composition of the local communities at our operating locations in northern Sweden as regards people born abroad. The diversity perspective is to be integrated into every recruitment, with the objective of increasing the percentage of women, individuals with an international background and senior expertise. We partner with programmes such as Female Technical Engineer, which connects female engineering students with Swedish industry.

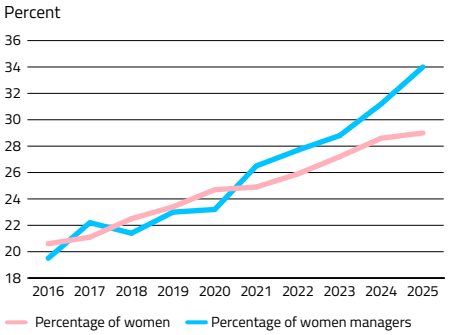
We contribute to developing our operating locations

Our historical and future success is closely connected with our local communities. To retain and recruit employees, it is crucial that people want to live and settle in our operating locations. We must also be capable of attracting new individuals and families to move here. We therefore work closely with municipalities, regions, the business sector and academia to help create attractive and sustainable communities.

At our operating locations, LKAB contributes locally by sponsoring clubs and associations, offering grants and supporting cultural and sporting activities. Examples of our initiatives include funding of school projects in technology and mathematics through the LKAB Academy.

Through engagement and collaboration we help to create long-term value for our communities. Read more about our corporate social responsibility in the Sustainability Report on page 95.

Percentage of women at LKAB



The percentage of women in management positions increased during the year to 34 (31) percent. The target for 2026 is that 30 percent of our permanent employees and managers are women.

Robot dog used, among other things, for inspection of mine tunnels.

We are building skills for the future

LKAB funds and collaborates with academic institutions on research, education, grants and environmental initiatives.

- One example is the foundation we have established for sustainable transformation in the mining and minerals industry. The foundation is to actively support and promote crucial scientific research and education, particularly at Luleå University of Technology.
- Another example is the Swedish School of Mines concept, an educational initiative at Luleå University of Technology that we and other actors in the mining industry have contributed to. It aims to meet the increased need for skills for the transformation of the mining industry.
- In 2025 LKAB was accredited as a national test centre for rock workers, which means that we are now certified to carry out tests and validation that follow national standards and ensure high quality.
- To enhance knowledge of the Swedish mining industry and increase the interest in our career opportunities, we participated in the reality series Gruvan ("The Mine") during the year, a collaboration between industry organisation Svemin and mining company Boliden.

Marcus Nilsson, field mechanic in Kiruna

For Marcus, the job is about collaboration, involvement and taking responsibility. In 2021 Marcus moved from Östersund to Kiruna to start working as a field mechanic at LKAB, a role that requires both broad skills and specialist knowledge, where problem-solving and flexibility are part of everyday work.

As a field mechanic, Marcus and his team maintain machinery and equipment and ensure that it functions properly, both in the mine and above ground. In his role he is often faced with different types of assignments in unique work situations, carried out in close collaboration with specialists, technicians and engineers from different production areas within LKAB. Effective collaboration is therefore crucial and a great asset, in both planning and execution.

"What's really important to me is my colleagues and how we work together. You have to be a problem solver in this job, recognising each other's strengths and helping one another. Sometimes someone is more familiar with a drawing, or someone else is particularly skilled at welding – you see each other's strengths and make the most of them," says Marcus.

→ Meet some of our employees

Lina Johansson-Storm, production manager for production support in the Malmberget mine

As production manager, Lina leads the production support unit for loading and rock haulage in the Malmberget mine, a function critical to keeping production going. The unit is responsible for supporting daily production, from loading and haulage of rock to misfire handling, repairs and servicing of machinery in the field. All to ensure that production runs as efficiently as possible. Lina's role is about creating the right conditions for her colleagues to be able to work safely and efficiently, even in pressured situations.

For Lina, leadership is about building trust and giving responsibility, which often contributes to more engaged employees who take the initiative and want to develop. One of her biggest drivers is to see a group grow together and become a strong team that trusts each other – something that strengthens both individuals and operations. She is also motivated by continuing to develop her leadership and here she sees LKAB's leadership training as a great asset.

"Seeing this development and investment in leadership, I think it will continue to bring great success in the future. It's incredibly important to have visible leadership and for us to become better trained in leading people in all types of situations – maintaining good conversations and solving difficult situations," says Lina.

Position, outlook and priorities going forward

Strong actor within Europe

From our base in the Swedish orefields we are the EU's leading producer of iron ore, mining over 80 percent of all iron ore within the Union. Production and deliveries of iron ore products for steelmaking make up the main part of our operations. We also offer mineral products to a broad market, which strengthens our business.

Our objective is to achieve carbon-free processes and products by 2045. We are therefore well positioned to meet the growing demand for more sustainable processes and products in the iron and steel industry.

Transformation creates demand

Our iron ore products provide steel customers with good conditions to transition to carbon-free production. Our high-quality iron ore and the favourable conditions for fossil-free energy in northern Sweden provide LKAB with an opportunity to gradually increase the added value in our products. Through future carbon-free processes LKAB aims to supply customers with iron ore pellets and carbon-free sponge iron that can enable their own technology shift, resulting in significant reductions in emissions.

Stable operations and innovation

Despite poorer market conditions due to an uncertain external environment, LKAB continues to have a good market position and a stable operations with a strong balance sheet. We are a significant actor in Norrbotten and our operations form an important part of the Swedish economy, where we contribute to both Swedish and European competitiveness.

Since LKAB was founded, innovation and technological development have characterised our operations. Through innovative solutions, we have laid the foundation for our current position and continue to drive development towards a safer, more efficient and more sustainable steel industry.

Competitive offering

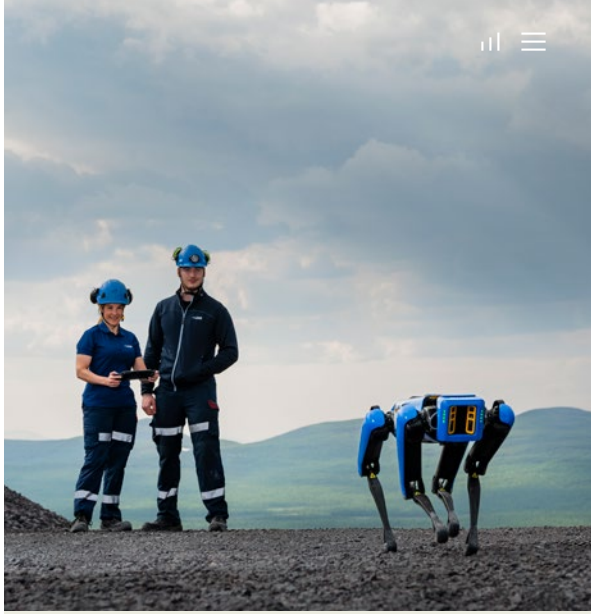
The high-grade iron ore that we mine is an important basis for LKAB's competitiveness. The iron ore has a high proportion of magnetite, which provides consistent quality and good concentration properties. This enables a high iron content in the concentrate, providing good conditions for efficient pellet production and further processing.

Developing our business

From our iron ore mining there is an opportunity to also extract phosphorus and rare earth elements – minerals that the world has a great need for. Through investments and development, we can increase our resource utilisation and extract more from the material we already mine. This would also help to strengthen Europe's self-sufficiency in critical minerals.

Supply of skills for the future

Our employees are crucial to our innovation, success and long-term development. By investing in a safe, inclusive and development-oriented working environment, we the foundation for attracting, retaining and developing the skills that will secure our competitiveness over time.



The road ahead

Market conditions and economic outlook will continue to impact us. Our focus going forward is on continuing to develop our operations, taking responsibility in our local communities and strengthening our long-term competitiveness. At the same time, we face time-critical challenges: among them, securing future mining operations and profitability, investing in our transformation and ensuring positive development in our communities.

Administration report

Group overview

Luossavaara-Kiirunavaara AB (publ), corporate identity number 556001-5835, with its registered office in Luleå, is a l imited liability company wholly owned by the Swedish state. For management and follow-up, the operations are split into two business areas: the Iron Ore business area and the Special Products business area. Group-wide functions are monitored under "Other Segments".

Group

Financial overview

Group summary

MSEK	2025	2024
Net sales	33,325	33,146
Operating profit/loss	3,274	8,722
Net financial income/expense	414	2,229
Profit/loss before tax	3,688	10,951
Profit/loss for the year	**2,976**	**8,773**

Analysis of change in operating profit

MSEK	
Operating profit 2024	**8,722**
Iron ore prices incl. hedging	-2,635
Currency effect, iron ore incl. hedging of accounts receivable	-2,447
Volume and mix, iron ore	3,690
Volume, price and currency, industrial minerals	47
Costs for urban transformation provisions	-4,641
Depreciation	-352
Other income and expenses	890
Operating profit 2025	**3,274**

Sales for the full year amounted to MSEK 33,325 (33,146), with higher delivery volumes partly offset by lower iron ore prices and the strengthening of the Swedish krona against the US dollar. Deliveries in the previous year were significantly impacted by derailments on the Iron Ore Line. The average global spot price[1)] for iron ore products for full-year 2025 was USD 102 (110) per tonne. Premiums for highly upgraded products were just over USD 9 per tonne lower than in the previous year.

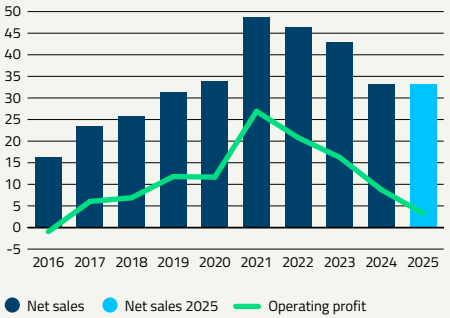
Operating profit for the full year amounted to MSEK 3,274 (8,722). The lower profit is mainly a result of increased costs for urban transformation associated with the expanded impact area in Kiruna, which increased expenses during the year by just over SEK 4.5 billion. Lower costs resulting from more stable production, lower electricity prices and cost-saving measures had a positive impact on earnings compared with the previous year, while increased depreciation had the opposite effect.

Net financial income/expense for 2025 was MSEK 414 (2,229). The lower figure for net financial income/expense is mainly due to a lower return on financial investments.

[1)] Platts IODEX 62% Fe CFR North China.

Net sales and operating profit

SEK bn



3.7%
Return on equity

MSEK 3,274
Operating profit/loss

Significant events during the year

Urban transformation

At the end of August LKAB updated the impact area of the mining in Kiruna. Continued mining at the current main haulage level means greater land impact and that more land needs to be taken into use. The updated impact area means that approximately 2,700 further homes and properties, and around 6,000 more people, are affected by the continued urban transformation. The extended impact area has increased provisions for urban transformation by just over SEK 20 billion, of which around SEK 4.5 billion was charged to earnings during the year.

The updated impact area means that we need access to more buildable land in order to manage the continued urban transformation. At the end of December LKAB submitted an application to the National Property Board of Sweden for the purchase of land in Kiruna. The application covers areas amounting to 275 hectares which were identified in consultation with Kiruna Municipality.

During the year several agreements were signed with the municipalities affected by the urban transformation. An agreement with Kiruna Municipality signed during the year provides the municipality with just over MSEK 600 in compensation for the areas being phased out within the urban transformation and where new infrastructure and green spaces need to be established.

During the year two agreements were signed with Gällivare Municipality. The first agreement provides the municipality with compensation of around MSEK 60 for additional personnel costs. The second agreement compensates the municipality with MSEK 371 for the areas of eastern Malmberget where buildings have been phased out and for which no financial compensation has previously been paid. In December LKAB and Gällivare Municipality also entered into a declaration of intent that lays the foundation for long-term collaboration. The declaration of intent expresses the parties' shared ambitions in a number of priority areas with the aim of together creating an attractive, safe and vibrant community.

In August Kiruna Church was moved around five kilometres along a specially arranged route to its new location adjacent to Kiruna's new city centre. The move, planned for several years, was carried out in close cooperation with Kiruna Municipality, Norrbotten County Administrative Board and the Church of Sweden. The reason for the move is that the mining in Kiruna has affected the area where the church was previously situated.

Investments and strategic development

At the end of March the European Commission designated LKAB's industrial park for critical minerals in Luleå, the mine in Gällivare and Per Geijer, the new iron ore deposit in Kiruna, as Strategic Projects under the recently introduced Critical Raw Materials Act (CRMA). The CRMA aims to reduce the Union's dependence on imports of critical raw materials by strengthening extraction, processing and recycling within Europe, and Strategic Project status is given to initiatives that are judged to be crucial to achieving these goals.

At the beginning of March the Land and Environmental Court published LKAB's environmental application for the industrial park in Luleå. LKAB's application relates to an environmental permit to conduct large-scale industrial activities as well as port operations at Svartön, Luleå. The industrial park is a crucial part of our investment in the processing of phosphorus and rare earth elements.

During the autumn the main hearing began in respect of LKAB's application for a new and extended permit for mining operations in Malmberget. In October the Land and Environmental Court granted our request for the main hearing to continue in spring 2026. The aim of the request was to allow consideration to be given to the regulatory changes regarding quality requirements for uranium in surface water that were proposed in the autumn and entered into force in February 2026.

Kiruna's new city centre.

In the third quarter LKAB's Board of Directors approved the construction of a new sorting plant at the mine in Malmberget, Gällivare. The SEK 6 billion investment secures future production capacity while also reducing environmental impact. The new sorting plant is planned to be in operation in 2028.

At the end of November a new ship loader was inaugurated at the port of Narvik. This is a strategic investment in our logistics system that creates the conditions for long-term operations in the region. The previous ship loader had reached the end of its technical lifespan and the new facility has been built to meet today's requirements for occupational health and safety, efficiency and environmental performance.

Other significant events

During the second quarter the Swedish Accident Investigation Authority submitted its final report regarding the major derailment on the Iron Ore Line that took place in December 2023. The report concludes that formation of a crack in a wheel flange caused the derailment. The damage to the wheel is very unusual and was likely caused by a combination of unfavourable interacting factors. The Authority noted that the wheel complied with applicable requirements and standards, that no deviations in maintenance were identified and that no deficiencies had been identified in the manufacture of the wheel or the composition of the material.

In the spring the Swedish National Audit Office published its report on the audit of LKAB that was started in 2024. The report states that LKAB has essentially acted in a commercially reasonable manner, has successively developed in-depth calculations and that the assumptions have been in line with external analyses. The audit shows that LKAB did not commit to any decisions in advance but instead has continuously evaluated the conditions based on technical developments, market demand and financial calculations.

At the end of the first quarter it was announced that Jan Moström, President and CEO, will retire in 2026. In July the Board appointed Johan Menckel as the new President and CEO of LKAB, who will assume the position on 1 April 2026.

Group

Financial position

Net financial indebtedness

MSEK	2025	2024
Loans payable	406	2,368
Provisions for pensions	513	765
Provisions, urban transformation	32,422	13,956
Provisions, remediation	1,912	1,734
Less:		
Cash and cash equivalents	-2,310	-4,816
Current investments	-25,822	-25,823
Financial investments	-400	-424
Net financial indebtedness	**6,721**	**-12,240**

Net debt/equity ratio

MSEK	2025	2024
Net financial indebtedness	6,721	-12,240
Equity	80,037	78,795
Net debt/equity ratio, %	**8.4**	**-15.5**

Financing during the year

At the end of the year the net debt/equity ratio was 8.4 (-15.5) percent. The net debt/equity ratio has increased in 2025 as a result of increased provisions for urban transformation.

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

Operating cash flow and investments

Operating cash flow

MSEK	2025	2024
Operating profit[1)]	9,398	10,536
Expenditures, urban transformation	-1,821	-1,743
Cash flow from operating activities before change in working capital	7,577	8,793
Change in working capital	729	-1,662
Capital expenditures (net)	-5,906	-5,233
Acquisition/divestment of financial assets	-18	-158
Operating cash flow	**2,382**	**1,740**

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

Operating cash flow for the year amounted to MSEK 2,382 (1,740). The change in working capital is the main reason for the improved cash flow, with decreased inventories and accounts receivable having made a positive contribution. The previous year's working capital was negatively affected by a build-up of inventories due to the derailments on the Iron Ore Line. Higher capital expenditure and lower operating profit had a negative impact on cash flow compared with the previous year.

Capital expenditure

MSEK	2025	2024
Group	**-6,017**	**-5,408**
Iron Ore business area	-4,730	-4,404
Special Products business area	-588	-332
Other Segments	-699	-672

Capital expenditure during the year

Capital expenditure for the year amounted to MSEK 6,017 (5,408), the majority of which relates to investments to secure future production capacity. The year's capital expenditure includes investments in environmental protection and dam facilities of approximately MSEK 651 (530) as well as investment in own properties in connection with the urban transformation amounting to MSEK 1,006 (1,002).

Outlook for 2026

Geopolitical uncertainty in the world has increased. Trade policy measures such as tariffs, quotas and import restrictions combined with conflicts and unrest are impacting global markets and trade flows. About a quarter of our products are sold to customers in the Middle East and North Africa, and the conflict that has intensified in early 2026 is expected to have a negative impact on LKAB's delivery volumes during the year. The majority of LKAB's sales are made in US dollars and the value of the US dollar weakened significantly during 2025; its development going forward is difficult to assess.

At the beginning of 2026 the price of iron ore was at a slightly higher level than in 2025 and increased demand in 2026 is expected to increase pellet premiums, which were at a comparatively low level in the second half of 2025. Despite a weaker market, demand for our iron ore products is stable, albeit at a lower level than in previous years. The market is volatile and difficult to assess, with considerable uncertainty concerning global economic development and its impact on the iron ore industry.

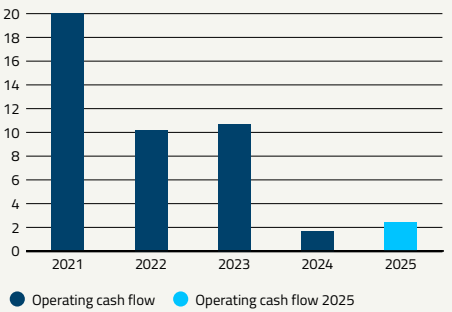
The expanded impact area for the mining in Kiruna means that the urban transformation is increasing in extent, which will entail intensive efforts and increased outgoings in the coming years.

In the first quarter of 2026 rock mechanical challenges have been identified in the Kiruna mine that are expected to have a negative impact on production volume during the year. In-depth analysis is in progress to clarify the extent and to determine appropriate measures.

LKAB is continuing its efforts to strengthen its competitiveness and be able to supply 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 an uncertain operating environment.

Operating cash flow

SEK bn



8.4%
Net debt/equity ratio

MSEK 2,382
Operating cash flow

Iron Ore business area

The Iron Ore business area mines and processes iron ore products in Kiruna, Svappavaara and Gällivare. The business area produces blast furnace pellets and pellets for steelmaking via direct reduction, as well as fines. The upgraded iron ore products are transported via the Iron Ore Line to the ports of Narvik and Luleå for shipment to steelworks customers around the world.

Market developments in 2025

Global industrial production increased somewhat compared to 2024. Growth was mainly driven by the emerging economies, while the trend in mature economies was more subdued. In China, manufacturing industry continued to be a key driver of growth with strong development in areas such as the automotive sector. Development in the Chinese construction and real estate sector remained weak, contributing to reduced domestic demand for steel. In the EU industrial production stabilised after a weak 2024. Production levels increased in several sectors, although development varied between the Member States. In Germany, industrial production continued to develop weakly. In the US, industrial production increased slightly, with construction investments remaining at a high level.

Global iron ore demand has been stable in 2025, while supply increased on the seaborne export market. Despite weak domestic demand for steel in China, imports of iron ore have remained at high levels, partly as a result of high exports of steel from China and a build-up of ore stocks.

Global crude steel production decreased compared with 2024, driven by lower production in China and in various mature economies. In contrast, crude steel production in India continued to increase sharply, and the Middle East and North Africa also showed growth compared with the previous year. Trade policy measures such as tariffs and import quotas have affected the global steel market during the year, but the effects on the iron ore market were limited.

In Europe the steel market was marked by the challenges of weak demand and weak profitability. Crude steel production decreased compared with the previous year and capacity utilisation in blast furnace systems decreased from already low levels.

The average global spot price for iron ore products fell compared with the previous year. The average price for fines IODEX 62% was USD 102 (110) per tonne. At year-end the price was USD 109 (100) per tonne. The price for fines 65% Fe also decreased compared with the previous year and amounted to USD 115 (124) per tonne. The market premiums for both blast furnace pellets and direct reduction pellets were on average lower than the previous year, at USD 30 (40) per tonne and USD 49 (58) per tonne respectively.

Production and delivery volumes

The production volume for the full year was 25.9 (22.7) Mt. Production in 2025 has been stable with fewer disruptions than in the previous year, when production was affected by extensive disruptions and production stoppages.

The delivery volume for 2025 amounted to 25.8 (21.9) Mt. Deliveries in 2024 were significantly affected by the derailments on the Iron Ore Line at the beginning of the year.

Net sales and profit

Sales for the full year amounted to MSEK 29,593 (30,103), with higher delivery volumes being partly offset by a strengthening of the Swedish krona against the US dollar and by lower iron ore prices.

Operating profit for the full year was impacted by increased costs for urban transformation as well as lower sales revenue, and amounted to MSEK 2,947 (9,268). Lower costs as a result of more stable production, lower electricity prices and cost-saving measures had a positive effect compared with the previous year.

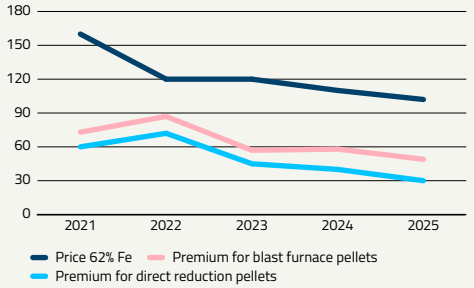
Costs for urban transformation provisions totalled MSEK 4,954 (313). The increase in costs is attributable to the extended impact area in Kiruna, as communicated during the autumn. The additional extent of the urban transformation increased provisions for urban transformation by just over SEK 20 billion during the year and negatively affected earnings for the year by around SEK 4.5 billion.

Capital expenditure for the full year amounted to MSEK 4,730 (4,404).

MSEK	2025	2024
Net sales	29,593	30,103
Operating profit/loss	**2,947**	**9,268**
Costs for urban transformation provisions	-4,954	-313
Capital expenditure on property, plant and equipment	-4,730	-4,404
Depreciation	-2,882	-2,610
Deliveries of iron ore products, Mt	25.8	21.9
Proportion of pellets, %	87	87
Production of iron ore products, Mt	25.9	22.7

Development of iron ore price and pellet premium

(USD per tonne)



Facts: Iron Ore

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.

Gällivare'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 various types of pellets as well as fines for steelmaking.

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.

Market developments in 2025

The market for industrial minerals is diversified, with many products and markets served in various geographies. There is therefore natural variation in sales, driven by shifts in demand over time as well as the impact of major projects being implemented.

Developments in the market for industrial minerals largely reflect changes in industrial activity and the construction sector in our key markets. The construction market in Europe, and specifically in the UK, had a negative impact on demand in 2025. Demand for the industrial mineral magnetite was very good, particularly for the offshore industry but also in water treatment. Demand for GGBS (ground granulated blast furnace slag, a cement substitute) was good and production increased compared with 2024. Demand for rockwork and associated services was generally lower, which decreased net sales for the year. Demand is expected to increase based on the decision to invest in a new sorting plant in Gällivare, where work began at the end of the year. The establishment of a research and development centre with a demonstration plant for the processing of phosphorus and rare earth elements in Luleå is progressing according to plan and is scheduled to begin operating in the fourth quarter of 2026.

Net sales and profit

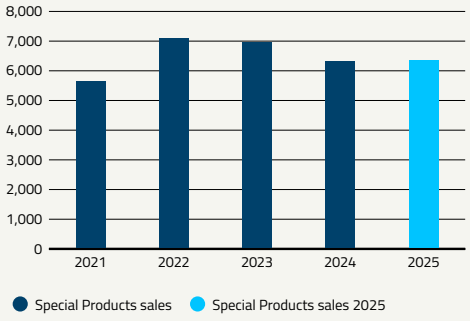
Net sales for the full year amounted to MSEK 6,360 (6,303). An increase in sales of magnetite to the offshore industry had a positive impact on sales revenue, which was offset by a weaker construction sector in the UK. The most significant effect on sales revenue and operating profit was lower sales of rockwork services, with several major contracts having been completed in 2024.

Operating profit amounted to MSEK 448 (504). The project to build a research and development centre including a demonstration plant for the processing of phosphorus and rare earth elements in Luleå affected capital expenditure for the year, which has increased compared with the previous year.

MSEK	2025	2024
Net sales	6,360	6,303
Operating profit/loss	**448**	**504**
Capital expenditure on property, plant and equipment	-588	-332
Depreciation	-317	-304

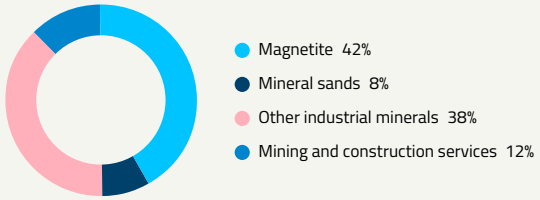
Sales within Special Products

(MSEK)



Sales by product area and service area

Percentage of external sales (MSEK)
January–December 2025



Facts: Special Products

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 a leading position in areas such as construction, plastics, paint, agriculture and the chemicals industry. It offers a broad portfolio of products that includes minerals from its own deposits, such as magnetite; recycled products, e.g. from blast furnace slag and other industries; as well as other minerals that it sources and processes. 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 facilities 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.

LKAB's materials engineering laboratory in Luleå.

Other Segments

Other Segments includes Group functions such as HR, sustainability, communications, finance, strategic research and development, and digitalisation. Other Segments also covers financial operations, including the transactions and results related to financial hedging for foreign currencies.

Results in 2025

The operating result for the full year was a loss of MSEK -406 (-940). The improvement is mainly attributable to currency hedging of US dollar.

MSEK	2025	2024
Net sales excl. hedging	128	129
Net sales hedging	512	-125
Total net sales	640	4
Operating profit/loss	**-406**	**-940**
Capital expenditure on property, plant and equipment	-699	-672
Depreciation	-179	-113

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.

Parent Company in summary

MSEK	2025	2024
Net sales	30,240	30,081
Operating profit/loss	**2,321**	**8,064**
Costs for urban transformation provisions	-4,954	-313
Capital expenditure on property, plant and equipment	-4,786	-4,806
Depreciation	-2,591	-2,315
Deliveries of iron ore, Mt	25.8	21.9
Production of iron ore, Mt	25.9	22.7

Sustainable development

During the year important steps were taken to achieve our strategic sustainability goals. The safety of employees and contractors has the highest priority, and to strengthen preventive occupational health and safety efforts we have initiated a two-year programme focusing on risk acceptance and management of critical risks.

Safe, healthy and stimulating workplace

LKAB's occupational health and safety efforts cover the entire Group, including contractors. The focus is on a more systematic approach, safety leadership and risk management as well as the promotion of physical, organisational and social health. A two-year occupational health and safety initiative was started during the year, aimed at lowering our risk acceptance and increasing the focus on risks that can lead to serious or fatal accidents. The programme includes customised training programmes in visible leadership and risk awareness for all managers and employees.

The accident rate at year-end was 5.2, compared with 4.9 in the previous year, and includes contractors. Lost-time accidents relate mainly to impacts and blows, slips and falls on the same level, and the handling of work equipment. Viewed over the past few years the accident rate shows a downward trend, but the upturn in 2025 shows the importance of continuing the efforts to increase the safety of everyone who works in our operations.

Greater diversity and inclusion pave the way for more innovation and contribute to increased job satisfaction. At the end of the full year the percentage of women in the workforce was 29 (29) percent and the percentage of women in management positions was 34 (31) percent. The positive development in recent years thus continued in 2025, albeit with a somewhat slower rate of increase in the proportion of women.

Climate-efficient and sustainable transformation

LKAB's climate efforts focus on electrification, switching fuels to fossil-free alternatives and energy efficiency improvements. The long-term transformation plan also includes changing the product mix to keep in step with the market, as well as the extraction of phosphorus and rare earth elements to create the conditions for reduced emissions downstream in our value chain.

In 2025 carbon emissions were affected by higher production volumes. Carbon emissions from our own operations (Scope 1 and 2) amounted to 669 (600) Kt. Energy consumption per tonne of finished product was 166 (176) kWh, achieved partly through higher and more stable production combined with increased sales of waste heat.

Biodiversity

Mining operations not only require the use of land but also impact on natural environments, which in turn affects biodiversity and ecosystems. The Group has set a goal of a biodiversity net gain by 2030 in the regions where we operate, and also has an intermediate goal to establish a more systematic approach by 2026. The Group's overall work is divided into four levels. During the year the first level was completed for all operating locations. This work focused on ownership, on the division of responsibility and on present value analysis, and marks an important milestone. Level 2, which involves drawing up plans and initiating measures, is 55 percent complete. The remaining work primarily concerns measures linked to the development of compensation plans. The first two levels include the largest number of activities, and the combined progress amounts to 52 percent.

Progress towards goals

MSEK	Full year 2025	Full year 2024	Target for 2026	Target for 2030
Stable and efficient operations				
Net debt/equity ratio, %	8.4	-15.5	<60	<60
Return on equity, %	3.7	11.0	>9	>9
Dividend, %	50[1)]	50	40–60	40–60
Climate-efficient sustainable transformation				
Energy consumption, kWh/t FP	166[5)]	176	162	154
Carbon emissions, kt	669	600	608	536
Biodiversity[2)]	–	–	–	–
Safe, healthy and stimulating workplace				
Lost-time accidents[3)], per million hrs	5.2	4.9	4.0	2.0
Long-term sickness absence, %	0.7	0.7	0.8	0.8
Women in the workforce, %[4)]	29	29	30	–[6)]
Women in management positions, %	34	31	30	–[6)]

[1)] The Board's proposal to the Annual General Meeting regarding dividend in relation to net profit for 2025. [2)] A description of the biodiversity goal and status can be found in the Sustainability Report on page 89. [3)] Lost-time injuries per million hours worked for the Group, including suppliers. [4)] Percentage of women in permanent positions. [5)] Energy consumption has been updated since LKAB's full-year report for 2025 as a result of an audit conducted. [6)] The goal for 2030 is to achieve 60/40 gender balance in management teams.

Carbon emissions and energy consumption

The goal for carbon dioxide is to reduce emissions in line with the Paris Agreement to well below 2 °C. The target for 2030 is a 25 percent decrease in LKAB's carbon emissions (Scope 1–2) compared with 2020, with an interim target of a 15 percent decrease in emissions by 2026. The corresponding 2030 target for Scope 3 is a decrease in our customers' emissions by 2 million tonnes (Mt) of CO_2 equivalents.

The target for energy is to reduce energy consumption by 10 percent by 2030 and by 5 percent by 2026, compared with 2021. Energy intensity is calculated based on energy consumption 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 objective 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.

Financing

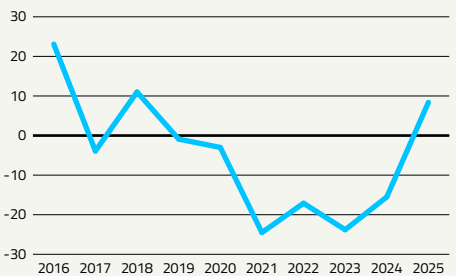
LKAB operates a capital-intensive business in a cyclical sector where changes in the global iron ore price and the dollar exchange rate have a significant impact on earnings and cash flow. We have significant commitments relating to urban transformation, pensions and remediation, and also need capital for the transformation to a fossil-free value chain for steel production. These fluctuations and commitments are secured through buffer capital and available credit facilities, which together comprise the company's financial contingency arrangements.

Finance Policy and management of financial assets

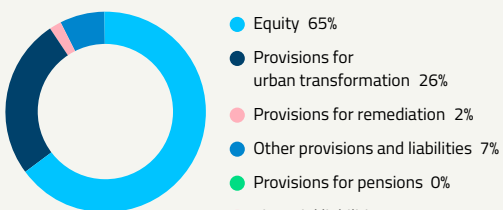
LKAB's Finance Policy provides a framework for financing activities and the management of financial risk. LKAB shall always have at least 18 months of expected financing requirements secured. Financing requirements are defined as financial current assets and committed credit facilities plus expected cash flow from operating activities less expected dividends, investments and maturing loans. Where the Group holds surplus liquidity, financial current assets are to be divided into a liquidity portfolio and a capital portfolio. The capital portfolio is managed in accordance with investment guidelines approved by the Board's Finance and Audit Committee. In 2025 there was no deviation from the Finance Policy.

Managed financial capital at the beginning of the year amounted to SEK 33.1 billion and at year-end to SEK 28.5 billion.

Net debt/equity ratio
Percent



LKAB's capital structure
Percent



Ten-year overview

MSEK	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Results, MSEK										
Net sales	33,325	33,146	42,923	46,543	48,812	33,914	31,260	25,892	23,367	16,343
Operating profit before impairment losses and provisions	8,228	9,035	16,630	21,344	27,270	13,050	13,229	8,975	7,148	1,621
Impairment of property, plant and equipment	–	–	–	–	–	–	–	–	-26	-1,192
Costs for urban transformation provisions	-4,954	-313	-400	-545	-372	-1,396	-1,441	-2,106	-1,147	-2,106
Operating profit/loss	**3,274**	**8,722**	**16,230**	**20,799**	**26,898**	**11,654**	**11,788**	**6,869**	**5,975**	**-1,677**
Operating margin, %	*9.8*	*26.3*	*37.8*	*44.7*	*55.1*	*34.4*	*37.7*	*26.5*	*25.6*	*-10.3*
Net financial income/expense	414	2,229	2,928	-2,119	1,484	797	1,136	-185	290	613
Profit/loss before tax	**3,688**	**10,951**	**19,158**	**18,680**	**28,382**	**12,452**	**12,924**	**6,685**	**6,266**	**-1,063**
Tax	-712	-2,178	-3,938	-3,600	-5,778	-2,695	-2,751	-1,411	-1,462	85
Profit/loss for the year	**2,976**	**8,773**	**15,220**	**15,080**	**22,604**	**9,757**	**10,173**	**5,274**	**4,803**	**-978**
Depreciation according to plan – property, plant and equipment, MSEK	**3,373**	**3,023**	**2,973**	**3,141**	**3,132**	**3,136**	**2,907**	**2,857**	**2,886**	**2,746**
Production and deliveries										
Delivery volume, Mt	25.8	21.9	25.3	25.8	27.0	28.5	24.9	26.8	27.6	27.0
Deliveries of pellets, %	87	87	84	83	83	84	83	82	83	84
Production volume, Mt	25.9	22.7	26.2	25.0	26.7	27.1	27.2	26.9	27.2	26.9
Capital structure and return, MSEK										
Non-current assets	81,515	60,859	58,152	54,183	49,329	43,514	41,331	40,562	34,309	35,461
Current assets	41,880	46,001	48,796	43,441	45,316	31,755	33,350	28,399	25,990	22,165
Total assets	**123,395**	**106,860**	**106,948**	**97,624**	**94,645**	**75,269**	**74,681**	**68,961**	**60,298**	**57,626**
Liabilities and equity, MSEK										
Equity	80,037	78,795	80,861	71,320	67,565	48,412	45,528	38,573	36,348	30,551
Non-current liabilities	32,911	15,619	16,238	17,095	18,458	18,542	21,467	20,040	17,139	17,740
Current liabilities	10,447	12,446	9,849	9,209	8,622	8,315	7,685	10,347	6,811	9,335
Total equity and liabilities	**123,395**	**106,860**	**106,948**	**97,624**	**94,645**	**75,269**	**74,681**	**68,961**	**60,298**	**57,626**

Ten-year overview, continued

MSEK	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Return on equity, %	3.7	11.0	20.0	21.7	39.0	20.8	24.2	14.1	14.4	-3.1
Operating assets, MSEK	86,385	70,202	61,693	59,850	52,090	49,095	49,032	46,833	38,836	42,567
Return on operating assets, %	4.2	13.2	26.7	37.2	53.2	23.8	24.6	16.0	14.8	-4.0
Net financial indebtedness, MSEK	6,721	-12,240	-19,274	-12,178	-16,553	-1,470	-1,158	3,552	-2,382	6,329
Net debt/equity ratio, %	8.4	-15.5	-23.8	-17.1	-24.5	-3.0	-0.9	11.0	-3.9	23.1
Cash flow, MSEK										
Cash flow from operating activities	**8,306**	**7,131**	**15,898**	**15,907**	**23,485**	**8,963**	**9,469**	**7,059**	**8,860**	**526**
of which expenditure on urban transformation	*-1,821*	*-1,743*	*-1,829*	*-2,216*	*-2,681*	*-4,191*	*-2,624*	*-1,871*	*-2,178*	*-1,035*
Investing activities, net – operations	-5,924	-5,391	-5,194	-5,751	-3,497	-2,925	-2,487	-3,673	-1,724	-3,288
Operating cash flow	**2,382**	**1,740**	**10,704**	**10,156**	**19,988**	**6,038**	**6,981**	**3,386**	**7,136**	**-2,762**
Investing activities – financial	1,692	6,330	-1,754	-504	-10,318	1,780	-2,476	-972	-6,770	-1,159
Cash flow after investing activities	**4,074**	**8,070**	**8,950**	**9,652**	**9,670**	**7,817**	**4,506**	**2,414**	**366**	**-3,921**
Financing activities										
Borrowing/repayments	-2,140	-243	-18	-352	-986	-600	-1,325	705	-937	2,114
Dividend	-4,407	-7,607	-7,543	-12,432	-5,850	-6,104	-3,164	-2,882	–	–
Cash flow for the year	**-2,473**	**220**	**1,389**	**-3,132**	**2,834**	**1,112**	**17**	**237**	**-571**	**-1,807**
Employees										
Average number of employees	4,736	4,707	4,640	4,513	4,469	4,535	4,348	4,188	4,118	4,224
Women in the workforce, %[1]	29	29	27	26	25	25	24	22	21	21
Lost-time accidents per million hours worked[2]	5.2	4.9	6.3	6.5	8.2	6.3	6.8	7.7	6.8	5.8
Sickness absence, %	4.3	4.0	4.0	4.8	4.2	4.4	3.5	3.6	3.7	3.7

[1] Percentage of women in permanent positions.
[2] Accident rate includes contractors.

Definitions

Operating margin: operating profit as a percentage of net sales.

Return on equity: profit for the year according to the income statement as a percentage of average equity.

Return on operating assets: operating profit as a percentage of average operating assets.

Operating assets: intangible assets, property plant and equipment, inventories, accounts receivable, other receivables. Does not include financial assets, cash and cash equivalents or current investments.

Net financial indebtedness: interest-bearing assets minus interest-bearing liabilities.

Net debt/equity ratio: net financial indebtedness in relation to equity.

Risks and risk management

LKAB operates in a capital-intensive industry with a planning horizon that extends across several decades. We have to consider risks and opportunities that have a bearing on the business as it is today and also as it will be many years from now.

The world around us is changing and we need to equip ourselves for a transformation. Competitiveness is essential for our ability to invest in the future. The global climate threat means that the iron and steel industry will need to change fundamentally, which brings both opportunities and risks.

LKAB has an active Group-wide risk management process that creates transparency and awareness of the biggest risks, which helps provide a better basis for prioritising and decisions. Our work to identify and manage risks is coordinated with the strategy and business planning process and is decentralised in accordance with how the Group is governed. The risk management process is defined in the Group's risk management policy.

LKAB's risks are broken down into the following categories: market and external risks, financial risks and business risks. Overall, ten risk areas have been identified as strategically important for LKAB to manage if we are to achieve our strategic goals and identify activities to manage our risk exposure. A description of the risks that are particular drivers within each area is set out below. Risk management measures are prioritised and decided on in the business plan process, and are evaluated annually.

Work began during the year to further develop and strengthen risk management efforts. The new risk management process will be implemented starting from the first quarter of 2026.

Risk classification

Market and external risks	Financial risks	Business risks	
▪ Market risks ▪ Risk of inefficient and uncertain permitting processes	▪ Liquidity risk, financing risk, foreign currency risk, credit risk and market-driven price and interest rate risk	▪ Risk of insufficient mineral reserves/mineral resources ▪ Risk of shortcomings in production and delivery capacity ▪ Risk of skills shortage ▪ Risk of accidents and illness	▪ Risk of insufficient social and legal acceptance ▪ Risk of negative environmental impact ▪ Risk of break-in/damage by external parties

Integrated risk management

Our risk management process is integrated with the strategy and business planning process. Risks are identified, assessed, managed and monitored as part of operating activities.

Group management and Board of Directors

Risk strategy and policy
Management's analysis of strategic risk areas and material changes takes place at the beginning of the year. The Board of Directors is responsible for ensuring that the company has effective risk management and determines the company's risk management policy.

Business areas and central departments

Risk identification and assessment
The business areas and central departments identify and describe strategic risks in their annual business plans.

Risk management measures
Activities aimed at managing the risks are documented in the business plans and implemented on an ongoing basis.

Risk monitoring
Risk management measures are monitored as part of operating activities.

Group management and business areas

Follow-up
Follow-up and reporting of progress on priority risk management measures take place primarily within the business areas; in the event of material changes, information is passed on to Group management. Group management is responsible for passing on any reported material changes in the risk situation or in risk management to the Board of Directors.

Market and external risks

LKAB's business is sensitive to economic fluctuations and is exposed to a number of external risks that are difficult to influence. We manage these through business intelligence and scenario analysis, as well as by building long-term customer and supplier relationships by being flexible and adaptable.

Market risks

We are greatly affected by price volatility on the global iron ore market, which has a direct effect on earnings and cash flow. The iron ore price is determined both by the international market price and in the form of quality premiums for high-grade products. Future premiums for carbon-free products remain uncertain. The transition to carbon-free processes requires extensive investments and coordination throughout the value chain, which is happening at a time when margins in the European steel industry are under pressure. This increases the risk of steel production moving out of Europe and of decreased demand for iron ore. The global market is dominated by a small number of players, which reinforces mutual dependence.

LKAB must also manage geopolitical risks, as it has customers and suppliers in countries with varying degrees of political and commercial stability. Supplier risks are associated with price increases or supply shortages for critical raw materials, other feedstocks and equipment. Climate-related risks, especially linked to the availability of fossil-free electricity, could hamper implementation of the Group's strategy for carbon-free processes and products.

Risk of inefficient and unsound permitting processes

Our business depends in several ways on permits and other decisions by authorities. It is vital that processes for environmental permits, concessions and planning matters are efficient, predictable and legally certain in order to be able to plan and drive the business forward. This applies not least at a time when extensive transformation needs to take place in order to achieve the Group's climate goals. This risk is a particularly important matter as regards the prerequisites for obtaining access to land, and may cause increased costs and delays. For example, in order to expand and develop LKAB's industrial areas and to be able to ensure efficient management of community development in the Swedish orefields, enable energy expansion in Sweden or the expansion of capacity on the Iron Ore Line.

Conveyor belt in processing plant.

Risk management activities in this area:

- Ensuring flexibility in the product portfolio, the customer portfolio and in production and logistics systems enables LKAB to be prepared for sudden changes in demand. In addition, technical collaborations with customers take place to create added value and strengthen the relationship. We actively monitor customers' technological development to ensure that the products produced also accord with customers' future needs. Reducing carbon emissions throughout the value chain is considered crucial for future competitiveness.
- We actively monitor the outside world in order to analyse and manage political risk, and we work in partnership with national and international industry organisations. Existing and potential customers are analysed based on political, geographical and commercial risk diversification. Vulnerability within the supply chain is continually analysed to ensure that deliveries of critical raw materials and equipment can be secured.
- LKAB conducts continuous dialogues with authorities and other stakeholders to secure both the current operations and the forthcoming transformation. Understanding among decision-makers, as well as application of the law in permit matters, is crucial for reducing the risks associated with permits. In view of this, internal strategies and processes have been developed to strengthen advance planning, self-monitoring and dialogue with authorities.
- In 2025 the negotiations on a new environmental permit for the operations in Gällivare were begun. The permit is essential for our transformation and covers continued mining and processing activities, but also the establishment of a demonstration plant for fossil-free sponge iron as well as a new apatite plant for the extraction of phosphorus and rare earth elements.

Financial risks

The financial risks are mainly associated with the ability to ensure adequate liquidity and long-term financing as well as to manage fluctuations in exchange rates. Together these factors could have a major impact on the company's income statement, balance sheet and cash flow.

For LKAB, the main financial risks are liquidity risk, financing risk, foreign currency risk, credit risk and market-driven price and interest rate risk. Liquidity and financing risks are particularly important in the context of the extensive restructuring that the company is facing and which requires major investments. The company's foreign currency risk arises primarily from sales in US dollars (USD). Credit risk arises primarily from accounts receivable, derivatives and short-term investments.

Sensitivity analysis

Group	Change %	Exposure, 2025	Unit	Effect on operating profit in 2025 (MSEK)	Exposure, 2024	Unit	Effect on operating profit in 2024 (MSEK)
Iron ore price	10	29,078	MSEK	2,964	31,259	MSEK	2,941
Dollar rate	10	3,022	MUSD	2,964	2,766	MUSD	2,940
Delivery volume	10	25.8	Mt	2,481	21.9	Mt	2,639
Costs	10	19,649	MSEK	1,965	24,111	MSEK	2,411

The sensitivity analysis above summarises LKAB's earnings sensitivity to a hypothetical 10 percent change in volumes, prices and currencies. Changes in the SEK/USD exchange rate and in the iron ore price have the greatest impact on earnings. The analysis of iron ore prices, the dollar exchange rate and delivery volumes relates to the Iron Ore business area, while costs relate to the Group.

Remote control centre below ground.

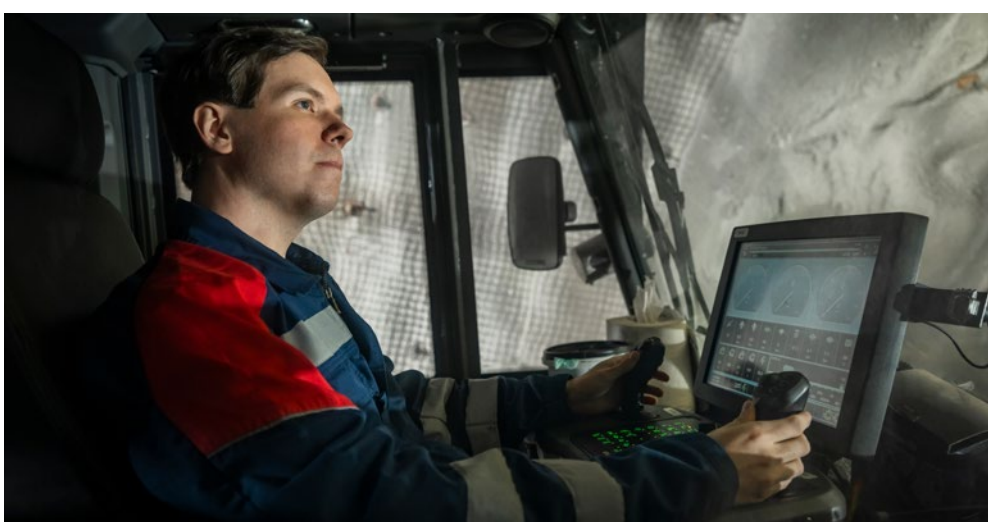
Risk management activities in this area:

- The Group's financial risks are regulated by the Finance Policy established by the Board of Directors. The policy regulates the management of credit risk, financing risk, foreign currency risk and market-driven price and interest rate risk. Monitoring of compliance with the policy and analysis of external factors take place continuously, including in ongoing reporting to the Finance and Audit Committee.
- All capital management is regulated via investment guidelines established by the Finance and Audit Committee.
- The authorisation structure for credit limits is regulated in the Finance Policy. Credit risk associated with financial investments is regulated in the investment guidelines. A list of approved credit risk exposure is to be presented to the Finance and Audit Committee annually.
- LKAB normally only hedges foreign currency risk for the coming three months. Cash flow is analysed on an ongoing basis and, in conjunction with this, sensitivity analysis is also performed based on changes in external factors, such as exchange rates. In periods where there are expected to be high outflows, longer currency hedging may be considered. The foreign companies within the Group mainly operate in their local currencies in order to reduce currency exposure. Translation exposure is not normally hedged.

Business risks

Our business exposes us to risks relating to production facilities, environmental impact, climate impact and employees, among other things. Risks associated with the ability to ensure safe, stable and resource-efficient production need to be managed in parallel with those associated with long-term competitiveness and the transition to carbon-free processes and products.

Risk of insufficient mineral reserves/mineral resources
Securing LKAB's mineral reserves requires exploration, technical investigations and profitability studies in order to have access to mineable iron ore with sufficient advance planning. Insufficient advance planning of the exploration efforts could have serious consequences for the company's future.



Risk of shortcomings in production and delivery capacity
LKAB's production is sensitive to unplanned stoppages in production that affect delivery volumes, but also quality and the environment. Climate change, such as extreme weather events, contributes to this risk. The limited capacity of the Iron Ore Line, as well as the risk of breakdowns and derailments, constitutes a risk that has a direct impact on our profitability. The transition to carbon-free processes and new mining methods at greater depths, as well as the extraction of other critical minerals, bring technology risks and high development costs but are crucial for our future competitiveness.

Risk of skills shortage
Attracting new employees, retaining existing employees and securing critical skills are crucial for LKAB's long-term competitiveness, especially at a time of rapid change. Key success factors include continuous learning and development, a secure and inclusive work environment as well as attractive operating locations with well-functioning communities and housing markets. The risk of a skills shortage in the Swedish orefields is currently negatively affected by limitations in housing supply and community functions.

Risk of accidents and illness
Our employees and contractors are sometimes exposed to situations which could lead to accidents or illness. Providing a safe, healthy and secure workplace is a strategic priority area for LKAB.

Risk of insufficient social and legal acceptance
Acting ethically and taking a long-term approach is crucial for creating trust in LKAB. Social and legal acceptance for the business requires close dialogue with stakeholders, but also minimal environmental and climate impact from the Group's operations. Clear regulations and uniform application of these are essential for legal compliance and for mutual trust between LKAB, authorities, local communities and other stakeholders.

Risk of negative environmental impact
Should LKAB exceed specified emission limits, this could weaken confidence in the company and have negative consequences for future environmental permit processes. There is also a risk that stricter environmental requirements could lead to higher transformation costs, which could impair competitiveness.

As with other mining companies, there is a risk of dam failure at LKAB. A dam failure would have major negative consequences for the company, the environment and neighbouring communities. Dam safety is therefore a risk area with high priority.

The energy issue – in terms of both the type of energy and energy efficiency – is strongly linked to the goal of carbon-free processes and products. The transformation of the operations is of strategic importance for reducing environmental impact and managing risks associated with fossil fuels. The current system of emission allowances entails a risk of competition not taking place on equal terms. To address the risk of production being relocated to countries outside the EU, the EU has introduced a Carbon Border Adjustment Mechanism (CBAM) while gradually decreasing the free allocation of emission allowances in the period up to 2033. LKAB's need to purchase emission allowances depends on the market situation, the extent of the operations and the implementation of the transformation.

Risk of break-in/damage by external parties
Digitalisation means that an ever increasing proportion of the activities in the Group, and also its contacts with various stakeholders, are dependent on networks and information systems. As a result of this, data security and cybersecurity risks are increasing. In view of the circumstances of the world around us, the risk that an attack – whether a cyberattack or a physical one – could knock out important IT systems or production facilities is a reality that LKAB must address by taking a structured approach to the prevention of such attacks.

Risk management activities in this area:

- LKAB conducts an exploration programme that focuses on exploration close to the existing mines. The supply risk associated with shortages of mineral resources and mineral reserves has reduced considerably in both Kiruna and Malmberget in recent years. To convert mineral resources into mineral reserves, appropriate evaluations and studies muat be carried out demonstrating that mining and processing can be conducted in line with LKAB's profitability requirements and taking into account so-called modifying factors such as metallurgy, market, environment and economics. Within all these areas there are studies under way, in various phases, associated with all LKAB's deposits.
- LKAB endeavours to keep production smooth and efficient. Good maintenance planning and a clear division of responsibilities are important components in achieving this. Audits of the production facilities are carried out annually, but so-called interruption studies are also carried out to assess the risk of unplanned stoppages. Based on these processes, decisions are taken on how the risks are to be managed. As regards the Iron Ore Line, work on flow optimisation is being carried out jointly with the Swedish Transport Administration while political discussions on capacity expansion continue.
- We strive to be an attractive employer by providing safe, healthy and inclusive workplaces where employees are offered competitive conditions and benefits, as well as continuous skills and career development.
- We have a focus on systematic management of occupational health and safety, improved safety leadership and risk management, as well as the promotion of physical, organisational and social health. In 2025 a group-wide initiative was launched that is aimed at all managers and focuses on enhancing safety leadership through training and coaching in partnership with an external provider. The programme runs until 2027 and is followed up at an individual level to ensure actual behavioural change and a reduced accident rate. The ongoing transformation towards digitalised, electrified and automated mining brings new risks but also better conditions for safer work environments, through improved working methods and technical solutions.
- LKAB's credibility is ensured by, among other things, the Group's Code of Conduct and Sustainability Policy, which cover both employees and partners. Compliance is followed up by internal and external audits, management systems and a whistleblower function. We also maintain ongoing dialogue with our stakeholders in order to identify needs and expectations, and to design actions based on these. The cooperation model that has been developed together with the affected Sámi communities provides a framework for forums as well as working methods for information sharing, decision making and ongoing consultation.
- Efficient mining is a particularly important issue for LKAB's future. Prioritised risk management work is underway as regards the process for planning and optimising the mining in existing mines, but also more long-term for mining at greater depths.
- LKAB measures emissions systematically and through external audits to ensure that environmental impacts are within permitted levels. Research and development are also taking place to further reduce emissions. The transformation to fossil-free fuels and processes is crucial for reducing environmental impact.
- LKAB works proactively on dam safety in accordance with the GruvRIDAS guidelines. Independent audits have identified deviations from the Global Industry Standard on Tailings Management (GISTM). LKAB has resolved to implement GISTM over a five-year period. In view of this, a review of current working methods, documentation and safety management systems was begun during the year, with the aim that LKAB will not only comply with national requirements but also international standards on dam safety and sustainability.
- Systematic data protection and cybersecurity efforts are conducted with a view to ensuring data security within the Group. The efforts include continual risk and vulnerability analysis, as well as careful monitoring of external events in this area. In addition, there are ongoing activities to increase awareness and ability among individual users of LKAB's IT systems in order to reduce the risk associated with the "human factor". Cybersecurity efforts are an area that is continually reviewed, developed and revised as methods of attack change.

Sustainability Report 2025

Comments by the SVP Environment and Sustainability

We have a clear responsibility to utilise our resources well and work systematically to reduce our negative impact. As one of Sweden's biggest mining companies, our operations have a major effect on the environment, communities and people. At the same time, our products are important for society and for the transition that is now underway. To us, sustainability efforts are about responsibility and about translating ambitions into action.

Reporting according to new European standards

This year's Sustainability Report has been prepared in accordance with the European Union's new Corporate Sustainability Reporting Directive (CSRD) .This means more cohesive and comparable reporting with greater transparency, in a framework that links together strategy, governance and results.

As a mining company we have a significant impact on our surroundings, which is reflected in the content of the report.

I would like to highlight a few areas that have been particularly important for our sustainability efforts in 2025.

Safety is paramount

During the year we took important steps within our long-term occupational health and safety effort, Safety First. Such a shift is not always directly visible in the outcome, as it is fundamentally about building a culture and ways of working that last over time. We focus on a number of basic prerequisites: clear and non-negotiable controls, present leadership and mandating both employees and contractors to stop work in risky situations.

Our work aims to limit exposure to serious risks. We are continuing to integrate Safety First into our regular procedures, focusing on a systematic approach to occupational health and safety efforts, safety leadership and effective risk management. These efforts have intensified in 2025 and will be a clear focus area for years to come, as we continue to develop and improve.

Closeness, dialogue and responsibility in times of change

Our history and our future are in many ways intertwined with our operating locations. Our responsibility is clear: we must strengthen the conditions required for thriving communities even in times of change.

Our operations are ultimately based on a trust we must earn, every day. Through openness, dialogue and transparency we want to clarify both our ambitions and our actual results, but also be honest about the challenges we face. During the year we continued to strengthen our dialogues with local communities and other stakeholders on issues related to community development, impacts and monitoring.

In 2025 LKAB's physical impact on Kiruna became more evident still, as the impact area of the mining was expanded. As a result, more parts of the city are now affected by the urban transformation.

I have great respect for the concerns and questions that this raises and which relate to people's daily lives, future plans and identity. For many, it means leaving places of strong personal and historical value, and uncertainty in the face of what is to take shape. This underlines the importance of taking responsibility, long-term thinking and effective cooperation in practice.

Ongoing permitting processes

To carry out our transformation we are developing and investing in the business, and permitting processes are a crucial factor here. During the year the main hearing began in our permit application for the operations in Gällivare. The application covers both existing iron ore production and the establishment of new facilities for the extraction of phosphorus and critical minerals, as well as the production of fossil-free sponge iron using hydrogen technology. The main hearing will continue in the spring of 2026 and this process is crucial for the transformation we are embarking on.

Permitting processes are complex and require both advance planning and close dialogue with stakeholders and authorities. To create better conditions for our own development and that of the industry, today's permitting processes and legislation needs to be more transparent. Alongside this, we must continue to develop technology and working methods that reduce our sustainability impact.

Looking to the future

We are continuing our long-term sustainability efforts and are developing these further in line with our Sustainability Strategy and Sustainability Policy, which set the direction and level of ambition for our material sustainability matters.

Our transformation is long-term, but the responsibility is here and now. We will be a driving force in the development of a more sustainable iron and steel industry and take responsibility throughout the value chain, from mine to steel.

Pia Lindström
Senior Vice President, Environment and Sustainability

ESRS 2 General disclosures

Basis for preparation – About this report

The Sustainability Report was approved by a decision of the Board of Directors on 26 March 2026. LKAB is covered by the requirement of statutory sustainability reporting. The Sustainability Report has been prepared based on the Swedish Annual Accounts Act (1995:1554).

The report is structured in four sections, in accordance with the European Sustainability Reporting Standards (ESRS): General disclosures, Environmental information, Social information and Governance information.

Important changes compared with previous years

Effective from 2025, ESRS is being applied as the new reporting framework. The Group previously reported in accordance with the Global Reporting Initiative (GRI) standards. The transition to ESRS has resulted in a new reporting structure, changed content requirements with a large increase in the number of datapoints and an updated methodology for materiality assessment.

For indicators that did not change with the transition to ESRS, comparative figures from the previous year have in some cases been included.

BP-1 General basis for preparation of sustainability statements

Compliance with standards and legislation

The Sustainability Report has been prepared in accordance with ESRS. The included datapoints and descriptions are based on an assessment of the materiality of the matters; see pages 59–60. LKAB reports in accordance with the EU's Taxonomy Regulation (Regulation (EU) 2020/825). More information about the basis for Taxonomy reporting can be found on page 73.

Boundaries of the report

The sustainability disclosures have been prepared at Group level and cover the LKAB Group as a whole.

The reporting essentially follows the same consolidation principles as the financial reporting. Where LKAB has operational control, the business is fully included in the relevant disclosures – even in the event of partial ownership. For businesses where LKAB does not have operational control but has a participating interest, a share of each company's Scope 1–2 emissions corresponding to LKAB's ownership interest is reported in Scope 3 category 15 (Investments), in accordance with the Greenhouse Gas Protocol. No subsidiaries are exempted from individual or consolidated sustainability reporting. However, boundaries may be set for individual key performance indicators and datapoints in accordance with ESRS and the double materiality assessment; for example, when certain activities are not relevant to a specific indicator. Such boundaries are specified in connection with the respective disclosure.

		Impact		Financial	
ESRS standard	**Sustainability matter**	Negative	Positive	Risk	Opportunity
E1 – Climate change	Climate change adaptation			■	
	Climate change mitigation	■	■	■	■
	Energy	■		■	■
E2 – Pollution	Pollution of air	■		■	■
	Pollution of water	■		■	■
	Pollution of soil			■	
E3 – Water and marine resources	Water	■			
E4 – Biodiversity and ecosystems	Biodiversity loss	■		■	
	Impacts on the state of species	■			
	Extent and condition of ecosystems	■			
	Impacts and dependencies on ecosystem services	■			
E5 – Circular economy	Resource inflows, including resource use	■	■	■	
	Resource outflows related to products and services		■		■
	Waste	■	■		■
S1 – Own workforce	Working conditions	■	■	■	■
	Equal treatment and opportunities for all	■	■	■	
	Other work-related rights	■			
S2 – Workers in the value chain	Working conditions		■		
	Other work-related rights	■		■	
S3 – Affected communities	Communities' economic, social and cultural rights	■			
	Rights of indigenous peoples	■		■	
	Other	■	■	■	
G1 – Business conduct	Corporate culture				■
	Political engagement and lobbying activities			■	■
	Relationships with suppliers including payment practices		■		
	Corruption and bribery	■			

The sustainability reporting covers significant parts of the value chain, both upstream and downstream, in line with the results of the double materiality assessment; see pages 59–60. For the Iron Ore business area, the entire value chain from exploration and mining to processing, transport and customer use is included. The Special Products business area also takes into account external supply chains and strategic partnerships. The reporting is based on actual impact and control, and covers both own operations and relevant parts of the value chain, including investments where reporting takes place in accordance with accepted frameworks such as the GHG protocol. The aim is to reflect the actual sustainability impact throughout the value chain.

LKAB has not made use of the option to omit certain information regarding intellectual property rights, know-how or results of the company's innovation. LKAB does not report forthcoming development or matters under negotiation.

BP-2 Disclosures in relation to specific circumstances

This section describes specific circumstances that affect the preparation of the sustainability report and what information is incorporated by reference.

Time horizons

LKAB uses time horizons for the short, medium and long term to describe how significant impacts, risks and opportunities develop over time. For areas with longer development cycles, such as biodiversity and remediation, time horizons linked to Sustainability Strategy 2030 are applied. In these cases, the short term refers to 1–3 years, the medium term refers to the period up to 2030 and the long term refers to the period after 2030.

Estimates for the value chain

Some metrics include estimates of data in the value chain where primary data is not available. Methodology, data sources and improvement measures are described in each standard section, and particularly in E1-6 Gross GHG emissions.

Sources of estimation and outcome uncertainty

Several sustainability metrics are based on emission factors, model calculations and data from external parties, which entails some measurement uncertainty. The assumptions and methodological limitations are reported in connection with the respective disclosure, for example under E1-6.

External validation of metrics

KPMG has been engaged to review the sustainability report. The measured values stated in this report have not been validated by any other external party unless stated otherwise.

Disclosures from other standards and frameworks

The report also contains disclosures based on other frameworks, such as the Greenhouse Gas Protocol and EU-ETS. This is stated in each standard section.

Phase-in provisions

LKAB exceeds the limit of 750 employees and therefore is not applying the phase-in provisions in Appendix C to ESRS 1. However, some disclosures have been introduced gradually in accordance with ESRS transition rules, such as parts of S1 and disclosures about financial effects such as E1-9, as this is the first year of ESRS reporting.

The Iron Ore Line between Kiruna and Narvik.

Disclosure requirement	Datapoint	Incorporated by reference	Page
GOV-1	Para. 22a–b	Corporate Governance Report, Board of Directors and Group management	133
GOV-1	Para. 21e	Corporate Governance Report, Board of Directors and Group management, independence of the Board of Directors	133–135
GOV-2	Para. 26a	Corporate Governance Report, The work of the Board of Directors in 2025	131
SBM-1	Para. 40a–f	Products, market and employees	154
S1-6	AR57	Ten-year overview, average number of employees	41

Information incorporated by reference

Some disclosures are provided by reference to other parts of the Annual and Sustainability Report in order to avoid repetition and provide a more coherent structure. The table shows which disclosure requirements are incorporated by reference.

Governance

GOV-1 The role of the administrative, management and supervisory bodies

Sustainability is an integral part of LKAB's corporate governance framework. Information on the Board of Directors' and Group management's general areas of responsibility, composition, diversity and experience can be found in the Corporate Governance Report on pages 129–135.

The Board of Directors has ultimate responsibility for the sustainability efforts, and reviews and approves the sustainability reporting. The CEO and the SVP Environment and Sustainability keep the Board of Directors regularly updated on the progress of the efforts, material sustainability matters and related risks, opportunities and impacts.

The Board of Directors consists of nine ordinary members and three employee representatives plus three deputy members in accordance with the Board Representation (Private Sector Employees) Act. Five of the Board's ordinary members are women and four are men. Information on the composition of the Board of Directors and the background of the members, as well as disclosures related to independence, can be found in the Corporate Governance Report on pages 133–134.

Composition of the Board[1)]	2025	2024
Executive members (number)	9	9
Non-executive members (number)	0	0
Ratio of women/men	5/4	5/4

[1)] Refers to members elected by the Annual General Meeting, not employee representatives.

The Board of Directors has broad expertise in business operations, business development, industry-specific knowledge, financial governance and sustainable business practices. This includes experience from, among others, the steel, engineering and basic industries. The Board of Directors also has a geographical connection to northern Sweden, where most of our operations are located. The Board has three committees: the Finance and Audit Committee, the Remuneration Committee and the Strategy and Urban Transformations Committee. The committees are preparatory bodies, but responsibility for impacts, risks and opportunities rests with the Board as a whole. To support its supervision the Board has adopted a Sustainability Policy, supplemented by the Group management's governing documents on, for example, land use and water management. Risks are analysed and managed in accordance with LKAB's Risk Management Policy.

Sustainability matters are integrated into strategy work, business planning, risk management and investment assessment. The risk process covers the entire Group, from identification and evaluation to follow-up in the Group's risk register. The work takes place at both a strategic and an operational level.

Sustainability-related impacts, risks and opportunities are managed within the Group-wide risk management process and investment assessment. For these matters, specific controls are applied, including clear roles and risk ownership, established reporting lines and requirements for the involvement of relevant expert functions such as environment, sustainability, HR and finance.

LKAB works according to a Sustainability Strategy that is broken down each year into action plans. The strategy is established by the Board of Directors and in 2025 a new strategy was adopted for 2025–2030. The SVP Environment and Sustainability is responsible for leading and monitoring the sustainability efforts, highlighting focus areas and coordinating the work in the Group management team and committees. The SVP Environment and Sustainability reports to the CEO, who in turn reports to the Board of Directors.

Sustainability aspects related to LKAB's own workforce are managed by the SVP HR and Communications, who develops processes for skills supply. The Board of Directors monitors the Group's collective expertise annually, including sustainability expertise. The Environment and Sustainability unit has a wide-ranging sustainability expertise covering LKAB's material sustainability areas, which is utilised to identify and manage significant impacts, risks and opportunities.

GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

LKAB's sustainability matters are integrated into the ordinary corporate governance structure. As a state-owned company, LKAB is also covered by the State Ownership Policy, which is adopted by the general meeting of shareholders and constitutes the owner's instructions to the company.

The Board of Directors has overall responsibility for strategy and sustainability management, while the Group management is responsible for operational implementation. The Finance and Audit Committee, a committee of the Board of Directors, is responsible for independent controls and quality assurance of risk management and reporting.

Policies adopted to manage material sustainability matters	E1	E2	E3	E4	E5	S1	S2	S3	G1
Code of Conduct	■	■	■	■	■	■		■	■
Sustainability Policy	■	■	■	■	■	■	■	■	■
Group guideline on land use	■	■		■	■				
Group guideline on water management	■	■	■	■	■				
People Policy						■			
Group guideline on health and safety (Safety first)						■			
Diversity Plan						■			
Human rights guidelines				■		■	■	■	
Supplier Code of Conduct and Supplier Handbook	■	■	■	■	■		■		■
Group purchasing guidelines					■		■		■
Risk Management Policy	■				■				
Anti-corruption guidelines					■				■
Principles for urban transformation				■				■	

The Board of Directors, Group management and the Finance and Audit Committee receive regular updates on efforts to achieve the company's sustainability targets and on major events, impacts, risks and opportunities.

During the year the Group management has been involved in the preparation of the double materiality assessment and the validation of material sustainability matters and their impacts, risks and opportunities. The Board of Directors has reviewed the results of the double materiality assessment and approved the Sustainability Report for 2025. All sustainability areas assessed as material have been discussed by the Board during the reporting period. Detailed descriptions of each area's impacts, risks or opportunities can be found under SBM-3 on pages 59–60. There has been a particular focus during the period on climate and energy efficiency, on urban transformation and on health and safety.

MDR-P Policies adopted to manage material sustainability matters

The Board of Directors and Group management have adopted several governing documents and guidelines that directed the operations during 2025. Operational responsibility for compliance with policy documents lies with the President and CEO. The SVP Environment and Sustainability, who is a member of the Group management team, is responsible for strategic management of the sustainability effort. The Group's Environment and Sustainability unit is responsible for developing and supporting the Group's sustainability efforts and has expertise in the sustainability areas that are relevant to the company. Operational responsibility for the sustainability efforts lies with the central functions, the SVPs of the business areas, and with the organisation's departments and subsidiaries. The central functions support the efforts and constitute an internal control function. Unless otherwise stated, the policy document described is available for download on LKAB's external website, lkab.com.

Code of Conduct

To ensure ethical behaviour throughout the value chain LKAB has an internal Code of Conduct for employees and a Supplier Code of Conduct for external suppliers. The internal Code of Conduct applies to all employees and describes how colleagues at LKAB are to behave – towards each other, towards business partners and towards the surrounding community. It is based on LKAB's core values, which include behavioural criteria for employees as well as leadership criteria and LKAB's ambition to set an example both in business and in the community. Acting ethically and responsibly creates trust, which in turn lays the foundations for successful business operations and an inclusive corporate culture where everyone is treated with respect and where there is zero-tolerance of any kind of discrimination or harassment. The Supplier Code of Conduct is described on page 55.

Training on the internal Code of Conduct is mandatory for all employees, and the Code must be complied with by everyone within the Group. It is based on recognised declarations and conventions such as the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, UNICEF's Children's Rights and Business Principles, and the Code to Prevent Corruption in Business (the Business Code).

Sustainability Policy

LKAB's Sustainability Policy is an overarching governing document that guides the Group's work within social, environmental and climate-related sustainability. It forms the basis of several of LKAB's guidelines and defines our ambition to create long-term sustainable value for the business and the value chain.

The policy covers areas such as the work environment and safety, business ethics, human rights, energy efficiency and reduced climate and environmental impact. It describes how LKAB works systematically to identify, minimise and eliminate occupational health and safety risks, to prevent and remedy adverse human rights impacts, and to promote resource-efficient operations. It covers the entire business but also provides guidance in relation to the supply chain and other stakeholders.

The Sustainability Policy is based on recognised international frameworks and guidelines such as the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises. In producing the policy, the views of employees, business partners, authorities and representatives of civil society were taken into consideration, including through dialogues related to the materiality assessment.

Group guideline on land use

The Group guideline on land use sets out LKAB's approach to how land is utilised and affected by exploration, mining, processing, transportation, urban transformation and remediation. The guideline also covers efforts to minimise and manage impacts on the environment, people, cultural environments, other industries and the rights of indigenous peoples. A key starting point is the mitigation hierarchy: to avoid impact in the first instance, then minimise, then restore and finally offset, with the goal that by 2030 LKAB will contribute to biodiversity net gain in the regions where it operates.

The guideline applies to all employees of the LKAB Group and provides guidance for operations, projects and activities relating to land use. It also covers relevant parts of the value chain, where suppliers and partners are required to follow the same basic principles. The approach is characterised by early, proactive and continuous dialogue as well as voluntary and commercial agreements with the actors concerned.

The guideline is based on Swedish legislation, industry practice and international principles for sustainable land use and biodiversity and supports LKAB's Code of Conduct and Sustainability Policy. When producing and updating the guideline, the views of the local communities, Sámi communities, landowners, authorities, businesses and other relevant stakeholders are taken into consideration.

The document is available to all employees via LKAB's management system and is supplemented with biodiversity and ecological restoration plans.

Guideline on water management

To ensure responsible use and protection of water resources, LKAB has adopted a Group-wide guideline on water management. The guideline aims to reduce the impact of the operations on aquatic environments and to manage risks associated with water scarcity, climate change and impacts on local ecosystems.

It applies to all operations in Sweden and includes requirements concerning water withdrawals, reuse, treatment and control of discharges. The guideline does not cover operations outside Sweden or in the supply chain, as LKAB's material water-related impacts are linked to operations in Sweden and water management in other operations is managed through local procedures and permit conditions. In preparing the guideline the views of authorities, the local communities and Sámi communities were taken into consideration, especially on matters relating to water quality, water flows and impacts on natural environments. The guideline is available to all employees via LKAB's intranet. Monitoring takes place through internal follow-up processes within the environmental management system.

Safety first guideline

The Safety first guideline sets out the Group's shared fundamental approach to occupational health and safety, aiming to ensure safe and healthy workplaces and to support the company's goal of reducing the number of accidents and work-related ill-health. The guideline supplements the Sustainability Policy and, together with the Code of Conduct, People Policy and Risk Management Policy, forms a framework for LKAB's occupational health and safety management.

The guideline applies to all employees within the LKAB Group as well as others who perform work for LKAB's operations, including contractors and suppliers at LKAB's workplaces. It sets out roles and responsibilities for occupational health and safety efforts in the line organisation and specifies how compliance is to be ensured through local supplementary governing documents.

Safety first is integrated into LKAB's internal management and control, and supports a systematic, preventive approach to identifying, managing and monitoring occupational health and safety risks in our own operations. The guideline is based on current legislation relating to occupational health and safety.

Compliance is monitored within the framework of systematic occupational health and safety management and through internal follow-up and audit processes. The guideline is available to all employees via LKAB's management system and is revised regularly to ensure it remains up to date and is having the intended effect. To read more about Safety first visit lkab.com.

Safety first

LKAB's approach to occupational health and safety is based on common approaches that guide how we act in our daily life and contribute to a safe and healthy work environment.

The Golden Rules

The Golden Rules clarify behaviours that strengthen the safety culture and prevent accidents. They apply to everyone who works in and for LKAB's operations.

Recognise and praise good behaviour | Lead by example | Let's talk | Always challenge acts that could cause harm | Stop and think – what could go wrong? | Never bypass a system designed to prevent harm

People Policy

LKAB's People Policy ensures systematic efforts to secure the skills needed in accordance with the Group's strategy. The policy aims to create commitment, long-term skills supply, development of the organisation and of employees, as well as sustainable terms of employment. It covers all employees within the LKAB Group.

The People Policy is closely linked to the Sustainability Policy and the Code of Conduct and helps to manage risks associated with the work environment, skills supply and employee engagement, while at the same time enhancing opportunities for development and innovation.

LKAB respects international principles on terms of employment by ensuring that its terms of employment comply with legislation and collective bargaining agreements, and that recruitment takes place in a transparent and non-discriminatory manner. The Policy also takes into consideration the interests of the employee organisations and is based on dialogue and cooperation with trade union representatives.

The policy is made available to all employees via LKAB's management system and the Group's intranet, and compliance is monitored through the work of the HR functions, internal audits and the whistleblowing system SpeakUp.

Diversity Plan

LKAB's Diversity Plan covers the entire Group and aims to create an inclusive work environment with equal opportunities for all employees. The Diversity Plan is based on the Discrimination Act, the State Ownership Policy and international frameworks. It promotes equality, diversity and a culture where different perspectives are valued, thereby enhancing the Group's innovation capacity and long-term competitiveness. LKAB has a zero-tolerance policy on discrimination, victimisation, harassment and sexual harassment. The Diversity Plan has been developed in dialogue with employees and is made available through training and internal guidelines.

Human rights guidelines

LKAB's human rights guidelines aim to prevent, identify and manage real, potential or perceived negative impact on human rights in the Group's own operations, in the value chain and in relation to stakeholders. The guidelines ensure that LKAB has processes for detecting and remedying negative impacts, including redress. They are particularly relevant in relation to risks associated with modern slavery, human trafficking and conflict minerals, as well as purchasing that can contribute to human rights violations. LKAB also works in partnership with customers and suppliers to promote a more responsible value chain.

The guidelines apply to all parts of the business and provide guidance for business relationships and collaborations within the value chain, both upstream and downstream. They are aimed at all employees as well as suppliers and other business partners, who are expected to act in line with their content.

The guidelines are based on internationally recognised frameworks such as the UN Guiding Principles on Business and Human Rights, the ILO Core Conventions, the OECD Guidelines for Multinational Enterprises and the UN Global Compact.

In developing the guidelines LKAB has taken into consideration stakeholder dialogues with, among others, suppliers, trade union representatives, Sámi communities, civil society and other actors with insight into human rights in mining and industrial operations.

Supplier Code of Conduct and Supplier Handbook

LKAB's Supplier Code of Conduct and Supplier Handbook aim to ensure that all external parties who supply goods or services to the Group act in line with the company's sustainability requirements and business ethics principles. This also includes contractors and service providers working on LKAB's sites. These documents establish clear expectations related to human rights, labour conditions, environmental responsibility, safety and anti-corruption.

The Supplier Code of Conduct consists of basic requirements which all suppliers must meet before their first delivery, as well as enhanced requirements that the supplier is expected to live up to over time. The Supplier Code of Conduct applies to all suppliers regardless of geographical location, and thus also covers upstream subcontractors. Suppliers are in turn expected to set similar requirements in their own value chain.

The Supplier Code of Conduct and Supplier Handbook are based on internationally recognised principles such as the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the ILO Core Conventions, the OECD Guidelines for Multinational Enterprises and the Code to prevent Corruption in Business issued by the Swedish Anti-Corruption Institute (Institutet Mot Mutor – IMM).

The documents were drawn up in dialogue with internal sustainability experts and procurement functions and based on feedback from suppliers and industry initiatives. The Supplier Code of Conduct is revised on an ongoing basis in line with the development of good practice and new regulatory requirements.

The documents are available on LKAB's website and are distributed directly to relevant suppliers in conjunction with procurement and contracts.

Group purchasing guidelines

LKAB's Group purchasing guidelines ensure that all procurements and contracts are effected sustainably, with low total costs, high quality, low business risk and with sound business relationships, as well as zero-tolerance of corruption and human rights violations.

The guidelines cover all purchases, all operations and all employees within the LKAB Group and set requirements for suppliers through LKAB's Supplier Code of Conduct. The Group purchasing guidelines are closely linked to the Sustainability Policy, the Group's anti-corruption guidelines and human rights guidelines, which in turn are based on international frameworks. The guidelines have been drawn up in collaboration between the purchasing organisation, management and relevant functions and are followed up through training, key performance indicators, supplier assessments and audits. They are published in the Group's management system and made available to those in relevant roles within the Group.

Risk Management Policy

LKAB's Risk Management Policy applies to all employees in the Group and aims to ensure a structured, transparent and integrated approach to identifying, analysing and managing risks and opportunities. The policy assumes that risks are a natural part of business operations and that well-functioning risk efforts strengthen the Group's competitiveness and contribute to sustainable value creation.

The policy covers all activities within the LKAB Group and includes strategic, tactical and operational risk management. The efforts focus on three overarching risk areas: market and external risks, business risks and financial risks. These include changes in prices and

Processing plant in Kiruna.

demand, climate-related risks, energy supply, supply chains, urban transformation and permitting processes.

The policy is established taking into consideration the views of various key stakeholders, including the business areas, Group functions, Group management and the Board of Directors. The risk management efforts are followed up on a quarterly basis and are integrated into the Group's business planning, management systems and reporting to the Board. The Risk Management Policy is available internally to all employees via the Group's management system.

Anti-corruption guidelines

The Group's anti-corruption guidelines provide a framework for preventive efforts to counter corruption and clarify the division of responsibility in the organisation. The guidelines provide support and guidance on matters relating to conflicts of interest, sponsorship and the use of corporate hospitality, gifts and other benefits, and apply to all employees within the Group as well as to external parties acting on behalf of LKAB. They are based on the Swedish Anti-Corruption Institute's Code to Prevent Corruption in Business (the Business Code), LKAB's inventory of corruption risks and the principles of the UN Global Compact.

The guidelines have been produced taking into consideration experience gained from internal risk analysis, training and incident management, as well as through dialogues with suppliers, customers and relevant industry initiatives. The document is available to all employees via LKAB's management system and is communicated to relevant external parties as necessary.

Principles for urban transformation

For LKAB, the principles for urban transformation are a key part of the work to manage significant impacts, risks and opportunities for affected communities. The approach is based on early dialogue, development before phase-out and respect for the rights of the local population and indigenous peoples. These principles are described in the section on affected communities under ESRS S3-1 on page 108.

GOV-3 Integration of sustainability-related performance in incentive schemes

In accordance with the State Ownership Policy 2025, senior executives at LKAB are not paid variable remuneration. This means that remuneration taking the form of incentive programmes, bonuses or other performance-based supplements is not offered to these executives.

For other employees, LKAB offers an incentive programme with common target parameters. Two of the four target parameters are directly linked to sustainability: occupational health and safety, and carbon emissions. The health and safety target is measured by the ratio between risk reporting and lost-time accidents (LTA), while the climate target monitors emission intensity (CO_2 kg per tonne of finished product). These parameters enable incentives to be linked to the Group's efforts to transition to safe and carbon-free operations. The programme is reviewed annually to ensure that it continues to reflect the Group's strategic priorities and operational conditions. For more information on the incentive programme, see page 130.

GOV-4 Statement on due diligence

LKAB's due diligence efforts are integrated into the governance system through governing documents such as the Code of Conduct, the Supplier Code of Conduct and the guidelines on human rights and purchasing. The efforts are implemented in accordance with LKAB's approach to continuous improvement and are monitored by Group management and the Board of Directors.

LKAB cooperates with the communities in which its operations are conducted, and stakeholder dialogue is an integral part of both strategic decisions and operational activities. The Group conducts ongoing dialogue with many different types of stakeholders, including municipalities, the local communities, suppliers, trade unions and Sámi representatives.

Risk assessments are carried out in various parts of the business, for example linked to purchasing, land use and occupational health and safety. These assessments are adapted to the relevant context and purpose, and together they help to ensure that LKAB's understanding of impacts and risks is analysed throughout the value chain. The double materiality assessment, which forms the basis of the 2025 reporting, captures and structures information from these processes to identify the most material areas.

LKAB has a major impact on its operating locations. Urban transformation in Kiruna and Gällivare aims to enable the continuation of mining operations while taking into consideration the long-term development of the communities and the rights of those who live there. LKAB implements actions to manage the identified impact through, for example, supplier audits, follow-up, training efforts and contract terms.

The effectiveness of the actions is monitored through key performance indicators, reporting to the Board of Directors and management, and opinion polls in affected communities.

The results form part of LKAB's internal governance and are used in performance development planning. They are also communicated externally; for example, through the Annual and Sustainability Report and through other channels such as open day events and LKAB's website.


The processing plant in Svappavaara.

GOV-5 Risk management and internal controls over sustainability reporting

LKAB's risk management and internal controls over sustainability reporting are integrated into the Group's overall governance model. The sustainability efforts are governed by group-wide policy documents, guidelines and established processes. Formal responsibility lies with the SVP Environment and Sustainability, who is a member of the Group management team. Operational responsibility is split between the business areas, the Group functions and subsidiaries. The Group function for Environment and Sustainability provides support to the operations and at the same time acts as an internal control function. Quality assurance and review of sustainability-related data is carried out on an ongoing basis with a view to ensuring accurate, complete and reliable reporting.

The main risks in sustainability reporting relate to data quality: that data is correct, attributed to the right period and is based on uniform principles across different parts of the organisation and over time. Risks are prioritised based on materiality; the complexity of the processing and lessons learned from previous audits.

The control process for sustainability reporting focuses on areas of higher complexity, for example due to manual data entry, many reporters or dependence on external data sources.

To improve the quality of reported sustainability data, in 2025 LKAB introduced quarterly reporting of relevant quantitative datapoints. This supplements the reporting of certain sustainability information that takes place in conjunction with the financial monthly reporting. The outcome of the quarterly reporting is communicated to the SVP Environment and Sustainability, who then reports to the other members of the Group management team and the CEO.

Strategy

SBM-1 Strategy, business model and value chain

LKAB has two business areas: the Iron Ore business area and the Special Products business area. Detailed information on key product groups, markets and total revenues is provided in financial notes 2 and 3 on pages 154 and 156. The number of employees per geographical area can be found under S1-6, on page 100.

Our goal is long-term sustainable value creation throughout the value chain. We will get there by providing safe and healthy work environments for everyone who works for LKAB, through good business ethics, by showing respect for human rights, by reducing negative climate and environmental impact and by using our resources with respect.

LKAB's business strategy covers the entire Group as well as selected suppliers who act on our behalf. Our business strategy is sometimes referred to as Group Strategy 2045 and describes our long-term direction. Management of material sustainability matters is an integral part of the strategy. By shouldering our responsibility for impacts, risks and opportunities throughout the value chain we are strengthening our contribution to the sustainable development of society for people and the environment.

LKAB's strategy

LKAB's strategy is based on three elements which together provide the foundation for the company's future development:

A new world standard for mining: mining at greater depths through increased automation, electrification and digitalisation for increased volumes

LKAB is investing in developing the mining technology of the future for mining at great depths, with a focus on automation, electrification and digitalisation. By combining these three, LKAB can increase productivity in the mines while reducing environmental impact and increasing safety for employees. LKAB is also developing new technologies with partners to implement modern solutions for innovative and responsible mining at great depths. Insights from increased exploration are creating the conditions to raise the company's production volumes going forward by extracting the new deposits that have been identified.

Carbon-free processes for increased product value and reduced climate impact

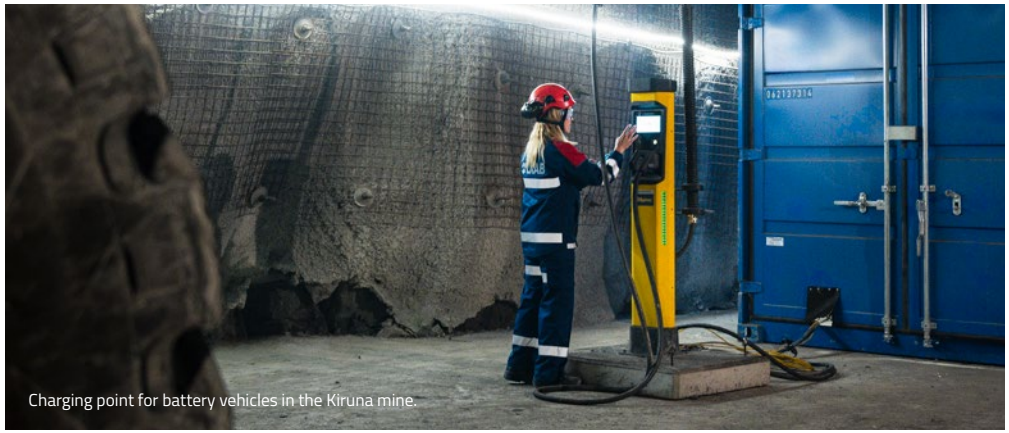
LKAB's goal is to develop the iron and steel industry by enabling the production of fossil-free steel. Through direct reduction of iron ore, where fossil-free hydrogen is used as a reducing agent, carbon-free sponge iron can be produced. This process drastically reduces carbon emissions compared to the traditional coal-based blast furnace process. When fully developed this innovation will not only be crucial for our own operations but also for our customers in the steel industry, in their efforts to meet their climate targets.

Extraction of critical minerals for greater self-sufficiency

Through process development LKAB is working to utilise apatite and minerals from tailings, a by-product of iron ore production. The goal is to extract phosphorus and rare earth elements. Critical rare earth elements are central to the production of batteries, wind turbines and electric vehicles, and through the company's efforts LKAB can help to reduce Europe's dependence on imported minerals and increase self-sufficiency. To read more about LKAB's strategy, see page 20.

LKAB's value chain

LKAB's operations form the basis of many long value chains with multiple stakeholders locally, nationally and globally. Through our ongoing transformation we can influence the value chain in a sustainable direction with reduced emissions to air, soil and water; we can strengthen human rights as well as occupational health and safety; and we can increase utilisation of by-products. Responsible management of LKAB's material sustainability matters – within which communication and cooperation on these matters are crucial – will enable long-term and sustainable value creation for the company and our value chain.



Charging point for battery vehicles in the Kiruna mine.

The main elements needed for LKAB's operations are our own mineral resources, energy, technology and skills. We secure these through our own mining, through long-term partnerships with suppliers, through investments in research and innovation, and by developing the skills of our workforce.

LKAB's products and services contribute to value for customers, our owner (the Swedish state) and society in general. For customers, our products represent high quality and the opportunity to reduce their emissions; for our owner, a stable return that is sustainable in the long term; and for society they represent jobs, regional development and a contribution to global climate transition.

LKAB is impacted by:

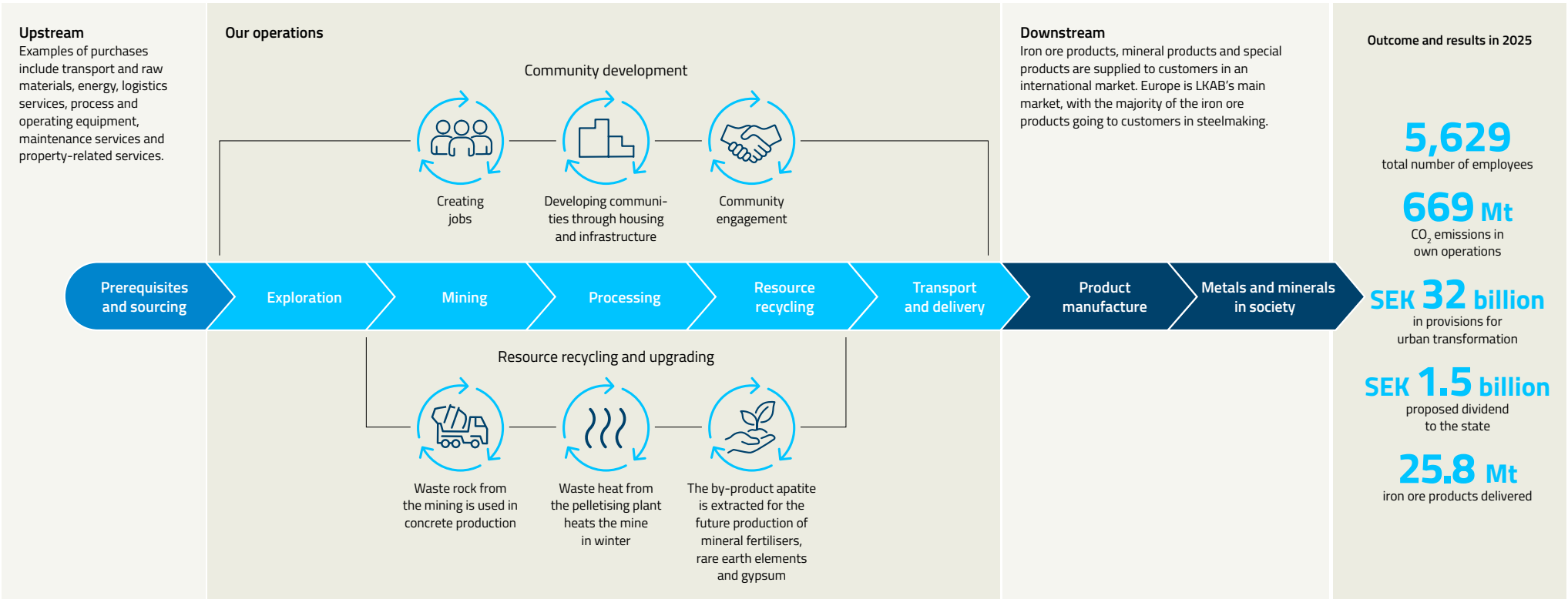
- suppliers
- customers
- the local communities and reindeer husbandry in the region
- environmental permits and access to land decision-makers at international, national and local level

LKAB impacts:

- the industries that use our products
- local, national and global climate transition
- the local communities and reindeer husbandry in the region
- the local environment and biodiversity
- the level of corporate social responsibility in the industry, by setting high standards in safety, human rights and ethics

The value chain includes both upstream and downstream elements. Upstream covers suppliers of energy, inputs, equipment, technology and services. Downstream covers our customers in the steelmaking and manufacturing industries, distribution channels such as transport by rail and sea, as well as end-users globally. In parallel, we are developing secondary value chains by utilising by-products from our production.

LKAB's value chain



The value chain illustrated covers the entire Group and includes both the Iron Ore business area and the Special Products business area. Both business areas contribute to and impact the different stages of the value chain, although their respective functions may differ depending on the focus of the operations. For illustrative purposes the Iron Ore business area, which is the Group's largest business area, is shown more prominently in the value chain.

SBM-2 Interests and views of stakeholders

Dialogue with stakeholders is crucial for understanding which sustainability matters are the most important. Through regular conversations, interviews and surveys we gain insights from different groups such as employees, suppliers, customers, authorities, local residents and Sámi communities as regards our greatest impacts and our most material risks and opportunities. These insights form a central basis for our sustainability efforts and for how our strategic priorities develop over time.

LKAB's operations impact, and are impacted by, many stakeholders. Their views, expectations and needs form a key starting point for our sustainability priorities. In 2025 an updated double materiality assessment was carried out. The assessment combined stakeholder dialogues with expert analysis and a scored evaluation of impact and financial materiality according to ESRS principles. To add further detail to the assessment at a local level, local sustainability surveys were also conducted in the communities where LKAB operates.

The assessment identified a broad spectrum of potential impacts, risks and opportunities. Through interviews, workshops and weighting, these were prioritised, and thresholds were set to determine which matters are deemed material. The results showed that all the sustainability standards except one, S4 Consumers and end-users, were assessed to be material from an impact and/or financial perspective. As of 2025 LKAB is thus reporting around 700 datapoints, of which around two-thirds are narrative.

Perspectives from representatives throughout the value chain – including indigenous organisations, the local communities, suppliers and owners – were taken into consideration in the preparation of the double materiality assessment. Through in-depth interviews and surveys, these groups have contributed important input on what is most material from both an impact and a risk perspective. The assessment was then reviewed and established internally and was also validated in dialogue with external stakeholders.

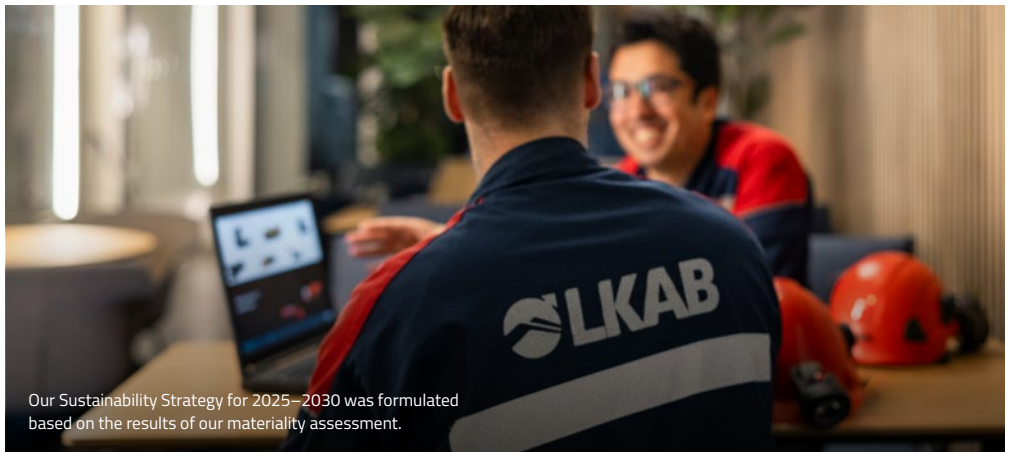
Matters highlighted were expectations of reduced climate impact, secure energy supply and sustainable urban transformation. These perspectives are reflected in LKAB's business model through a focus on technological development, fossil-free production and local value creation, to meet the demands of the outside world and strengthen our long-term competitiveness. The expectations also affect relationships with the company's stakeholders as a result of increased requirements concerning dialogue, transparency and cooperation.

The results of the materiality assessment have informed and influenced the design of LKAB's Sustainability Strategy for the period 2025–2030. They are also taken into consideration in the annual strategic review of the business model, where its sustainability-related assumptions and priorities are tested. By updating the materiality assessment regularly, we ensure that changes in the outside world and in stakeholders' expectations are identified and taken into account in the governance of the enterprise.

The SVP Environment and Sustainability is responsible for leading and monitoring the sustainability efforts, highlighting focus areas and coordinating the work in the Group management team and committees. The SVP Environment and Sustainability reports to the CEO, who in turn reports to the Board of Directors.

SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

In 2025 LKAB completed an update of the double materiality assessment. The results show that the most material impacts, risks and opportunities mainly concern climate impact, energy use, biodiversity, resource use and social aspects. The largest climate impact occurs downstream in the value chain, but LKAB's own operations and supply chain also pose significant environmental and resource challenges, especially in mining operations, land use and energy-intensive processes. Alongside environmental matters, the material impacts also include social impact linked to occupational health and safety, skills supply, the rights of indigenous peoples and the urban transformation in the Swedish orefields.



Our Sustainability Strategy for 2025–2030 was formulated based on the results of our materiality assessment.

At the same time, stakeholders' expectations of sustainable transition present significant opportunities. Technological development, electrification and fossil-free production can strengthen our competitiveness, reduce our environmental impact and contribute to the climate transition, which is central to the business model and our role in society.

These material matters influence LKAB's strategy and long-term priorities. They form a basis for investments in technology shifts, cooperation on sustainable urban transformation and the development of the fossil-free value chain. The materiality assessment carried out in 2025 largely confirms previous insights and shows a continued consensus between stakeholders and the company's strategic direction.

The Sustainability Strategy is the link between the double materiality assessment and the Group Strategy 2045. Identified material matters are translated into concrete targets, activities and investments within transition plans and action plans for the next five years, ensuring a clear link between assessment, strategy and implementation.

The identified impacts are assessed to occur over different time horizons: some are immediate, such as occupational health and safety and local environmental impact, while aspects such as biodiversity, land use and core issues linked to climate impact develop in the medium to long term.

The material matters also have financial consequences. In the short term these are associated with research

efforts, pilot projects and partnerships, in the medium term with industrial roll-out and adaptation of the value chain, and in the long term they concern full-scale carbon-free production. These investments entail significant capital needs but are also judged to create long-term competitiveness and new market opportunities.

To assess the robustness of LKAB's strategy and business model in relation to climate-related risks and opportunities, see the climate-related resilience analysis carried out according to E1.SBM-3 on page 65.
The analysis is based on three external climate scenarios (IPCC RCP 2.6, IEA Net Zero 2050 and IPCC RCP 8.5) and covers both physical and transition-related risks. The qualitative and quantitative assessment of the strategy's resilience and applied time horizons (short, medium and long term) are reported under E1.SBM-3.

As this is the first time that LKAB is reporting according to ESRS and the first double materiality assessment under this framework, there is no previous reporting period to compare with. The material impacts, risks and opportunities reported this year therefore constitute the initial starting point for future comparisons.

The results of the double materiality assessment are summarised in the table at the start of this section on page 50. A more detailed description of the material areas, their impacts and any financial effects is provided under the respective standard.

Management of impacts, risks and opportunities

IRO-1 Description of the process to identify and assess material impacts, risks and opportunities

During 2024–2025 a double materiality assessment was conducted in accordance with ESRS reporting requirements. The work was based on previous experience from sustainability reporting, extensive operational knowledge and a strong local presence, providing insight into the communities where LKAB operates. The materiality assessment forms the basis for identifying and prioritising the matters to be included in the sustainability reporting and is also part of the Group's strategic governance and risk management.

The assessment covered impacts on people and the environment as well as financial risks and opportunities, in accordance with the principle of double materiality. The six-step process was led by the sustainability function in collaboration with representatives from finance, risk, environment, HR, the business areas and Group management.

Identification and mapping

LKAB identified relevant matters through a systematic mapping of potential impacts, risks and opportunities. The work was based on the applicable ESRS requirements and was supplemented by expert assessments in each topical area. The process aimed to distinguish actual and potential impacts and to define their environmental, social and financial dimensions.

Process for identifying, evaluating and prioritising impacts, risks and opportunities from the company's operations.

In parallel, a survey of LKAB's value chain and stakeholder landscape was carried out. For the iron ore business, the boundary of the analysis was the product's downstream use in steelmaking, which is the main area of use. For other lines of business, separate assessments were carried out based on each product flow and market structure.

The analysis also considered geographical areas and activities with an increased risk of negative impacts, in particular the location of the mining operations in Kiruna, Malmberget and Svappavaara, as well as the port area of Narvik, where there is significant land use and community impact.

Stakeholder dialogue and validation

In the initial phase of the assessment a sustainability survey was conducted that aimed at external stakeholders in the areas where LKAB mainly operates. The results were used as a knowledge base to capture priority issues, risks and expectations.

At a later stage more in-depth dialogues were conducted with selected stakeholders, including representatives of civil society, indigenous peoples, customers, suppliers and owners.

These dialogues aimed to validate the conclusions and ensure that no material perspectives were overlooked. They also deepened the understanding of how identified aspects affect different stakeholder groups, for example as regards environmental and health impacts, working conditions, land use and socioeconomic impacts in local communities.

Documentation and data sources

The assessment was based on a combination of internal and external information. The documentation included results from a broad stakeholder survey, targeted dialogues with selected stakeholders and expert assessments within the Group. Consultancy support was used to ensure the quality of the method and for calibration between subject areas.

Assessments were documented for each aspect by scoring both actual and potential impacts. The analysis addressed comparisons between different types of impact, such as climate emissions and occupational health and safety risks, through a qualitative calibration process rather than quantitative thresholds.

The assessment was based on the current situation and existing activities. Future changes or planned actions are weighed in to a limited extent. Assumptions, scoring and data were documented on an ongoing basis during the assessment and form a basis for future follow-up and any later revision.

Prioritisation and methodology

Identified matters were assessed in topical workshops with participants from Group functions and business areas. For actual negative impact, three factors were weighed together: extent, i.e. how big an area or how many people are impacted; severity, i.e. how serious the impact is; and opportunities for action. Potential negative impact was also assessed based on likelihood. Positive impact was assessed based on extent and likelihood.

The assessments were scored and weighed together according to an internal methodology adapted to ESRS principles. Quantitative and qualitative thresholds were used to determine which matters were deemed material and thus included in the sustainability reporting.

Financial materiality was assessed separately, based on likelihood and expected impact on results, position and future business conditions.

Link to risk and strategy

The results of the double materiality assessment, including identified impacts and dependencies, have influenced the design of LKAB's Sustainability Strategy. The assessment of financial risks and opportunities was based directly on these impacts and dependencies, such as how climate impact, land use, supplier risks or regulatory changes may affect costs, revenues or investments over time.

The assessment also forms key documentation that will in future be taken into consideration in strategic decisions, investments and management by objectives, and will contribute to developing the Group's overarching risk assessment.

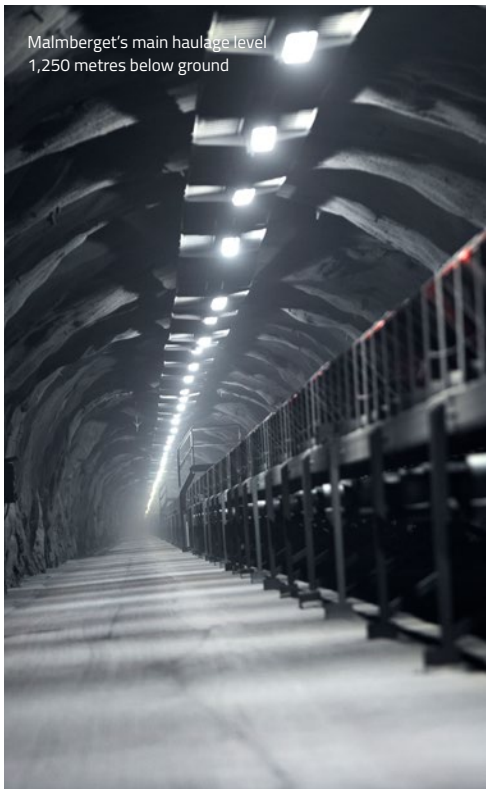
The financial analysis was carried out using the same likelihood and materiality assessments as are used in the Group's general risk management.

The process is partly integrated into LKAB's existing risk assessment structures, which enables comparability and consistency in the analysis. The double materiality assessment is carried out in interaction with the regular risk management process and uses common working methods, assessment criteria and division of responsibility. Identified opportunities are also integrated into the Group's strategic planning, for example in prioritising development projects and investment decisions.

The results of the double materiality assessment form the basis for LKAB's Sustainability Strategy. The strategy is then put in concrete terms using scorecards with associated targets and follow-up parameters for each subject area.

Approval and follow-up

The results of the materiality assessment were approved by Group management in December 2024 and subsequently by LKAB's Board of Directors in February 2025. The process includes established internal control procedures, including method review, documentation requirements and quality assurance of data before decisions are made. The approved list of material impacts, risks and opportunities forms the basis for LKAB's sustainability reporting as well as for strategic governance and risk management.



Malmberget's main haulage level
1,250 metres below ground

The materiality assessment will be reviewed annually and updated as needed, for example in the event of major changes in the business, the outside world or owner expectations. The structure, assumptions and approach of the process are continuously documented to allow follow-up and future revision.

Environmental information

LKAB's operations are resource-intensive and impact the environment through energy use, land impact and emissions. At the same time, our products and our transformation are part of the solution in the transition to a more sustainable society. Efforts relating to climate, resource management and biodiversity are integrated into the business strategy and guide how we develop production, technology and future investments in our mines and processing plants.

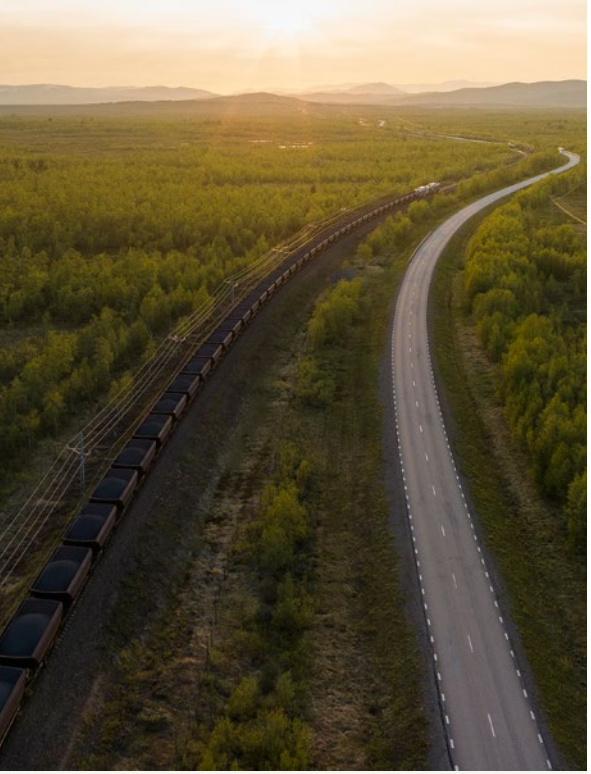
→ ESRS E1 Climate change
→ Taxonomy Regulation
→ ESRS E2 Pollution
→ ESRS E3 Water and marine resources
→ ESRS E4 Biodiversity and ecosystems
→ ESRS E5 Circular economy

52%
progress towards biodiversity target

Enhancing nature's resilience
Working according to the mitigation hierarchy, actions include planning as well as restoration to reduce impacts on biodiversity and ecosystems. At the end of the year we had achieved 52 percent progress towards our biodiversity target.

Creating circular material flows
We work strategically and systematically on waste management in accordance with the EU waste hierarchy and this is a priority area in our Sustainability Strategy. By streamlining resource use and developing new applications for by-products, we want to boost our value creation in a more circular flow. In 2025 the share of waste recycled increased by 7 percent.

7%
increase in the share of waste recycled



LKAB aims to create carbon-free processes and products by 2045. Our transformation plan focuses on successively reducing emissions in our own operations and at the same time contributing to emission reductions in the value chain. The development of emissions in 2025 was affected by higher production volumes alongside continued implementation of the transformation plan.

ESRS E1 Climate change

	Impact		Financial				Where in the value chain			
Sustainability matter	Negative	Positive	Risk	Opportunity	**Actual or potential**	**Time horizon**	Upstream	Own operations	Down-stream	**Risk**
Climate change adaptation			■		Potential	Medium, long	■	■	■	Physical
Climate change mitigation	■	■	■	■	Actual	All	■	■	■	Transactional
Energy	■		■	■	Actual	All	■	■	■	Transactional

Global warming is having increasingly clear consequences for people, communities and enterprises. As part of the energy-intensive iron and steel industry, which accounts for around 7 percent of global carbon emissions and around 12 percent of Sweden's carbon emissions, LKAB has a central role to play in the transition. As the producer of 86 percent of the EU's iron ore in 2025, we are a key player in the effort towards a fossil-free industry.

Metals and minerals are fundamental for climate transition – for everything from fossil-free energy to electrification. Our ambition is to be one of the world's most resource-efficient mining and minerals groups and to manage negative impacts on the environment and climate effectively. As part of this we are taking on responsibility locally, regionally and globally.

LKAB's long-term target is clear: to create carbon-free processes and products by 2045. The way to get there is through successive efficiency improvements and clear interim targets. By 2030 we will reduce energy consumption by 10 percent per tonne of finished product and reduce carbon emissions from our own operations by 25 percent.

The results of our double materiality assessment confirm that climate transition, climate change adaptation and energy remain priority areas, and provide a good basis for the strategy going forward.

Governance

GOV-3 Integration of sustainability-related performance in incentive schemes

In accordance with the State Ownership Policy 2025, senior executives at LKAB are not paid variable remuneration. LKAB's incentive programme is aimed at all employees and contains parameters that direct the Group's transformation efforts towards safe and fossil-free operations. For further information on the incentive programme see page 130.

Strategy

E1-1 Transition plan for climate change mitigation

Overarching transition plan

A key part of our business strategy is a transformational transition plan aimed at reducing LKAB's emissions while strengthening our long-term competitiveness. LKAB has set both long-term and short-term climate targets and the plan, which covers the entire business, describes the way forward to achieve these targets. The transformation plan will be implemented gradually over several decades, in step with the market and external conditions.

The strategy is decided by the Board of Directors and Group management and means that LKAB's processes and products will be carbon-free by 2045. Our focus is on further upgrading products, streamlining production and broadening our business while leading the transformation of the industry together with suppliers and customers.

LKAB's transformation plan affects all the operations, the entire business and our competitiveness, and permeates both strategic decisions and investments. This means that the plan is closely linked to the Group's long-term strategic direction.

The transformation plan includes two main points of strategy:

1. Upgrading of iron ore to carbon-free sponge iron

By gradually developing the product portfolio from today's iron ore pellets for steelmaking in blast furnaces to products with a lower climate footprint, LKAB is taking a decisive step in the transition. Carbon-free sponge iron, produced using hydrogen technology, is a key long-term target in this development. The goal is to reduce

carbon emissions both in our own operations and downstream in the value chain. This involves both transitioning existing processing plants and establishing new sponge iron plants.

2. Extraction of critical minerals

In two strategically important areas we are working to be able to extract critical minerals from materials we already mine:

a) rare earth elements, which play a key role in the creation of a fossil-free economy and which are seen as an important contribution to achieving the EU's climate targets;
b) phosphorus for mineral fertiliser, necessary for food production. One residual product from these processes is large amounts of gypsum, which can be used in the regional construction industry.

The three main tracks of the transformation plan

The implementation of the transformation plan is driven by three overarching main tracks to reduce emissions: (1) electrification and fuel switching, (2) energy efficiency and (3) product and process development in partnership with the value chain.

Together this will mean that LKAB both reduces emissions in its own operations and contributes to significant emission reductions further down the value chain.

The current climate targets are calculated based on the Paris Agreement's (IPCC's) 2 °C scenario. The target for the period 2020–2030 is to reduce absolute carbon emissions by 25 percent. To be in line with the 1.5 °C goal of the Paris Agreement, a total reduction of 42 percent is required.

In 2025 absolute greenhouse gas emissions increased compared with the previous year, mainly as a result of higher production volumes. The outcome and development of emissions and intensity are described in more detail in E1-6.

Electric plant and machinery is being used to electrify the mining operations, to replace fossil fuels and reduce direct emissions as part of LKAB's transformation plan.

Key drivers and actions within the three main tracks

The main drivers for the phase-out of fossil fuels are electrification and fuel switching, energy efficiency, and product and process development in partnership with the value chain. The following key actions are planned:

Scope 1 (direct emissions):

- Fuel switching and electrification of mining and processing. The pelletising plants are today primarily fossil-fuelled and are central to our transformation. As a first step, a transition to biofuels is taking place.
- Energy efficiency in existing processes to reduce the need for fossil fuels.

Scope 2 (indirect emissions from purchased energy):

- Continued initiatives for electrification of the operations require the use of fossil-free electricity to reduce climate impact.
- Improving the efficiency of electricity use to further reduce the climate impact from purchased energy.

Scope 3 (value chain):

- Changes are gradually being made in the product portfolio towards iron ore products with a greater degree of upgrading and a lower climate footprint, enabling emission reductions in customers' steel production.
- Collaboration with customers and suppliers in the steel industry to coordinate the transition throughout the value chain.

The actions will be implemented gradually over the coming decades in line with technological development, our customers' transition and the development of new production capacity with a low carbon footprint.
Progress on implementing the various components of the transformation plan, including electrification, fuel switching, energy efficiency and the development of new products and processes, is reported in E1-3.

In Luleå, construction is underway on a demonstration plant and research and development facility for the extraction of rare earth elements and phosphorus.

In the demonstration plant, which is expected to be completed in the second half of 2026, the focus will be on technology and process development. The investment decision was made at the end of 2024 and amounts to MSEK 800.
The results from the demonstration plant will determine the design of the full-scale industrial park.

The transformation plan is being implemented through successive investments that are integrated into LKAB's regular investment and budget process, and is being financed by cash flow and external borrowing; LKAB is not yet able to fully separate and aggregate all investments linked to the transformation plan, but is developing monitoring for more detailed reporting going forward.

Management of locked-in emissions

LKAB has significant locked-in greenhouse gas emissions, i.e. emissions that are difficult to reduce quickly because they are linked to long-lived and capital-intensive assets. The locked-in emissions are partly associated with our three production sites in the Swedish orefields (Kiruna, Malmberget and Svappavaara) and partly with facilities in other countries.

The assets are capital-intensive and have an estimated lifespan extending over several decades. This makes it difficult to reduce the emissions quickly. Opportunities for major changes in upgrading processes and fuel switching are affected by both long lead times and high costs, and thus require significant research and development initiatives.

The pace of our customers' transition is crucial if we are to be able to reduce locked-in Scope 3 emissions.

LKAB's customers in the steel industry operate in a capital-intensive sector, which means that major changes in our product offering must take place in close consensus with them. If a synchronised transition cannot be realised throughout the value chain, there is a risk that the climate goals will not be achieved.

Taxonomy reporting

Reporting of eligible and aligned activities under the EU Taxonomy Regulation covers a small part of the Special Products business area, LKAB Malmtrafik AB and LKAB Fastigheter AB. The mining industry is not yet included in the Taxonomy due to differences in the geological conditions, technical processes and environmental impact of mines, making it difficult to establish common technical screening criteria within the EU. For further information on our Taxonomy reporting see page 73.

LKAB has no investments in coal, oil or gas. The company is not excluded from the EU's Paris-aligned Benchmarks.

SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

This section describes the results of LKAB's climate-related scenario analysis and how these results have been used to assess the resilience to climate change in the Group's strategy and business model.

To ensure that LKAB's strategy and business model is sustainable in the long term, scenario analysis has been performed focusing on the potential impact of climate change on LKAB. The main boundary of the analysis were LKAB's operations in Sweden and Norway. Other climate-related business risks and opportunities were discussed at a more general level. No risks or opportunities were excluded in this analysis. This enables the scenario analysis to provide an overall and comprehensive picture of the Group's risks and opportunities associated with climate change.

The scenario analysis was performed in 2021 and formed the basis for LKAB's previous TCFD reporting. The analysis has not been updated since then. In the double materiality assessment carried out in 2025 the results of the scenario analysis were included among the documentation used, supplemented with updated risk assessments and business intelligence. The work was based on a compilation and analysis of external climate scenarios from the IPCC, adapted by SMHI (the Swedish Meteorological and Hydrological Institute) to local conditions. The main scenarios used were the low-emission scenario IPCC RCP 2.6 – AR5, the high-emission scenario IPCC RCP 8.5 – AR5 and IEA Net Zero 2050, which describes the path towards net zero emissions in the energy sector (IEA World Energy Outlook).

Analysis of these external scenarios identified and evaluated risks and opportunities. The results were consolidated into a shortlist, in which each item was evaluated on the basis of response time, likelihood, impact and controllability. The shortlist was documented in a report that provides an overall picture of the most significant risks and opportunities for LKAB related to climate change.

The results of the scenario analysis form part of the basis for the double materiality assessment that was completed in 2025. Identified risks and opportunities from TCFD have thereby been integrated into the double materiality assessment and a common thread has been created from previous reporting to the ESRS structure.

Application and time horizons

Scenario analysis has been carried out for LKAB's climate targets based on three time horizons: the short term (0–1 year), the medium term (2–10 years) and the long term (10–20 years). The long-term scenarios also include

Scenario analysis and assumptions

LKAB's scenario analysis covers three scenarios that together highlight the entire spectrum of possible future developments: a low-emission scenario (IPCC RCP 2.6) combined with a transition scenario (IEA Net Zero 2050), and a high-emission scenario (IPCC RCP 8.5). The scenarios have been selected to reflect both the physical and the transition-related risks that may affect LKAB's operations.

The scenario analysis contains uncertainties linked to assumptions about technology maturity, access to fossil-free electricity, political instruments and customers' pace of transition. These uncertainties affect the assessment of how quickly existing assets can be adapted, upgraded or phased out, and how the portfolio of products and services may change over time. LKAB has the capacity to adapt through a gradual investment plan, established processes for reprioritising investments and access to long-term financing for capital-intensive transition actions, which strengthens the resilience of the strategy and business model over time. An in-depth description of risks and adaptability can be found in E1.IRO-1.

IPCC RCP 2.6 represents a low-emission scenario that is in line with the 1.5°C goal of the Paris Agreement. The scenario assumes extensive societal and market transition with rapid electrification, technological innovation on a large scale and significantly increased investments in the energy transition (a threefold increase to around USD 5 trillion by 2030). The global energy mix fundamentally changes: electricity accounts for nearly half of total energy consumption in 2050, while wind and solar power grow more than fourfold compared with 2020. Fossil fuels gradually decrease (coal to marginal levels, natural gas –55 percent, oil –75 percent), while hydropower and nuclear power retain their roles as base technologies. The rapid development of technology is assumed to enable the transition to fossil-free products, processes and services on a broad industrial scale, which in turn creates new jobs and long-term economic growth.

IEA Net Zero 2050 describes a global transition path where the energy sector reaches net zero emissions by 2050. The scenario has particularly been used to test the conditions for access to fossil-free electricity, development of the value chain and competition for resources in the energy transition.

The analysis shows that the transition risks will be most tangible in this scenario, but also that the business opportunities increase through the demand for fossil-free products and critical minerals.

IPCC RCP 8.5 represents a high-emission scenario that describes a future where global climate action is insufficient, leading to sharply rising temperatures and increased physical risks. In this scenario LKAB's strategy is tested against effects such as increased frequency of extreme weather, disruption to electricity production and electricity supply, impact on dams and other critical infrastructure, and disruption to logistics chains and community functions near the operating locations.

Comparing and combining these three scenarios ensures that the analysis covers the entire spectrum of possible future outcomes.

The analysis shows that the physical effects of climate change are limited in the low-emission scenario, but become more extensive in the high-emission scenario. At the same time, the transition risks are assessed to be most significant in scenarios that are in line with the 1.5°C goal of the Paris Agreement.

the perspective up to 2045, when LKAB's target is for processes and products to be completely carbon-free.

The scenarios used include key drivers such as policy instruments, macroeconomic trends, energy mix and technological development. These assumptions are particularly relevant to LKAB as they affect access to fossil-free electricity, demand for products with low emissions and the opportunities to develop new technology.

Results and resilience

The overall analysis shows that LKAB is relatively resilient as regards physical climate risks in the short term, but that long-term effects on infrastructure and energy systems may cause significant disruption if adaptation measures are not taken.

The analysis shows that the different scenarios require different focus areas, which requires flexibility in the response from LKAB. In the low-emission scenario, the emphasis is on managing rapid transition risks, while the high-emission scenario highlights the need for reinforced actions for climate adaptation and robust energy systems.

The scenario analysis is not just a tool for testing the resilience of the strategy, but also the basis for how LKAB identifies, evaluates and manages climate-related risks and opportunities in the business. This work is described in the next section, IRO-1.

IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities

This section describes the methods and processes that LKAB uses to identify and assess climate-related impacts, risks and opportunities. The scenario analysis reported in E1 SBM-3 is a key part of this process and is used to analyse potential effects in the short, medium and long term.

This analysis forms a basis for how physical and transition-related risks are identified, evaluated and integrated into governance and decision-making.

Identification and assessment

Identification and assessment of climate-related physical risks and opportunities takes place both in LKAB's overarching risk management process and in the work on the double materiality assessment. The assessment covers three time horizons – the short term (0–1 year), the medium term (2–10 years) and the long term (10–20 years), in line with LKAB's strategic planning horizon and the lifetime of its most critical assets. How assets and business activities may be exposed to and sensitive to climate-related events is assessed for each horizon.

The scenario analysis is used as a framework for identifying potential risk events and testing their impact on the business model. Assessment takes place at plant level, in the production chain and for key suppliers. Regional climate forecasts from SMHI are used to assess local conditions in Sweden and Norway, taking into account the geographical coordinates that are relevant to LKAB's mining and transport operations.

Climate-related physical risks and opportunities

The identification and assessment of physical climate risks has been carried out within the framework of the high-emission scenario IPCC RCP 8.5, as described in E1 SBM-3. The scenario highlights a future with continued high levels of emissions and increasing frequency of extreme weather. The analysis covers both acute and chronic climate effects in our own operations and in the value chain.

The main risks identified are:

- varying weather conditions with a risk of disruption of the electricity supply;
- effects of extreme weather on dams and other critical infrastructure;
- acute and chronic climate effects that impact customers and suppliers;
- changed conditions for those living in the vicinity of LKAB's operations; and
- disruption to logistics chains and material flows, particularly linked to electricity production and electricity supply.

The assessment shows that physical climate risks could have major consequences for critical logistics chains and material flows if the necessary adaptation measures are not put in place. The risks analysed are not expected to materially impact LKAB's future greenhouse gas emissions, but could significantly impact business continuity and supply chains if they are realised.

Transition-related risks and opportunities

Transition risks and opportunities are identified using the low-emission scenario RCP 2.6 and the transition scenario IEA Net Zero 2050. The analysis takes into account political, market and technological changes that may affect LKAB's business model, access to fossil-free energy and demand for climate-neutral products.

The main risks are associated with:

- insufficient expansion of fossil-free electricity production, which could result in high and volatile electricity prices;
- unpredictable and lengthy permitting processes; and
- a lack of stable political and market steering towards low-emission products.

The greatest opportunities are found within:

- extraction of critical minerals that are crucial for Europe's energy transition;
- production of fossil-free sponge iron through access to low-emission electricity; and
- increased attractiveness as an employer through the company's leading role in the industrial transformation.

The analysis is also used to identify operations and facilities that need significant efforts in order to be compatible with a transition to a climate-neutral economy.

Use and integration into governance

The results of the scenario analysis are used as a basis for LKAB's overarching risk management and in the work on the double materiality assessment. They provide support for strategic priorities, investment decisions and monitoring of climate targets. To ensure consistency, the key assumptions used in the climate scenarios have been reconciled with decisive assumptions in the financial reporting, such as assumptions about energy prices, carbon prices and climate-relevant policy instruments. This reconciliation is carried out in collaboration between the sustainability, risk and finance functions.

E1-2 Policies related to climate change mitigation and adaptation

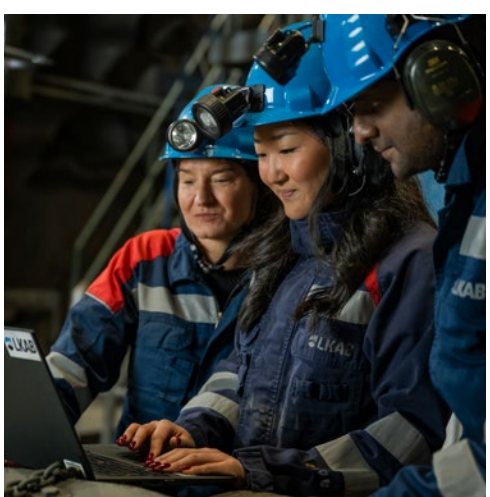
Climate change mitigation and adaptation efforts are governed by LKAB's Sustainability Policy, Code of Conduct, Supplier Code of Conduct, Risk Management Policy and the Group guidelines on land use and water management. Together these define the frameworks and working methods for identifying, assessing and managing significant impacts, risks and opportunities associated with climate change mitigation, climate change adaptation and energy.

Climate change mitigation includes the management of greenhouse gas emissions and the management of transition risks over different time horizons. The work takes place both in our own operations and in the value chain and is also supported by policies on procurement, investments and product development.

Our climate change adaptation actions focus on managing physical climate risks and transition risks. Policy documents and guidelines relating to occupational health and safety, emergency management and training must provide support for managing new situations that may arise as a result of a changed climate.

Various policy documents deal with different parts of the area of climate and energy:

- The Sustainability Policy and Group guideline on land use contain commitments to reduce greenhouse gas emissions, increase resource efficiency and promote climate-efficient processes and products.
- The Sustainability Policy and Group guideline on water management specify how to adapt the operations to changing climatic conditions, including through climate risk analysis, risk assessments and actions to secure long-term operation. The Risk Management Policy covers strategic risks including climate risks and opportunities, and integrates these into business planning.
- The Sustainability Policy calls for continuous improvements in energy performance and reduced energy consumption per product manufactured.
- The Sustainability Policy and the Code of Conduct include commitments to support, and where possible, invest in renewable energy solutions and integrate these into the business.
- The Code of Conduct and the Supplier Code of Conduct include requirements for our business partners to work towards reduced climate impact and comply with relevant climate standards.



LKAB's policies are described in more detail in ESRS 2, GOV-2, and on lkab.com.

E1-3 Actions and resources in relation to climate change policies

LKAB's actions to reduce greenhouse gas emissions are closely linked to the transformation plan described in E1-1. The plan covers the entire business and is based on three main tracks: (1) electrification and fuel switching, (2) energy efficiency and (3) product and process development to enable emission reductions throughout the value chain. These efforts are taking place as an integral part of the business strategy and follow a gradual implementation plan that keeps pace with technological development, investments and our customers' transition.

Scope 1 – Direct emissions

To reduce emissions from our own operations, actions are being taken in the areas of electrification, energy efficiency and fuel switching:

- Electrification of machinery fleet: LKAB continues to gradually replace diesel-powered machinery with electric-powered alternatives. In 2025 rock bolting rigs, scalers, excavators and haul trucks in Malmberget and Svappavaara were among the machinery replaced with electric models.
  The estimated savings during the year amount to around 940 MWh and 487 tonnes of CO_2.
- Energy efficiency in existing processes: In Kiruna a new ventilation system with heat recovery has been installed in the sorting plant, resulting in an annual energy saving of around 2,500 MWh. In Svappavaara the decision has been taken to install heat exchangers in the pelletising plant to recover waste heat from the process. The project enables the phase-out of diesel-powered heaters and is expected to reduce the use of fossil fuels when put into operation in 2026.
- Fuel switching: A new electric boiler is planned to be put into operation in Svappavaara in 2026, replacing the current oil-fired boiler used for heating the district heating network and the pelletising plant during downtime. This will reduce the use of fossil fuels further.

The most important actions, especially the electrification of the machinery fleet and energy efficiency, are being implemented gradually with a focus on the period 2025–2030 and thereafter up until 2045 in line with the gradual renewal of equipment and production systems. Capital expenditure and operational expenditure for climate-related actions are reported together in the Group's financial statements. The pace of implementation is dependent on access to fossil-free electricity, internal investment frameworks and the necessary skills resources.

Scope 2 – Indirect emissions from purchased energy

The electrification of the operations involves an increased need for electricity, which makes energy efficiency and optimisation of energy flows a key matter:

- Improved district heating management: In Kiruna and Svappavaara various actions have been taken to increase the use of residual heat. In Svappavaara a new district heating pipeline has been installed to remove grid constraints, resulting in a potential energy saving of 2,000 MWh and reducing emissions by around 600 tonnes of CO_2 per year. In Kiruna improved control systems have made it possible to deliver an additional 1,000 MWh to the local district heating network.
- Upgrading of equipment: In Malmberget a belt conveyor has been equipped with a new energy-efficient motor, resulting in a saving of 400 MWh of electricity per year. Replacement of diesel heaters in the mine also contributes to reducing emissions by 45 tonnes CO_2.

Scope 3 – Emissions in the value chain

LKAB is working actively to reduce emissions in the value chain through the development of new products and the use of alternative materials:

- Alternative binders in concrete: Cement, which is used in large quantities to stabilise shafts and drifts in the mines, gives rise to significant indirect emissions. In 2025 LKAB continued to replace cement with alternative binders such as granulated blast furnace slag (GGBS), which reduced emissions by around 3,800 tonnes of CO_2e compared with conventional cement (based on current environmental product declarations for basic cement and GGBS). Several smaller projects are also in progress, where residual products from the mine – such as waste lime – are being tested as possible substitutes.

These initiatives represent concrete steps in the implementation of LKAB's transformation plan, and together contribute to reducing the Group's climate impact in line with the climate target for 2030 and with the target of creating carbon-free processes and products by 2045.

Overall, the actions taken in 2025 have led to an estimated reduction in emissions of just under 6,000 tonnes of CO_2e within Scopes 1 and 2 as well as approximately 4,000 tonnes of CO_2e in Scope 3. This reduction was however offset by increased emissions as a result of higher production volumes.

Metrics and targets

E1-4 Targets related to climate change mitigation and adaptation

Almost 90 percent of LKAB's total emissions (Scopes 1–3) come from the processing of sold products, primarily through the carbon emissions that arise from steelmaking using blast furnace technology. To progressively reduce these and other emissions, LKAB has set targets for the short, medium and long term. In addition to its climate targets, LKAB has also set targets for energy use in the short and medium term.

The targets have been established based on assessment of material climate-related impacts, risks and opportunities and the need for energy efficiency improvements, phase-out of fossil fuels and adaptation to physical and transition-related climate risks.

Targets for 2026 and 2030

Along the path to carbon-free products and processes by 2045, LKAB has defined interim targets for 2026 and 2030. The target for Scope 1 and 2 greenhouse gas emissions is to reduce emissions by 15 percent by 2026 and by 25 percent by 2030 compared to a 2020 baseline.

The target for emissions reductions in Scopes 1 and 2 previously included only emissions of carbon dioxide, but since 2024 emissions of nitrous oxide and methane have also been included in the calculation. This target has been calculated according to the IPCC 2 °C scenario and applies to the whole Group.

LKAB reports the targets in absolute terms but also states the corresponding intensity values where relevant. Should the intensity targets show an increase in absolute emissions as a result of organic growth in the business, these absolute values will be reported for each target year.

Base years and baseline values have been established to reflect representative emission levels and avoid the influence of temporary external factors, and are updated only in the event of significant changes in targets or reporting boundaries.

The corresponding target for Scope 3 is to reduce our customers' emissions by 2 million tonnes (Mt) of carbon dioxide equivalents by 2030 compared to the base year 2023.

For energy, the target is to reduce energy intensity per tonne of finished product by 5 percent by 2026 and 10 percent by 2030, compared with a 2021 baseline. The target includes energy consumption for the whole Group and refers to net energy consumption per tonne of finished product.

The energy target is to be achieved through continuous energy efficiency improvements in mines and processing plants, such as through increased heat recovery and ongoing replacement of older equipment.

Establishment of targets and drivers for phasing out fossil fuels is based on the analysis of several climate scenarios, including scenarios in line with 1.5 °C, and includes electrification, energy efficiency improvements, fuel switching and product changes that together account for the majority of the expected emission reductions.

Charging an electric truck in Malmberget. The gradual electrification of vehicles and equipment contributes to reduced direct emissions and is a key element in our transformation.

The climate targets are based on the main emission-driving actions (electrification, fuel switching, energy efficiency and product mix change). Their respective quantitative contributions are reported by Scope in section E1-3.

The LKAB Group specifies a breakdown of the emission targets by Scope (1, 2 and 3) as well as which method is used for the calculation of Scope 2 emissions (location-based or market-based). If the boundaries of the targets differ from the boundaries for reported emissions according to E1-6, the Group reports which greenhouse gases and what proportion of Scope 1, 2 and 3 are covered.

Climate target for 2045

LKAB's long-term target is to transform to carbon-free processes and products by the year 2045. The goal is to have completely fossil-free production from mine to steel. The transformation plan is made up of a number of separate shifts, one element of which will be a gradual change in LKAB's product mix as customers move to producing steel in electric arc furnaces using carbon-free sponge iron.

In addition to this, LKAB plans to be able to extract critical minerals from materials that we already mine. This applies both to rare earth elements that are crucial for enabling the transition and also to phosphorus for mineral fertilisers that are necessary for food production.

Large amounts of gypsum are another residual product from these extraction processes that can be reused. Together, these shifts will enable LKAB to reduce emissions in its own operations while creating the conditions for significant emission reductions downstream in the value chain within steelmaking and food production.

LKAB's climate target is primarily based on electrification, fuel switching, energy efficiency and a changed product mix, which are the key drivers for the emission reductions that the transformation plan is expected to deliver.

Changed reporting of sold waste heat

With effect from 2025 sold waste heat is reported separately in accordance with ESRS. The energy table in the sustainability report thus shows gross energy consumption in our own operations. Energy consumption per tonne of finished product is already one of the Group's strategic targets for sustainable value creation decided by the Board of Directors and is calculated there on the basis of net energy consumption, excluding sold waste heat. It is this definition that is used in the Group's strategic energy targets.

E1-5 Energy consumption and mix

Reporting principles for energy

The Group's total energy

Total energy consumption consists of fossil, non-fossil and renewable energy sources that are used in the Group's own operations. Most of the fossil energy consumption and biofuels are monitored in line with the EU-ETS authorised monitoring method and verified by an accredited third-party. A small proportion of the fossil energy and electricity is not covered by EU-ETS. Activity data is collected through direct metering and invoiced quantities.

Energy produced within the operations and sold on, such as waste heat, is reported separately in accordance with ESRS and is not included in the Group's total energy consumption.

Energy intensity is calculated as total energy consumption divided by net revenue. LKAB's entire operations are considered to be in sectors with a high climate impact, which means that the net revenue used as a denominator in the calculation corresponds to the Group's reported net revenue. The net revenue has been reconciled by cross-referencing with the relevant item in the Group's financial statements.

In addition to energy intensity according to ESRS, LKAB also monitors energy intensity per tonne of finished product as part of the Group's strategic targets for sustainable value creation.

This indicator is reported in the table both as gross energy consumption per tonne of finished product and as net energy consumption per tonne of finished product, where sold waste heat has been excluded.

E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

Changes in reporting boundaries

There have been no significant changes in the definition of the reporting company or its value chain in the reporting year. Comparability between this year's and previous years' emission data is therefore unaffected.

The reporting of greenhouse gas emissions within Scope 1 and Scope 2 includes the consolidated accounting group and joint ventures in which LKAB has operational control. Emissions from joint ventures are reported on a separate line in the table.

Energy consumption and mix (MWh)	2025	2024
Energy consumption from fossil sources		
Coal	938,432	830,060
Fuel oil, diesel and other oil fuels	722,174	660,639
Natural gas	95,186	96,899
Other fossil sources	622	-69,738
Purchased electricity, heat, steam and cooling from fossil sources	28,501	28,699
Total energy consumption from fossil sources	**1,784,915**	**1,546,559**
Share of fossil sources in total energy consumption (%)	*40.6%*	*38.7%*
Energy consumption for renewable sources		
Biofuels	154,623	156,666
Purchased electricity, heat, steam and cooling from renewable sources	32,115	30,955
Total energy consumption from renewable sources	**186,738**	**187,621**
Share of renewable sources in total energy consumption (%)	*4.2%*	*4.7%*
Energy consumption from nuclear sources	2,426,576	2,263,184
Share of consumption from nuclear sources in total energy consumption (%)	*55.2%*	*56.6%*
Total energy consumption	**4,398,229**	**3,997,364**

Energy production	2025	2024
Non-renewable energy production	101,916	69,738

Energy intensity	2025	2024
Gross energy consumption per net revenue[1] from activities in high climate impact sectors (MWh/MSEK)	132	n/a
Gross energy consumption (kWh) / tonne of finished product[2]	170	n/a
Net energy consumption (kWh) / tonne of finished product[2]	166	176

[1] Refers to net sales reported in the Group overview on page 33.
[2] Tonnes of finished product in 2025: 25,907,662.

Direct carbon emissions, Scope 1

The emission sources covered by trading in emission allowances are calculated according to authorised monitoring methods, and are based on actual materials and energy consumed. The emission sources covered by EU-ETS are audited by an accredited verifier.

Other emission sources are calculated in accordance with the Greenhouse Gas Protocol. Activity data for emission sources that are not covered by EU-ETS is mainly measured via a combination of volume flow meters, tank level gauging and invoiced quantities from suppliers. Emission factors for carbon dioxide as well as the added greenhouse gases methane and nitrous oxide, which are not calculated by direct analysis, are obtained from the Swedish Environmental Protection Agency[1]. Emission factors for other greenhouse gases are converted to carbon dioxide equivalents.

To calculate the proportion of Scope 1 greenhouse gas emissions from regulated emissions, the carbon emissions covered by EU-ETS are divided by total Scope1 greenhouse gas emissions.

Biogenic carbon emissions are monitored within the framework of EU-ETS. This includes tall oil pitch and bio-oil. In a shorter perspective there is an identified potential for increased use of biofuels.

Biogenic carbon emissions from the combustion of biomass is reported separately from other Scope 1 emissions in accordance with ESRS. Emissions of other greenhouse gases associated with these fuels, in particular methane and nitrous oxide, are however included in the Scope 1 emissions expressed as carbon dioxide equivalents (CO_2e).

Emission data is calculated using emission factors that were updated on 25 January 2026.

[1] Genomsnittliga emissionsfaktorer för växthusgaser och värmevärden för Sveriges bränsleanvändning [Average emission factors for greenhouse gases and calorific values for fuel use in Sweden].

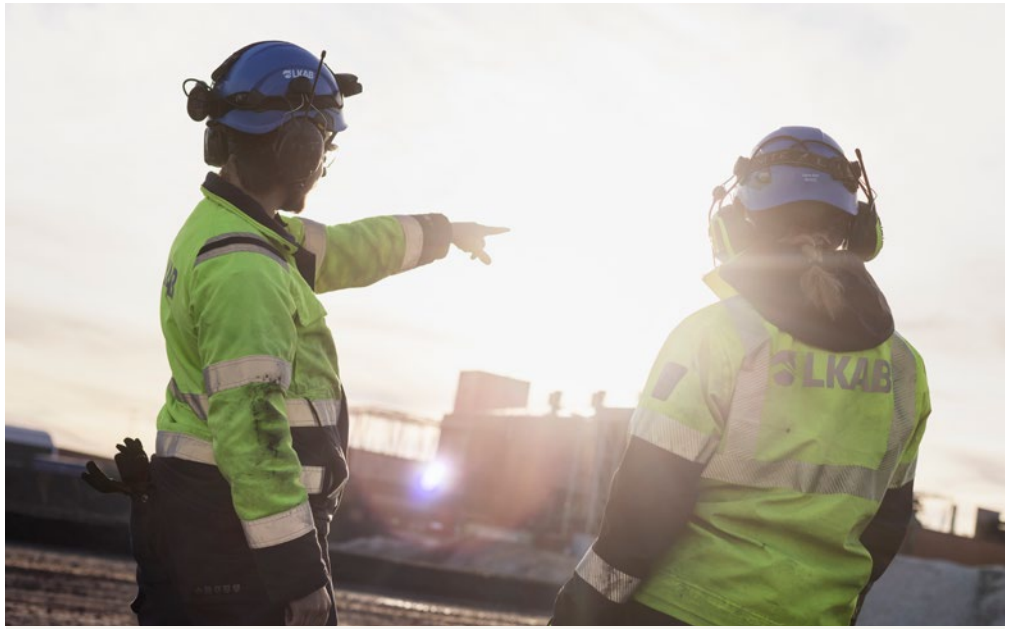
Indirect carbon emissions, Scope 2

Electricity consumption is mainly determined based on invoiced volumes from the supplier. Emissions from electricity consumption are calculated according to two methods: location-based and market-based. The location-based method means that emissions are calculated using the average national electricity mix, with emission factors being obtained from ember-climate.org. Purchased district heating is calculated based on invoiced volumes and emission factors from Swedenergy's report *"Miljövärdering av fjärrvärme" [Environmental assessment of district heating]*.

The market-based method is based on contractual instruments that cover approximately 98 percent of total electricity consumption and district heating (Scope 2) within the LKAB Group. The contractual instruments consist exclusively of independent, supplier-specific guarantees of origin (GoO) with associated greenhouse gas calculations. The electricity purchased with guarantees of origin is generated from nuclear power and renewable energy sources, which result in very low emissions when calculated according to the market-based method.

For the electricity consumption that is not covered by guarantees of origin the national residual mix is used, with emission factors from ember-climate.org. Under the market-based method, emissions from district heating are also calculated based on invoiced volumes and suppliers' emission factors. The remaining emissions within Scope 2 derive primarily from certain electricity consumption outside Sweden and from purchased district heating in Sweden, and correspond to approximately 2 percent of the total energy consumption within Scope 2.

LKAB does not sell guarantees of origin or equivalent contractual instruments. The figures are reported in carbon dioxide equivalents and, in addition to carbon dioxide, primarily include nitrous oxide and methane where these are part of the applied emission factors.



Biogenic emissions of CO_2 from the combustion or biodegradation of biomass (tonnes CO_2e)	2025	2024	Change
Scope 1 greenhouse gas emissions	41,868	42,499	-33
Scope 2 greenhouse gas emissions, market-based	427	584	-157
Scope 3 greenhouse gas emissions	0	n/a	n/a

Greenhouse gas intensity per net revenue	2025	2024	Change
Total greenhouse gas (GHG) emissions (location-based) per net revenue[1] (tonnes CO_2e/MSEK)	916	820	12%
Total greenhouse gas (GHG) emissions (market-based) per net revenue[1] (tonnes CO_2e/MSEK)	915	820	12%

[1] Refers to net sales reported in the Group overview on page 33.

Carbon emissions in the value chain, Scope 3

Greenhouse gas emissions upstream in the value chain, mainly from purchased goods, services and transportation, are calculated using a combination of monetary data for Scope 3 categories 1–4 and physical activity data such as tons, cubic metres and kilometres. Emission factors consist mainly of secondary data from various sources and databases, but primary data is used where available – for example, supplier-specific emission factors. Emissions from business travel and waste are calculated by the respective supplier.

A significant part of LKAB's Scope 3 emissions – nearly 90 percent – come from category 10 (processing of sold products). These emissions are calculated based on actual delivery volumes of pellets, fines and sponge iron to the respective steelworks in combination with the steelworks' specific emission factors. The calculations are thus based on primary data.

Reporting of greenhouse gas emissions in Scope 3 includes emissions in the upstream and downstream value chain. Emissions in the consolidated accounting group and joint ventures in which LKAB has operational control are reported under Scopes 1 and 2.

For investments where LKAB lacks operational control, emissions are reported in accordance with the ownership interest (category 15). The calculations are based on each company's latest available reported Scope 1–3 emissions multiplied by LKAB's ownership share. As the reporting from the interests is published with a certain time lag, the data may in certain cases refer to the previous year's emission figures. To avoid double counting, deductions are made where emissions are already included in other Scope 3 categories; for example, emissions linked to SSAB that are reported in categories 9 and 10.

For other significant categories a combination of primary data where available and secondary data from external databases is used.

Biogenic CO_2 emissions in the value chain are not reported separately within Scope 3. Other biogenic greenhouse gases, such as methane and nitrous oxide, are included in the reported emissions of carbon dioxide equivalents.

All 15 Scope 3 categories have been evaluated within the framework of the annual inventory. The reporting includes the categories judged to be material for the climate impact of the operations.

Processing plant in Kiruna.

The inventory covered the following categories:

1. Purchased goods and services
2. Capital goods
3. Fuel and energy-related activities *(not included in Scope 1 or Scope 2)*
4. Upstream transportation and distribution
5. Waste generated in operations
6. Business travel
7. Employee commuting
8. Upstream leased assets
9. Downstream transportation and distribution
10. Processing of sold products
11. Use of sold products
12. End-of-life treatment of sold products
13. Downstream leased assets
14. Franchises
15. Investments

The following categories are omitted as they are not relevant for LKAB's operations and are judged to have no significant climate impact:

13. Downstream leased assets
14. Franchises

In accordance with the ESRS, all significant categories are updated annually based on current business data. The full Scope 3 inventory is updated at least every three years, or earlier in the event of significant changes to the business or calculation methods or where errors have been identified. For the following categories the data is updated every three years or in the event of significant changes:

5. Waste generated in operations
6. Business travel
7. Employee commuting
8. Upstream leased assets
11. Use of sold products
12. End-of-life treatment of sold products

In intermediate years, when updating is not carried out, these categories are reported as "n/a". In such cases no estimated values are included in the total for Scope 3, which means that the total is based on the categories updated for the reporting year.

Carbon intensity

LKAB reports greenhouse gas intensity as total greenhouse gas emissions in relation to net sales. The intensity is calculated separately according to the location-based and market-based method.

The location-based intensity is based on the company's total greenhouse gas emissions calculated using national emission factors. The market-based intensity is based on emission calculations where purchased electricity is reported using guarantees of origin and the residual mix.

In both cases the emissions are divided by net sales for the reporting year. Net sales correspond to the item reported in the Group's financial statements, which ensures consistency between financial and climate-related metrics.

Change compared with the previous year

Absolute greenhouse gas emissions increased in 2025 compared with the previous year, mainly as a result of higher production volumes after a year of lower production in 2024 due to transport and operational disruptions. Emissions in Scope 3 increased mainly due to downstream transportation and distribution and the processing of sold products, as a result of higher sales volumes.

Greenhouse gas intensity was also affected by exchange rate changes, as a stronger Swedish krona against the USD reduced the Group's reported net sales in SEK – which is the denominator in the intensity calculation. There have been no changes in boundaries or calculation methods that affect comparability between reported years.

E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	Base year 2020[1]	Base year 2023[2]	2024	2025	Change	2026 target	2030 target	2045
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions (tCO_2eq)	692,565	637,220	584,784	652,409	12%	588,680	519,424	0
Of which Scope 1 emissions from joint ventures[3]	*n/a*	*n/a*	*1,255*	*1,423*	*13%*			
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)			93.7	94.2	0.6			
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions (tCO_2eq)			30,168	25,689	-15%	n/a	n/a	0
Gross market-based Scope 2 GHG emissions (tCO_2eq)	16,547	8,138	15,871	17,000	7%	14,065	12,410	0
Of which Scope 2 emissions from joint ventures[4]	*n/a*	*n/a*	*1,979*	*2,077*	*5%*			
Significant Scope 3 GHG emissions								
Total Gross indirect (Scope 3) GHG emissions (tCO_2eq)	*n/a*	29,816,354	26,573,578	29,838,907	12%	n/a	27,816,354	0
1. Purchased goods and services		863,395	707,466	525,851	-26%		0	0
2. Capital goods		125,949	112,344	175,176	56%		0	0
3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)		99,024	92,232	99,582	8%		0	0
4. Upstream transportation and distribution		165,468	147,065	167,076	14%		0	0
5. Waste generated in operations		13,773	n/a	n/a	n/a		0	0
6. Business travel		1,616	n/a	n/a	n/a		0	0
7. Employee commuting		1,846	n/a	n/a	n/a		0	0
8. Upstream leased assets		13	n/a	n/a	n/a		0	0
9. Downstream transportation		581,547	440,148	587,352	33%		0	0
10. Processing of sold products		26,316,240	23,408,675	26,685,767	14%		24,316,240	0
11. Use of sold products		858	n/a	n/a	n/a		0	0
12. End-of-life treatment of sold products		3,673	n/a	n/a	n/a		0	0
15. Investments		1,642,952	1,665,648	1,598,103	-4%		0	0
Total GHG emissions								
Total GHG emissions (location-based)	**692,565**	**30,453,574**	**27,188,530**	**30,517,005**	**12%**	**602,745**	**28,348,188**	**0**
Total GHG emissions (market-based)	**709,112**	**30,461,712**	**27,174,233**	**30,508,316**	**12%**	**602,745**	**28,348,188**	**0**

[1] Base year for Scope 1 and Scope 2
[2] Base year for Scope 3
[3] Refers to the joint venture Likya Minerals, in which LKAB has operational control
[4] Location-based and market-based Scope 2 emissions

Reporting according to the EU Taxonomy Regulation

Since the mining industry is not yet included as a sector in the EU Taxonomy Regulation, only small parts of LKAB's operations within logistics, real estate and recycling of residual products are Taxonomy-eligible. The percentages of the Group's economic activities in 2025 that are Taxonomy-eligible and Taxonomy-aligned under the EU's Taxonomy Regulation are shown in the tables on the following pages.

Reporting for the 2025 financial year covers both Taxonomy-eligible and Taxonomy-aligned activities for all six environmental objectives in the EU Taxonomy. In order for a particular economic activity to be classed as environmentally sustainable by LKAB it must make a substantial contribution to one or more of the Taxonomy-defined environmental objectives, must not significantly harm any of the other objectives and must comply with minimum safeguards for sustainability.

LKAB's Code of Conduct is based on recognised declarations and conventions such as the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, UNICEF's Children's Rights and Business Principles, and the Code to Prevent Corruption in Business (the Business Code). LKAB is also a member of the UN Global Compact since 2019 and of Transparency International since 2020.

The principles of the Global Compact cover areas such as human rights, labour and anti-corruption. By being a signatory to the Global Compact, LKAB aims to ensure that impacts in the community and in suppliers' operations in high-risk countries do not have negative social impacts.

LKAB complies with the requirements of the UK Modern Slavery Act, which means that each year we publish a statement confirming that no forms of modern slavery, human trafficking, forced or slave labour occur within LKAB's operations or supply chain. For more information about our social sustainability efforts in areas such as human rights, anti-corruption, tax and fair competition, see Social information from page 95 onwards.

To assess whether an economic activity does significant harm to any of the Taxonomy-defined environmental objectives, each operation was analysed against the screening criteria given in Regulation (EU) 2021/2139.

Risk assessment and scenario analysis were performed at an overall level based on external climate scenarios from the IPCC and IEA. The scenario analysis, which was conducted in 2021 and previously formed the basis for LKAB's TCFD reporting, continues to be used as one element of supporting documentation and is described in more detail in Section E1.SBM-3; see page 65.

LKAB is following Svemin's biodiversity roadmap, with the aim that by 2030 the Group will contribute to biodiversity net gain in the regions where we operate; see page 85.

Analysis of which economic activities are Taxonomy-eligible was carried out on a company-by-company basis using definitions of sectors, in the first instance via the NACE codes, as described in the technical screening criteria.

The proportion of Taxonomy-defined capital expenditure (CapEx) and operational expenditure (OpEx) has been analysed based on applicable reporting standards and the cost categories set out in the Taxonomy Regulation.

Associated companies are not normally consolidated and therefore are not included in the Taxonomy reporting. LKAB's involvement in the associated companies HYBRIT Development AB and REEtec Holding AS are therefore not included.

When calculating Taxonomy-defined CapEx and OpEx the precautionary principle was applied, and only costs material to the operations were included. The same applies in cases where there are technical restrictions on the data that can be collected. Double-counting has been avoided by ensuring that only external sales and separate cost components were included in the totals for the relevant activities.

Turnover: External net sales according to IFRS 15 Revenue and the portion of other operating income that relates to rental income for properties in accordance with IFRS 16 Leases.

OpEx: Costs of development, maintenance and repair, renovation and other direct costs required to maintain the function of property, plant and equipment. This means that OpEx does not correspond to the LKAB Group's total operating expenses, but rather only – as mentioned above – expenditure associated with the asset's continuation and functioning as intended.

CapEx: Additions to intangible assets and property, plant and equipment before depreciation and amortisation, revaluations including impairment losses, with the exception of changes in fair value. The amounts include assets added through business combinations.

Ongoing investments relating to replacement properties that are to be handed over to interested parties upon completion are not included within Taxonomy-defined CapEx.

This year's amounts for CapEx do not include any financing via green bonds.

Nuclear energy and fossil gas related activities

Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Turnover

Economic activities (1)	2025 Code(s) (2)	Turnover (3)	Proportion of turnover 2025 (4)	Substantial contribution criteria: Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiver-sity (10)	DNSH criteria ('Does Not Significantly Harm'): Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiver-sity (16)	Minimum safe-guards (17)	Taxonomy-aligned (A.1)/ Taxonomy-eligible (A.2) proportion of turnover, 2024 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		MSEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Materials recycling of non-hazardous waste	CCM 5.9	2,126	6%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	Y	Y	5%	–	–
Rail transport, freight	CCM 6.2	-1	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	Y	Y	–	Y	0%	–	T
Acquisition and ownership of buildings	CCM 7.7	52	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	0%	–	–
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		2,178	6%	6%	–	–	–	–	–	–	Y	–	Y	Y	Y	Y	5%		
Of which enabling activities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	Y	–	E	
Of which transitional activities		-1	0%	0%						–	Y	–	Y	Y	–	Y	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
Rail transport, freight	CCM 6.2	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Acquisition and ownership of buildings	CCM 7.7	251	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		251	1%	1%	–	–	–	–	–								1%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		2,429	7%	7%	–	–	–	–	–								6%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		31,256	93%																
TOTAL		33,685	100%																

Y – Yes, the activity is Taxonomy-eligible and Taxonomy-aligned for the relevant environmental objective
N – No, the activity is Taxonomy-eligible but not Taxonomy-aligned for the relevant environmental objective
N/EL – Not eligible, the activity is not Taxonomy-eligible for the relevant environmental objective
EL – Taxonomy-eligible activity for the relevant objective
E – Enabling activity
T – Transitional activity
CCM – Climate change mitigation

OpEx

	2025			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')								
Economic activities (1)	Code(s) (2)	OpEx (3)	Proportion of OpEx 2025 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiver-sity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiver-sity (16)	Minimum safe-guards (17)	Taxonomy-aligned (A.1)/ Taxonomy-eligible (A.2) proportion of turnover, 2024 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		MSEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Materials recycling of non-hazardous waste	CCM 5.9	45	1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	Y	Y	1%	–	–
Rail transport, freight	CCM 6.2	352	5%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	Y	Y	–	Y	4%	–	T
Acquisition and ownership of buildings	CCM 7.7	4	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	0%	–	–
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		400	6%	6%	–	–	–	–	–	–	Y	–	Y	Y	Y	Y	5%		
Of which enabling activities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	Y	–	E	
Of which transitional activities		352	5%	5%						–	Y	–	Y	Y	–	Y	4%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
Rail transport, freight	CCM 6.2	19	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Acquisition and ownership of buildings	CCM 7.7	56	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		74	1%	1%	–	–	–	–	–								1%		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		474	7%	7%	–	–	–	–	–								5%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		6,305	93%																
TOTAL		6,780	100%																

Y – Yes, the activity is Taxonomy-eligible and Taxonomy-aligned for the relevant environmental objective
N – No, the activity is Taxonomy-eligible but not Taxonomy-aligned for the relevant environmental objective
N/EL – Not eligible, the activity is not Taxonomy-eligible for the relevant environmental objective
EL – Taxonomy-eligible activity for the relevant objective
E – Enabling activity
T – Transitional activity
CCM – Climate change mitigation

CapEx

	2025			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')								
Economic activities (1)	Code(s) (2)	CapEx (3)	Proportion of CapEx 2025 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiver-sity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiver-sity (16)	Minimum safe-guards (17)	Taxonomy-aligned (A.1)/ Taxonomy-eligible (A.2) proportion of turnover, 2024 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		MSEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Materials recycling of non-hazardous waste	CCM 5.9	27	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	Y	Y	0%	–	–
Rail transport, freight	CCM 6.2	35	1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	Y	Y	–	Y	1%	–	T
Acquisition and ownership of buildings	CCM 7.7	0	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	0%	–	–
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		62	1%	1%	–	–	–	–	–	–	Y	–	Y	Y	Y	Y	1%		
Of which enabling activities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	Y	–	E	
Of which transitional activities		35	1%	1%						–	Y	–	Y	Y	–	Y	1%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
Rail transport, freight	CCM 6.2	198	3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								5%		
Acquisition and ownership of buildings	CCM 7.7	493	8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								8%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		691	11%	11%	–	–	–	–	–								13%		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		753	12%	12%	–	–	–	–	–								14%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		4,823	88%																
TOTAL		5,629	100%																

Y – Yes, the activity is Taxonomy-eligible and Taxonomy-aligned for the relevant environmental objective
N – No, the activity is Taxonomy-eligible but not Taxonomy-aligned for the relevant environmental objective
N/EL – Not eligible, the activity is not Taxonomy-eligible for the relevant environmental objective
EL – Taxonomy-eligible activity for the relevant objective
E – Enabling activity
T – Transitional activity
CCM – Climate change mitigation

We work to prevent and reduce pollution through clear requirements, risk-based monitoring and continuous improvements in our operations. The aim is to minimise impacts on people and the environment in our surrounding areas and ensure that emissions are managed responsibly.

ESRS E2 Pollution

	Impact		Financial				Where in the value chain		
Sustainability matter	Negative	Positive	Risk	Opportunity	**Actual or potential**	**Time horizon**	Upstream	Own operations	Down-stream
Pollution of air	■		■		Actual	All	■	■	■
Pollution of water	■		■		Actual	All	■	■	■
Pollution of soil			■		Potential	Medium and long term	■	■	■

LKAB's operations have an impact on the environment and the surrounding area through emissions to air, water and soil. Our environmental efforts take the approach that the impact should be prevented at source and that residual risks are to be systematically managed. Supported by our Sustainability Strategy, our efforts go beyond legal requirements thanks to our own environmental targets, the environmental management system we have implemented and the development of process and treatment technology as well as investments in modern treatment and monitoring systems. Through research, technological development and continuous monitoring, we work to minimise our emissions and strengthen our environmental performance.

Management of impacts, risks and opportunities

IRO-1 Description of the process to identify and assess material pollution-related impacts, risks and opportunities

Multiple stakeholders were involved in the preparation of the double materiality assessment. Pollution is a matter that is particularly relevant to local communities, reindeer husbandry and tourism. LKAB maintains ongoing contact with stakeholders, for example through dialogue meetings and by sending out surveys. When applying for new or amended environmental permits consultation activities are carried out as part of established processes, alongside dialogue with nearby communities and other relevant stakeholders.

Pollution arises in mining and mineral activities such as mining, concentration and processing, as well as in materials handling processes and transportation.

Emissions of pollutants are deemed a material area throughout the business; particularly at the operating locations of Kiruna, Malmberget, Svappavaara and Luleå in Sweden and Narvik in Norway, but also at LKAB's operations in the UK, Türkiye, Finland and the Netherlands.

Operations subject to permits have special environmental conditions attached that are based on environmental impact assessments. Daily operations are conducted in accordance with the ISO 14001 environmental management system and governed by objectives, risk assessments and nonconformance management. There are established procedures for the work and the nonconformance management system Synergy is used for any risks, incidents or accidents that may impact the external environment. Every year pollution-related risks and opportunities are followed up based on an internal environmental aspect register. Environmental efforts are also monitored by means of internal and external audits. LKAB's knowledge of pollution-related impacts, risks and opportunities in the value chain is based on processes within purchasing and the market. We set environmental requirements for our suppliers and conduct audits in accordance with our Supplier Code of Conduct. For example, the purchasing function takes a risk-based approach using supplier assessments. This involves gathering information and risk analysis, followed if necessary by dialogue, site visits or sustainability audits.

For more information on the workflow and the performance of the double materiality assessment see ESRS 2, IRO-1 on page 60.

E2-1 Policies related to pollution

Alongside legal requirements, LKAB's work to prevent and manage pollution is governed by policy documents and guidelines, including the Sustainability Policy, the Code of Conduct, the Supplier Code of Conduct and the Group guidelines on water management and land use. These documents provide frameworks for managing

material impacts, risks and opportunities related to pollution of air, water and soil, including emissions of particulates, nitrogen and metal pollutants, chemical handling and risks of spills and leaks.

Policy documents and guidelines are put into practice through requirements for preventive measures, monitoring and control in the operations to minimise emissions to air, water and soil. The Supplier Code of Conduct supplements this by requiring compliance with environmental legislation, due diligence, systematic environmental management and continuous improvement, and can provide a basis for auditing and monitoring of suppliers.

The policy documents also describe how to avoid incidents and emergencies and, should such occur, how they are to be managed and mitigated to protect people and the environment.

Monitoring compliance with the policy documents takes place within LKAB's management system, which includes internal and external audits, environmental monitoring programmes, reporting to authorities and regular reviews of key indicators. The results are reported to management and the Board according to the governance process described in ESRS 2, GOV-2, where LKAB's policies are also reported in more detail, on pages 53–55. Information on our policies can also be found at lkab.com.

E2-2 Actions and resources related to pollution

LKAB's operations generate various types of emissions to air, water and soil. Environmental efforts focus on measuring, monitoring and continuously improving the processes for reducing emissions in line with the steps of the mitigation hierarchy for limiting pollution. This means that LKAB primarily works to avoid pollution at the source and secondarily minimises emissions through technical and operational measures. Where emissions have already occurred, continuous actions are taken to minimise the effects of these emissions.

Emissions to air

Mining and mineral operations can give rise to various types of pollution to air, mainly from concentrating and processing activities. Most of this occurs in the pelletisation process, where burning fuel in order to produce pellets results in emissions of primarily sulphur dioxide (SO_2), nitrogen oxides (NO_x) and carbon dioxide (CO_2). These emissions can have a regional impact on sulphur and nitrogen balances. Nitrogen oxides and carbon dioxide also reinforce the greenhouse effect globally.

The pelletising plants are covered by the EU's Industrial Emissions Directive (IED), which sets thresholds for emission monitoring. These thresholds are usually implemented within the operations' environmental permits that are monitored and controlled by authorities.

Actions to reduce pollutant emissions to air

To minimise emissions to air from LKAB's pelletising plants there is flue gas scrubbing equipment that captures pollutants in both gaseous and particulate form. Emissions to air are monitored continuously via measurements and random sampling.

Various activities were carried out during the year to improve the treatment of emissions to air. Flue gas scrubbing equipment for pelletising plants in Kiruna has undergone various technical upgrades to improve operational dependability, environmental performance and maintenance efficiency. The technical upgrades, which are expected to continue until 2027, include partial switching and replacement of electric filters with newer models as well as installation of additional equipment aimed at improving treatment efficiency and extending operating times. Using the same models of equipment in multiple pelletising plants also simplifies spare parts management and maintenance work, thereby enhancing the long-term sustainability of the plants.

In Narvik continuous dust meters are being installed on the dust extraction systems in order to detect deviations more quickly and enable reporting in accordance with applicable regulatory requirements.

Pelletising plant in Kiruna, where flue gas scrubbing equipment is being upgraded to improve operational dependability as well as maintenance efficiency, and to reduce emissions to air.

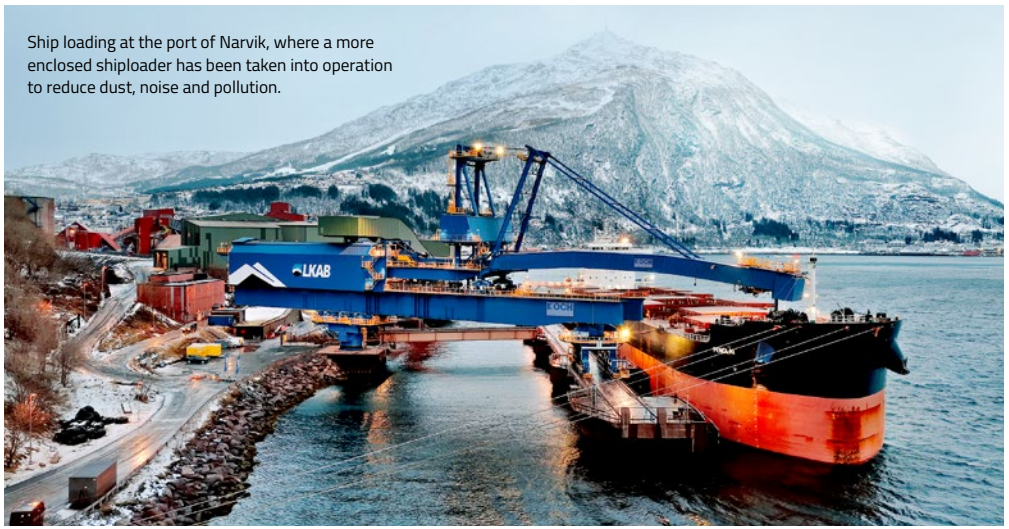
In addition, research was undertaken in 2025 into methods of reducing emissions of nitrogen oxides (NO_x) in Kiruna and Malmberget. These research efforts are ongoing and are expected to be evaluated ahead of decisions on wider implementation in 2026.

Actions to reduce dust

Environmental impact is also caused by diffuse dust fallout, where dust is spread from various parts of LKAB's industrial sites. We work actively to reduce dust fallout and particulate precipitation.

Precipitated particulates are measured using the NILU (Norwegian Institute for Air Research) method at a number of measuring points in the vicinity of LKAB's operations. In simple terms, the method involves precipitated dust being captured in a container placed on a stand. The sample is dried and weighed, and the amount of dust per 100 square metres and calendar month is calculated. In several of the locations a digital environmental monitoring system called Envirosuite is being implemented to provide support for detecting dust situations in real time. Implementation began in 2025 and is expected to continue until 2027.

To reduce dust fallout in our operating locations, in recent years LKAB has introduced a number of measures to bind dust in various processes. In 2025 new windbreak mesh was installed, deposits were irrigated, meadow flowers were established to stabilise ground surfaces and storage areas were enclosed. Continuous actions to minimise dust fallout include cleaning, salting, irrigation and paving of roads as well as the use of irrigation vehicles and fixed irrigation systems. These irrigation systems disperse a fine water mist that effectively binds dust particles.



Ship loading at the port of Narvik, where a more enclosed shiploader has been taken into operation to reduce dust, noise and pollution.

Within the industrial area in Kiruna, particle meters have been installed for better monitoring of the dust situation.

At the port of Narvik a new, more enclosed shiploader was taken into operation in 2025. In addition, the decision has been made to invest in more enclosed handling and partially enclosed storage of additives. These actions are expected to contribute to reduced dust dispersion, lower noise levels and reduced emissions to the ocean.

The activities described are examples of actions taken at LKAB's operating locations. They are linked to our Sustainability Policy, which describes how we must take responsibility by working proactively and with a risk-based approach to reduce negative impacts on people and the environment. The aim is to achieve environmental sustainability by minimising emissions and environmental impacts, in line with ESRS principles for preventing and mitigating pollution.

Emissions to water

The mining operations involve large quantities of water, mainly consisting of groundwater pumped out of the mines. Despite a high degree of recirculation in processing, a surplus of water is generated that is discharged into nearby lakes and watercourses. The water, in the form of wet tailings, is fed into dam systems where sedimentation takes place before it is discharged into the surroundings. The water contains increased concentrations of nitrogen, salts and metals.

The receiving bodies of water are monitored for water chemistry, biology and flows. A number of improvement actions are in progress to reduce the impact of these discharges to water.

Actions within self-monitoring and monitoring

In Kiruna, the first internal Water Forum annual report was completed in 2025. The Group coordinates water management according to group-wide guidelines and has produced a local strategy. Aquatic ecological surveys were carried out in all receiving bodies of water and this will be repeated in 2027. In Svappavaara conductivity meters were installed during the year for better control of overflow, and in Malmberget flow proportional sampling was investigated. Groundwater monitoring wells were drilled in both Svappavaara and Malmberget to provide documentation and knowledge of conditions.

Actions for emission reduction and treatment

In Kiruna a conceptual study into the treatment of partial streams from nitrate and phosphorus, among others, was carried out during the year. A feasibility study is planned for 2026 based on results from the conceptual study. In Svappavaara another feasibility study is in progress involving soil sampling aimed at increasing the capacity of the existing sedimentation basin. In addition, work is underway on the construction of a new oil separator. The aim of the projects, which are expected to be completed in 2026, is to improve stormwater management.

In Malmberget actions involving the settling basin continued, with projects to increase pump capacity and reduce inflows of untreated water. Preliminary planning is in progress for the diversion of two streams and expansion of the basin, with an application submitted in 2025.

In Narvik the conditions for discharge to water have been repeatedly exceeded, leading to a multi-year project for a new water treatment plant. The investment decision was made in December 2025 and the new plant will reduce emissions of vanadium and suspended solids while regulating pH value.

Actions to improve dam safety

Dams are used to manage tailings. Their safety is crucial, because an incident could have major consequences for the environment, the operations and communities affected.

LKAB manages dam safety systematically in accordance with GruvRIDAS, the mining industry guidelines developed by Svemin (the industry association for mines, mineral and metal producers in Sweden). A team is responsible for daily supervision and for technical monitoring of water levels, temperature and movements in the dams. These efforts are supplemented by continuous development of methods and expertise in dam safety.

In December 2025 LKAB's Board of Directors also made the decision to implement an international standard, the Global Industry Standard on Tailings Management (GISTM). The standard sets higher requirements for the management, division of responsibility, risk assessment and independent review of dam facilities, thereby strengthening both internal control and the transparency of dam safety efforts.

Research and skills development

In Kiruna a multi-year research partnership with Luleå University of Technology began in 2025 via one of LKAB's foundations. Within this partnership a doctoral student is working on the process water system and in 2026 a postdoc will begin researching water management in the area around the Per Geijer deposit. The aim is to increase understanding of geochemical processes and create a long-term knowledge base.

Emissions to soil

Our operations give rise to pollutant emissions to soil. These emissions, along with spills to soil or water, pose a risk of spreading and environmental damage. If not managed correctly they could lead to further contamination,

and they therefore require preventive actions and continuous monitoring.

To reduce the risk of spills and discharges LKAB's management system has procedures for handling oil and other chemicals, and each workplace is responsible for acting preventively through risk assessments. In the event of environmental incidents, recommended actions are taken and an environmental incident report is prepared. Depending on the scope and nature of the incident, the supervisory authority may be notified.

Actions in the event of emissions to soil

In 2025 the remediation of the extensive spill of fuel oil EO1 that occurred in Kiruna in 2021 continued. In Svappavaara demolition of the old sorting plant began, which will result in a need for soil remediation. Nonconformance reporting has been improved in all locations, and work on root cause analysis has been intensified to reduce the risk of future oil spills. Preventive actions include the use of spill containment trays, reporting of risks in the nonconformance reporting system and access to remediation equipment. Spills and chemical releases are also included in LKAB's internal environmental and energy training.

Financing of pollution-related actions

The actions carried out within the context of E2 Pollution are financed through LKAB's regular investment and maintenance budgets. Efforts to reduce pollution are integrated into day-to-day operations and are included in existing resource allocation processes. In 2025 there were no major environmental incidents that resulted in significant operational or capital expenditure. For long-term projects, such as water treatment actions and dam safety, resources are allocated through successive investment decisions. Implementation of the actions is not affected by external financing conditions but rather is based on internal decisions and regulatory requirements.

Metrics and targets

E2-3 Targets related to pollution

LKAB has not yet adopted any group-wide quantitative targets for pollution. The reason for this is that emission situations, permit terms and technical conditions differ between the operating locations, making location-specific targets within the framework of the environmental management system more effective at present. However, we intend to develop group-wide targets as part of our work within Sustainability Strategy 2030. The operations map their environmental impact and define environmental targets based on the identified environmental impact as part of performance development planning.

LKAB has set qualitative targets for pollution in its Sustainability Strategy 2030, focusing on priority development areas, continued development of risk management and further development of the safety management system for dam safety.

The qualitative targets in the Sustainability Strategy 2030 are monitored on a quarterly basis and through annual management reviews, which also evaluate whether management systems, policy documents and guidelines are effective.

The ISO 14001 environmental management system is regularly reviewed by a third party, which contributes to systematic environmental governance in the business. This approach supports the integration of material environmental matters into planning and monitoring, to minimise risks and seize opportunities associated with mining and mineral operations and also to ensure compliance with current and upcoming legal requirements.

Monitoring of environmental conditions, including self-monitoring, takes place through ongoing reporting, annual environmental reports and meetings with authorities. Location-specific monitoring programmes, approved by authorities, ensure compliance with legal requirements for emissions to air, water and soil. Spills and leaks are reported in separate systems in which responsibilities and actions are followed up. Swedish environmental quality standards and the EU Water Framework Directive are used to establish threshold values for water, while for air the EU Air Quality Directive applies. These indicators are used to assess progress and to ensure that the operations do not adversely impact the environment or human health.

Sampling and analysis are part of LKAB's self-monitoring of emissions to air, water and soil, ensuring that deviations are detected early.

E2-4 Pollution of air, water and soil

LKAB reports emissions to air and water from its own operations in accordance with ESRS. Emissions to soil are monitored by reporting significant spills and environmental events. The reporting covers direct emissions of pollutants as defined in Annex II to Regulation (EC) No 166/2006 of the European Parliament and of the Council, as well as significant environmental events, and is based on measurements, calculations and, in some cases, estimates. A more detailed description of the methods and reporting principles is given below.

Reporting of emissions to air and water includes direct consolidated emissions from our own operations. We have chosen to report all significant pollutants in accordance with Annex II, regardless of whether or not the applicable thresholds under Regulation (EC) No 166/2006 are exceeded. Reporting in previous years covered emissions that exceeded the thresholds for each activity; as a result, this year's figures are not comparable with the previous year.

Reporting of emissions to soil aims to disclose the significant spills and environmental events that occurred during the year. Spills are reported as an entity-specific metric to provide a relevant picture of significant emission events to soil.

Changes over time are monitored through standardised measurements and calculations that are included in the operations' self-monitoring programmes. Measured data is collected on an ongoing basis via continuous monitoring or random sampling. Where this is not possible, verified third-party reviewed calculation methods based on, for example, spent fuel quantities, emission factors or mass balance calculations are used, including for emissions of sulphur dioxide, fluorine and hydrogen chloride from the pelletising process. Data is reported per site and then consolidated to Group level.

Where direct measurements cannot be taken, estimates are used. These are based on recognised standards and sector-specific studies. Uncertainties associated with estimates are taken into account in calculations and in the choice of methodology.

Measurement points and measurement methods are monitored in accordance with the EU's Best Available Techniques Reference Documents (BREFs), supplemented by calibration testing of automatic measuring systems. Periodic measurements are verified by independent laboratories. Collective information on measurement points and measurement techniques can be found in LKAB's annual environmental reports and self-monitoring programmes submitted to supervisory authorities.

Description of significant spills reported to an authority

Reported spill events in 2025 mainly concerned oils, such as hydraulic oil and lubricating oil, as well as in some cases diesel and process fluids. Spills occurred primarily in connection with the operation, maintenance and handling of vehicles and equipment. Common causes were hose and coupling faults, leakage from components and overfilling, or defects in secondary protection such as spill trays/bunds and oil tanks.

In the majority of cases, immediate action to limit the spread was taken in accordance with established procedures using absorbents, spill containment and remediation. Where necessary, contaminated material was removed and transported to an environmental station for further disposal. Events were documented through environmental event reporting and, where required, were notified to the supervisory authority.

The total reported volume has in certain cases been affected by isolated incidents involving large quantities. Experience from past spills has provided a basis for continued improvement measures and root cause analysis in order to reduce the risk of future events. LKAB assesses that the spill events which occurred did not result in any significant nuisance to human health or the environment.

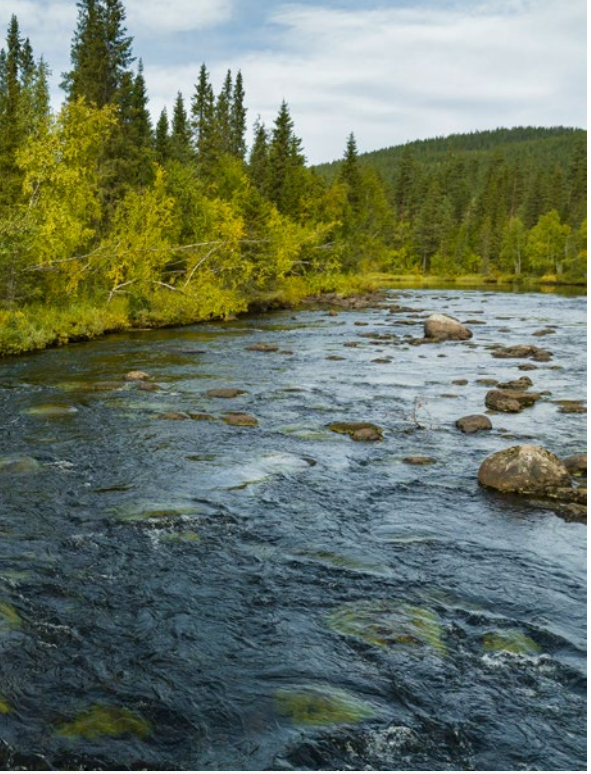
Emissions to air	2025
Emissions to air (tonnes)	
Ammonia	21
Hydrogen fluoride	31
Nitrogen oxide	3,734
Dust	1,099
Sulphur dioxide	545
Hydrogen chloride	84
Emissions of trace metals to air (kg)	
Arsenic	9
Lead	69
Cadmium	3
Copper	137
Chromium	44
Mercury	20
Nickel	150
Zinc	741
Total trace metals to air (kg)	**1,173**
Emissions of dioxins (g)	0.59
PAH (polycyclic aromatic hydrocarbons) (kg)	33
Total emissions to air (tonnes)	**5,515**

Emissions to water	2025
Emissions to water (tonnes)	
Fluorine	22
Phosphorus	84
Chlorine	2,584
Nitrogen	466
DOC (dissolved organic carbon)[1]	28
Emissions of trace metals to water (kg)	
Arsenic	12
Lead	0
Cadmium	0
Copper	19
Chromium	1
Mercury	0
Nickel	91
Zinc	26
Total trace metals to water (kg)	**149**
Total emissions to water (tonnes)	**3,184**

[1] DOC represents the dissolved fraction of total organic carbon (TOC), which is the parameter covered by Annex II to Regulation (EC) No 166/2006.

Significant spills in 2025

Site	Number of spills reported to authority	Quantity (litres)	Significant spills with financial impact
Kiruna	18	28,420	0
Gällivare/Malmberget	4	1,283	0
Svappavaara	3	3,626	0
Narvik	0	499	0
Luleå	7	400	0
Special Products	0	0	0



LKAB's operations require the management of large volumes of water, mainly in connection with water withdrawals and process water in the mining and processing operations. Material impacts linked to withdrawals of water are reported in this section, while LKAB's actions and impacts associated with emissions to water are addressed under ESRS E2 Pollution.

ESRS E3 Water and marine resources

	Impact		Financial				Where in the value chain		
Sustainability matter	Negative	Positive	Risk	Opportunity	**Actual or potential**	**Time horizon**	Upstream	Own operations	Downstream
Water									
Water use	■				Actual	Medium, long	■	■	■

Water is an important resource to protect and manage, and is of great importance for our local communities. LKAB's operations involve large volumes of water within mining and processing. Most of the water is pumped groundwater that is widely reused. Surplus water is fed into nearby lakes and watercourses.

To minimise negative impacts on the environment, we conduct continuous monitoring of water quality, flows and receiving bodies of water. The operations are conducted under environmental permits with conditions governing our discharge points, which we measure and monitor. We also develop models to understand the impact on surrounding ecosystems. Efficient and sustainable water management is crucial for LKAB's operations, environmental permits and long-term competitiveness.

Management of impacts, risks and opportunities

IRO-1 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

LKAB identified water and marine resources as a material area in the double materiality assessment carried out in 2025.

For LKAB's own operations that are subject to permits, environmental impact assessments provide key documentation for identifying impacts. Efforts are carried out in accordance with the ISO 14001 environmental management system and are monitored annually through an internal environmental aspect register where risks and opportunities associated with water are documented. LKAB's knowledge of water management-related impacts, risks and opportunities in the value chain is based on processes within purchasing and the market. For example, we set requirements for suppliers and conduct audits to manage environmental aspects.

In connection with changes in the operations and permit reviews, consultations with affected communities and stakeholders take place through established processes. In addition, surveys and dialogue meetings are used to gather feedback and strengthen the basis for decision-making.

Water is particularly important for LKAB's operations in Kiruna, Malmberget and Svappavaara. Extensive water flows are managed in mining and processing, where water quantity and water quality are directly linked to both environmental risks and production conditions.

LKAB's material impacts, risks and opportunities related to water and marine resources are described in the table above. For more information on the processes and the performance of the double materiality assessment see ESRS 2, IRO-1 on page 60.

E3-1 Policies related to water and marine resources

LKAB's mines and processing operations are conducted in areas with generally good access to water and without high water stress. Water management efforts are primarily governed by the Sustainability Policy and the Group guideline on water management, which cover all facilities. Policy documents are thus in place to ensure responsible management of water-related risks, such as potential negative impacts of water use.

The Code of Conduct and Supplier Code of Conduct are also relevant, as they set requirements for responsible use of resources in the value chain. Together the documents form the framework for how LKAB manages significant impacts, risks and opportunities related to water resources.

The policy documents cover water management in the company's own operations, including the acquisition and efficient use of water resources.

The Group guideline on water management sets out principles for water treatment and a long-term sustainable water supply. It also covers the prevention and reduction of emissions and water pollution from mining and related activities.

The Sustainability Policy also includes ambitions for the development of products and services that can contribute to resource efficiency and reduced water impact in the value chain.

In addition, the policy documents aim to prevent deterioration of and to strengthen aquatic ecosystems, to promote long-term sustainable water use and to protect the aquatic environment and marine ecosystems. They also support a reduction in water withdrawals and water discharges through more efficient processes, and contribute to the good ecological and chemical quality of bodies of water. This minimises risks and impacts for people, communities and ecosystems while preserving the value of important ecosystem services.

LKAB's policies are described in more detail in ESRS 2, GOV-2. To read more, visit lkab.com.

The Lina river in Gällivare, a receiving water downstream of Malmberget. LKAB's preventive efforts to reduce impacts on downstream watercourses include surface water and groundwater models as well as technical actions to improve water flows and sediment management.

E3-2 Actions and resources related to water and marine resources

LKAB operates in areas with generally good access to water and low risk of water shortage. Nonetheless, water is a key resource in mining operations and processing that requires long-term sustainable and risk-based management. Despite a high degree of recirculation in the production processes, groundwater pumping in mining operations leads to surplus water that is managed through dam systems before being discharged into lakes and watercourses. The surplus water can affect surrounding ecosystems, requiring risk-based water management that takes into account the interaction between the operations and downstream aquatic environments.

A key action is the development and use of surface and groundwater models that describe the operations' impact on the surrounding area and on downstream lakes and watercourses. Models have been developed for Kiruna, Malmberget and Svappavaara, and form an important basis for decisions, permit reviews and future adjustments.

- Working with an external partner, in 2025 a surface water model was updated for Kiruna covering process water and receiving bodies of water such as lake Luossajärvi and the rivers Kalixälven and Torneälven. The model is used to analyse the impact of the operations and to support environmental assessments. LKAB is also collaborating with another mining company on a common model focusing on cumulative impact.
- In Svappavaara models for process water and receiving waters are updated on an ongoing basis, thereby enabling better planning and assessment of future emissions. In addition, a new overflow strategy has been developed that involves discharges of water being managed and adapted to the natural flows in receiving watercourses. The strategy aims to achieve a more consistent water quality over the year and thereby reduced impact from the operations.
- In Malmberget surface and groundwater models have been developed and there were various technical actions in 2025 aimed at improving water flows and sediment management.

The actions cover LKAB's main production sites and include both direct operations and impact on nearby ecosystems. Water management takes place in dialogue with authorities, local communities and other relevant stakeholders, which is key because water resources are shared with other users.

To complement the modelling, stormwater projects are in progress:

- In Kiruna a multi-year project was completed in 2025, resulting in a hydraulic model for stormwater flows and proposed actions in the event of heavy rainfall.
- In Svappavaara a project was initiated with the aim of improving the existing stormwater system.
- In Malmberget a project was launched in 2025 to construct a new stormwater system.

The work on water models and stormwater solutions is part of LKAB's long-term strategy for sustainable water management. This is supplemented by monitoring, recirculation and adaptation to climate change and increased precipitation, which reduces the risk of production stoppages and limits environmental impact.

The water models are updated on an ongoing basis and the stormwaterprojects will be implemented as part of LKAB's Sustainability Strategy 2030. This means that the actions are being planned and implemented in a short- to medium-term perspective (2025–2030). Individual projects have their own timetables according to local needs, permit processes and technical conditions, and the time horizons are reported in the respective project management.

For activities aimed at reducing pollutant emissions to water see also E2 Pollutants.

During the reporting year LKAB has not identified any actual material negative impacts linked to water use that have given rise to legal action. The actions described in this section are preventive and reduce risk. Should an actual material impact occur, LKAB's established procedures for incident management, investigation, reporting to authorities and restorative actions would be applied.

Metrics and targets

E3-3 Targets related to water and marine resources

Assessment of environmental impacts is based on conditions in environmental permits and local regulations for water intake, discharges and monitoring. LKAB's operations take place in areas with generally good access to water, but increasing risks associated with climate change – such as increased precipitation – could affect production, with the risk of production stoppages. These risks are included in our processes to identify and monitor impacts, risks and opportunities.

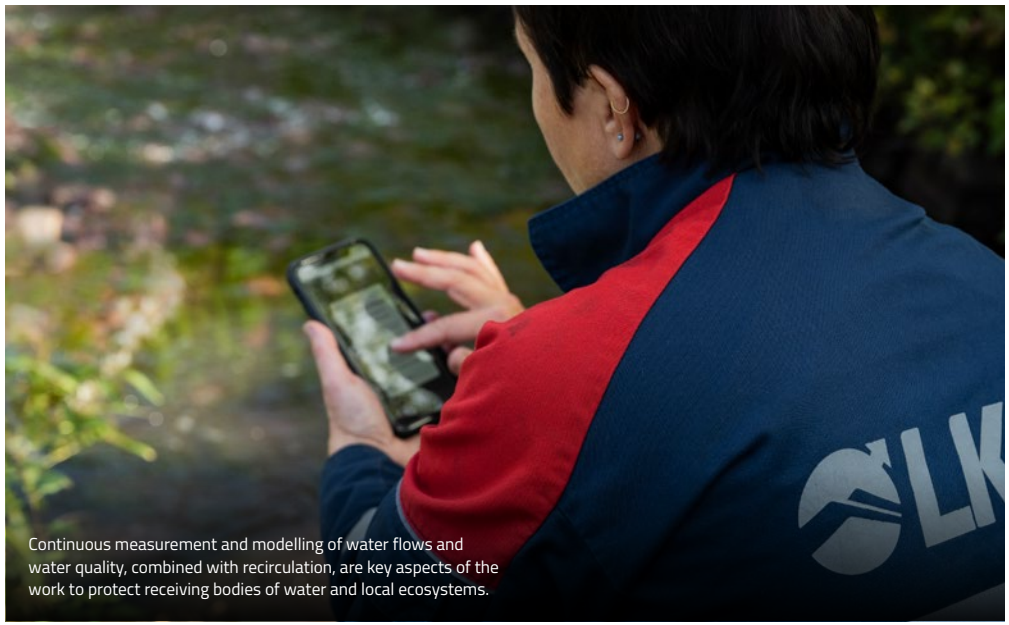
In accordance with the results of LKAB's double materiality assessment, water resources are considered to be a material sustainability area; this is mainly linked to the operations' significant water use and potential risks associated with climate change.

Section E3-4 Water consumption (water use and water recirculation) is not reported as this area was not assessed as material in the double materiality assessment. This assessment is based on the fact that the mining operations are located in northern Sweden, where the water supply is generally stable and is not considered to be subject to water stress. Conducted stakeholder dialogues mainly show discharges and impact on water quality as the most relevant matters. These are dealt with under E2-4.

LKAB's water management is a focus area in our Sustainability Strategy, where priorities centre on developing strategic approaches to sustainable water management and identifying areas for development. As a next step, specific and measurable targets for water management are being developed at site and operational levels, tailored to local conditions.

The strategic approach to water management aims to strengthen environmental performance and operational governance through site- and operation-specific targets, systematic work as well as guidelines and risk analysis focusing on water quantity, water quality and climate adaptation. These efforts are based on greater system-level knowledge concerning process water, surface water and groundwater, and the implementation of priority improvement measures for more resilient water management.

Follow-up of the Sustainability Strategy takes place through management reviews as well as qualitative indicators and time-bound activities linked to strategic objectives, including assessment of effectiveness and the need for adjustments.



Continuous measurement and modelling of water flows and water quality, combined with recirculation, are key aspects of the work to protect receiving bodies of water and local ecosystems.

LKAB has operations in environments of high ecological value. We work according to the mitigation hierarchy and produce biodiversity plans for each operating location, including biodiversity offset plans where impacts cannot be avoided. The target is a measurable increase in biodiversity by 2030.

ESRS E4 Biodiversity and ecosystems

	Impact		Financial				Where in the value chain		
Sustainability matter	Negative	Positive	Risk	Opportunity	**Actual or potential**	**Time horizon**	Upstream	Own operations	Down-stream
Biodiversity loss									
Changed land and water use	■		■		Actual	Long		■	
Direct exploitation	■				Actual	Long		■	
State of species									
Species population size	■				Actual	Long		■	
Extent and condition of ecosystems									
Soil degradation	■				Actual	Long		■	
Impacts and dependencies on ecosystem services	■				Actual	All		■	

LKAB's operations and our business strategy entail significant land use and impacts on natural environments, making biodiversity and ecosystems a priority area in our sustainability efforts. The starting point for our efforts is the mitigation hierarchy, meaning that impacts must be avoided and minimised, and that ecological values must be restored where possible. Biodiversity is integrated into decisions, planning and development of the operations through our Group target of biodiversity net gain, our Sustainability Strategy, local plans and systematic application of the mitigation hierarchy.

One example of these efforts can be found in Svappavaara, where targeted actions in recent years have contributed to slowing biodiversity loss and reversing a previous negative trend. Through the restoration of natural environments and the creation of flowering meadows on former industrial sites, the area has developed in a positive direction – demonstrating that the right initiatives can enhance biodiversity even in impacted landscapes.

Strategy

E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model

LKAB identified biodiversity and ecosystems as a material area in the double materiality assessment carried out in 2025.

LKAB's mining and upgrading operations are based in Kiruna, Malmberget and Svappavaara. We also have sites in Masugnsbyn and Mertainen. These locations are close to areas that are protected or have high ecological values. Biodiversity efforts have become increasingly important over time and biodiversity is one of LKAB's strategic objectives. The goal is to contribute to biodiversity net gain in the regions where LKAB operates and has a material impact. Follow-up of this objective also includes operating locations in Luleå as well as Narvik in Norway, and three sites in the UK: Lund, Gurney Slade and Wicken. Our efforts are based on the mitigation hierarchy, with a focus on avoiding and minimising impact and restoring land. When the operations utilise land, despite the above steps in the mitigation hierarchy it will be necessary to

In the MyreN project, peatland in Norrbotten is being restored by reinstating water levels and improving habitats.

Mitigation hierarchy

The mitigation hierarchy is a step-by-step process to minimise negative impacts on biodiversity, stating that impact is to be avoided in the first instance, then minimised, then restored. As a last resort, the remaining damage is to be offset. This accepted way of working is used to ensure the preservation of ecological diversity and values as far as possible.

CLIMB and DEFRA

Launched in 2023, CLIMB (Changing Land Use Impact on Biodiversity) is a Swedish measurement and calculation method for biodiversity efforts that is similar to the UK methodology developed by **DEFRA** (Department for Environment, Food & Rural Affairs). CLIMB can be used to support informed land-use decisions in line with the biodiversity objectives set by the EU and the UN globally and the new financial and reporting frameworks. The model was developed in collaboration between LKAB, industry organisation Svemin, consulting firm Ecogain and others, with support from Swedish Mining Innovation.

implement offset measures to ensure that the objective is achieved.

For LKAB's own operations there are current state analyses based on the business models and linked to impacts through expansion and development. Biodiversity plans are developed by location and operation, where impact is identified and activities are defined in relation to our target of biodiversity net gain. In this area it is primarily biodiversity loss that our sites cause, but also negative impact on the state of species, the extent and condition of ecosystems and on dependencies on ecosystem services.

The most material impact, as well as risks in the value chain, is assessed to arise in LKAB's own operations, primarily from mining operations and ore processing in mining and mineral activities.

In addition to a Group-wide target of biodiversity net gain by 2030, there is an interim target to establish a systematic approach by 2026. The work is carried out in accordance with the industry roadmap and the methods CLIMB and DEFRA. An offset strategy linked to LKAB's development and expansion plans is being developed to enable decisions on appropriate offset areas and continued work.

SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

LKAB conducts mining and processing operations in Kiruna, Svappavaara and Malmberget. The sites border or are close to protected areas, such as Natura 2000 areas. The activities that have the greatest impact on biodiversity are open-pit mining and underground mining, the production of iron ore products and the handling and disposal of extractive waste in the form of barren rock, tailings and waste lime. Impact arises primarily through direct exploitation of land, land degradation and changes in land and water use. This includes utilisation of land, ground deformation and sealed areas, changed water flows, and emissions to air, water and soil. Taken together, this may have an impact on species' population size and ecosystem services.

All the operating locations have undergone a current-state analysis in respect of impacts on biodiversity, with 2021 as a baseline. Basic ecological inventories have been carried out or begun in the majority of the sites, with ecological values quantified according to CLIMB or DEFRA metrics to assess the ecological status of the affected areas.

The protected and sensitive areas affected by the operations include Natura 2000 areas, where the county administrative boards are the competent authorities in matters concerning impact and permit reviews. Through inventories and current state analyses the impacts can be associated with clearly delimited geographical areas and their ecological status.

The mining operations cause local soil degradation, changed land use and surface sealing, which are some of the main drivers of biodiversity loss. To reduce these effects LKAB applies the mitigation hierarchy and works to restore nature and create temporary habitats in parts of the industrial sites as part of its biodiversity efforts.

In the event of a change in existing operations or in new permit processes where there is a risk of impact on the population size of sensitive or threatened species, LKAB works with external experts to assess the need for species protection investigations or species protection dispensation.

Management of impacts, risks and opportunities

IRO-1 Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities

The double materiality assessment carried out in 2025 identified biodiversity as a material area. For LKAB's own operations and operations subject to permits, environmental impact assessments provide documentation for identifying impacts. The work is carried out in accordance with the ISO 14001 environmental management system, and every year risks and opportunities associated with impacts on soil and biodiversity are followed up and documented in an internal environmental aspect register.

LKAB's knowledge of biodiversity and ecosystem-related impacts, risks and opportunities in the value chain is based on processes within purchasing and the market. For example, we set requirements for suppliers and conduct follow-up through audits and sustainability assessments.

Identification and assessment of transition risks, physical risks and opportunities is based on ecological inventories and work to develop biodiversity plans.

Dialogue with affected communities

Dialogue and consultations with affected communities take place continuously within the framework of environmental reviews and when there are changes in the operations, as well as in special consultation processes. These include supervisory authorities, affected Sámi communities, the municipality, state authorities, local residents and others who may be affected.

Stakeholder analyses include affected communities, businesses in the local area and other priority stakeholders. The latest analysis was conducted in connection with the double materiality assessment and included questionnaires, interviews and workshops.

Biodiversity plans

LKAB's work on biodiversity plans is based on the mitigation hierarchy and focuses on the principles avoid, minimise and restore. The plans are developed locally and aim to minimise loss and enable biodiversity net gain while the business is operating. The assessment is based on ecological inventories and current state analyses, taking 2021 as a base year. These are used to identify short- and long-term actions that, together with offsetting, will in the long term achieve the target of biodiversity net gain. To visualise the mining areas after operations have ceased, LKAB creates local visions for ecological landscape design. Training in working methods for biodiversity efforts have been carried out within our operations, and the methods have been implemented.

The mining operations have material impacts on the environment through land use, a changed landscape and impacts on biodiversity as well as surrounding businesses. To limit biodiversity loss, standardised methods are used for ecological inventories along with tools such as CLIMB and DEFRA to quantify and evaluate biodiversity and ecosystems. The work is also supported by industry-wide initiatives, including Svemin's biodiversity roadmap, as well as internal guidance for LKAB's work in this area.

For more information on the processes and the performance of the double materiality assessment see ESRS 2, IRO-1 on page 60.

E4-2 Policies related to biodiversity and ecosystems

LKAB's biodiversity efforts are governed by policy documents and guidelines including the Sustainability Policy, the Group guidelines on land use and on water management, and the principles for urban transformation. The Code of Conduct and Supplier Code of Conduct are also relevant, as they include requirements for responsible sourcing of raw materials and consideration for local environments and communities. These documents form a basis for managing the material impacts, risks and opportunities associated with biodiversity and ecosystems.

The policy documents aim to ensure that biodiversity is integrated into strategic decisions within the business. They include actions to manage the material impacts that LKAB's operations may have on biodiversity and ecosystems, as well as work to identify and reduce dependencies, physical climate risks and transition risks associated with ecosystem services. The Group guideline on land use and the Supplier Code of Conduct enable the traceability of raw materials and components that may have an impact on biodiversity along the value chain.

The policy documents also include principles for ensuring that resource use takes place in a way that preserves or improves the conditions for biodiversity, including through regular environmental monitoring and checking the status of ecosystems in the areas where LKAB operates.

Societal effects of impacts on biodiversity are managed through a combination of LKAB's Group guideline on land use, the Group's human rights guidelines and its principles for urban transformation. These documents set out how we take into account the interests of local communities and the rights of indigenous peoples in conjunction with mining and land impacts. The efforts are aligned with international frameworks, including the Convention on Biological Diversity and the Nagoya Protocol, and aim to ensure respect for human rights, fair management of impacts on communities, as well as dialogue and compensation during community transitions.

Specific policy commitments include protection of biodiversity and ecosystems in and around areas with sensitive biodiversity, sustainable land use practices, and policies to combat deforestation and soil degradation. These actions help to ensure the value and function of biodiversity while at the same time strengthening the conditions for long-term resource efficiency and societal benefit. LKAB's policies are described in more detail in ESRS 2, GOV-2. To read more, visit lkab.com.

E4-3 Actions and resources related to biodiversity and ecosystems

LKAB is working long-term to limit impacts and strengthen biodiversity in the areas where the company operates. In 2025 various actions were implemented in accordance with the mitigation hierarchy as part of local biodiversity plans.

Since LKAB is utilising new land and has a material impact on biodiversity, offset plans will be drawn up. The aim is to ensure that a net positive result is achieved in line with LKAB's biodiversity target.

Work is underway to produce an overall strategy with guiding criteria and key figures and to identify suitable objects for ecological offset. The choice of offset areas and types of actions will be based on established quality criteria and relevant national and EU legal standards. The financial consequences depend on the offset measures identified.

Field work linked to wetland restoration in Norrbotten, where the reinstatement of water levels and habitats is contributing to enhanced biodiversity.

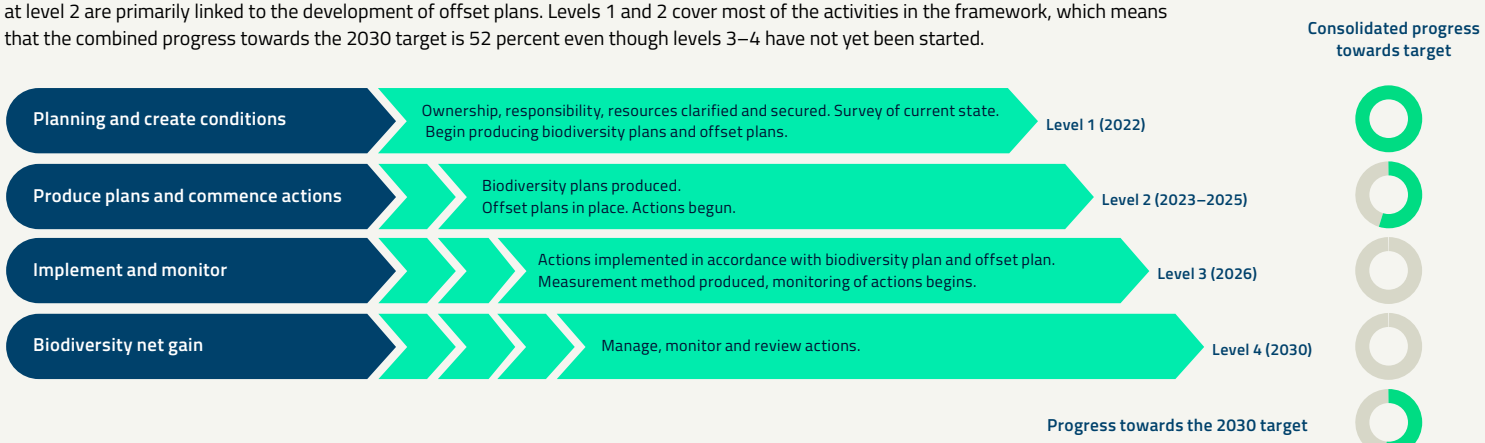
The biodiversity efforts are taking place in partnership with researchers, authorities and local communities, and are an integral part of LKAB's environmental management system.

Among the most important efforts are:

- During the year progress was made on the Re:moss research project in Svappavaara. LKAB collaborated with Sweden's innovation agency Vinnova, the Swedish University of Agricultural Sciences and industrial partners to investigate how local moss species can be established in the industrial areas. This method has the potential to improve water quality, store carbon dioxide and restore important ecosystem functions.
- At LKAB's operating locations, moraines and soil were reused to create green areas sown with meadow seed mixtures. This benefits pollinators and contributes to richer plant and animal life around our facilities. In more exposed areas, such as steep slopes, conventional industrial seed is sown to prevent soil erosion.
- Alongside this the visions for geomorphic reclamation, a kind of ecological landscape design, are being further developed in Kiruna, Malmberget and Svappavaara. Reclamation and the design of new natural environments is planned in dialogue with the local communities.
- In Kiruna and in Malmberget two projects have been initiated that involve planting microforests. The projects are expected to continue until 2026 and aim to strengthen ecological sustainability by creating new habitats for plants and animals.
- In Kiruna a project has been started that focuses on restoring land affected by exploration drilling, with the aim of repairing damaged nature and strengthening the resilience of the landscape.
- In Malmberget trials were started to improve habitats for frogs and establish new hanging lichens and mosses. The projects were carried out in areas beyond the industrial site but on LKAB's land, and will be evaluated and further developed in the coming years.
- Restoration of wetlands has had a significant impact. Within the MyreN project in Norrbotten, peatland is being restored by re-wetting ditches, restoring water levels and strengthening habitats for plants, birds and insects. The project is being carried out in collaboration with Norrbotten County Administrative Board, with funding from the European Regional Development Fund and LKAB, and marks an important step in the restoration of ecological values.

Steps in the process towards the target of biodiversity net gain: 52 percent progress towards target in 2025

The target of biodiversity net gain is being achieved through a step-by-step framework with four levels. Each level contains various activities and progress is assessed based on the elements completed. Level 1 has been achieved and level 2 is 55% completed. The remaining actions at level 2 are primarily linked to the development of offset plans. Levels 1 and 2 cover most of the activities in the framework, which means that the combined progress towards the 2030 target is 52 percent even though levels 3–4 have not yet been started.



LKAB incorporates nature-based solutions into various actions, including the restoration of wetlands, the establishment of microforests and the use of local plant species in restoration work. In dialogue with affected local communities, including Sámi communities, local knowledge of the land and its nature is utilised as part of the planning of biodiversity actions.

Budgetary amounts and human resources from LKAB's biodiversity teams were allocated to biodiversity efforts in 2025, which also benefitted from external funding for Re:moss and MyreN. The projects run over different time horizons; the wetland restorations are expected to be completed by 2027, while the development of methods for actions such as re-establishing moss extends over a longer time horizon.

The projects follow the time horizons set out in LKAB's Sustainability Strategy 2030, where actions are implemented in the short term (1–3 years), the medium term (up to 2030) and the long term (beyond 2030) depending on the type of action and ecological conditions. The time horizons are adapted to the long-term nature of biodiversity and ecological recovery times, in line with LKAB's reporting principles for time horizons. These time horizons govern the planning and prioritisation of improvement actions for biodiversity.

Through the initiatives described LKAB is making improvements that help minimise direct impacts on biodiversity and ecosystems. These efforts also contribute to the development of new knowledge and methods that can be used not only in the mining and mineral industries but also in other industrial sectors.

Metrics and targets

E4-4 Targets related to biodiversity and ecosystems

LKAB has a group-wide target to contribute to biodiversity net gain in the regions where the company operates by 2030 at latest. The target level is absolute and is being pursued through net positive change in ecological values according to CLIMB/DEFRA methodology. The commitment covers LKAB's own operations and land holdings; the upstream and downstream value chain are not included in the target formulated.

The geographical boundary is primarily LKAB's operating regions in Kiruna, Malmberget and Svappavaara as well as the sites in Masugnsbyn and Mertainen. The initiatives also cover the port areas in Narvik and Luleå, as well as three sites in the UK.

The target was adopted in 2021 and is in line with international, European and national ambitions for biodiversity, including the Kunming-Montreal framework, the EU's biodiversity strategy and Sweden's environmental objectives. It expresses the Group's long-term commitment to preserving and restoring ecological values and strengthening the resilience of ecosystems.

Its implementation is based on the mitigation hierarchy and includes preventive measures as well as ecological offset for the sites with material impacts. To achieve the target, offset plans are being drawn up and work is underway to identify suitable offset objects.

The base year for the target is 2021 and the interim target for 2026 is for LKAB to have a systematic approach in place for quantifying biodiversity. Follow-up is based on ecological inventories and accepted methods such as CLIMB and DEFRA, which also form the basis for identifying relevant ecological thresholds, especially those associated with land use change. The work is based on ecological value classification and the reference values in the methods are specific to each operation; responsibility for ensuring that they are not exceeded lies with the respective area of operation. However, no specific thresholds were used when formulating the target of biodiversity net gain by 2030.

The target addresses the material impacts and risks identified in the double materiality assessment, particularly those associated with changes in land use, loss of ecological values and the operations' dependencies on functioning ecosystems.

Biodiversity efforts require extensive knowledge of habitats and species as well as documented ecological values. This is based on inventories, investigations and dialogue with relevant stakeholders such as authorities, researchers and local communities, including Sámi communities, which contribute to the knowledge base and priorities in the target formulation.

No changes to the target, metrics or methodology were made in 2025. Working methods are continuously developed to ensure that ecological functions are maintained and that biodiversity loss is reversed over time, in accordance with the 2030 target.

Follow-up is carried out on a quarterly and annual basis through management reviews within the framework of the Sustainability Strategy 2030. Monitoring includes analysis of development trends and comparisons with the planned pace, making it possible to identify deviations and any need for enhanced actions. Establishment of working methods and approaches is going according to plan, but we can see that we will need to intensify work on actions and the development of offset areas to achieve the target of a biodiversity net gain in our operating locations. The policy documents and guidelines are evaluated annually to ensure they are effective and are contributing to management of the biodiversity efforts.

The efforts are governed by LKAB's Sustainability Policy, guidelines on land use and water use, and the industry-wide biodiversity roadmap developed together with Svemin.

Biodiversity and ecosystems	Unit	2025
Actions and resources related to biodiversity and ecosystems		
Direct and indirect costs of ecological offset	MSEK	1,937
Impact metrics related to biodiversity and ecosystems change		
Total use of land	ha	7,593
Total sealed area	ha	3,257
Total nature-oriented area on site	ha	253
Total nature-oriented area off site	ha	2,710
Protected areas and areas classified as key biotopes		
Total area where the site is located within or close to protected areas or areas classified as key biotopes and adversely affected by LKAB	ha	7,388
Number of sites located within or close to protected areas or areas classified as key biotopes and adversely affected by LKAB	Number	4

E4-5 Impact metrics related to biodiversity and ecosystems change

The measurement methods for biodiversity and ecosystems efforts are CLIMB and DEFRA (see fact box on page 86). These are based on ecological inventories. Ecological inventories are carried out according to the standardised method SS 199000:2023 using ecological value classes 1 to 4 and other value classes 5, 6 and 7. In the mining areas, ecological surveys are carried out in the field. When reporting land areas for biodiversity, GIS map images are used to estimate land area.

For standalone facilities, for example where LKAB's operations are located on another company's site, the land areas reported are those detailed in e.g. the lease, combined with an estimate of the total sealed area.

By using materials efficiently and making greater use of residual streams from our processes, LKAB contributes to the sustainable supply of raw materials and creates new business opportunities.

Efforts to improve resource efficiency and circular flows reduce environmental and climate impacts across the value chain and decrease the amount of material sent to landfill.

ESRS E5 Circular economy

	Impact		Financial				Where in the value chain		
Sustainability matter	Negative	Positive	Risk	Opportunity	**Actual or potential**	**Time horizon**	Upstream	Own operations	Down-stream
Resource inflows, including resource use	■	■	■		Actual	All	■		
Resource outflows related to products and services		■		■	Actual	Medium, long			■
Waste	■	■		■	Actual	Medium, long		■	■

By using energy and materials efficiently and utilising potential by-products such as phosphorus and rare earth elements that can be extracted out of residual materials from our processes, we contribute to a sustainable supply of raw materials while creating new business opportunities for LKAB. This calls for a holistic view of flows of materials, water and energy. A focus on resource efficiency and circular processes is an important part of our efforts to decrease environmental and climate impacts in the value chain and reduce the amount of materials that go to landfill. This also forms part of LKAB's responsibility to drive the development of a more circular and competitive industry in Sweden and Europe.

Management of impacts, risks and opportunities

IRO-1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

LKAB identified resource use and circular economy as a material area in the double materiality assessment carried out in 2025. The material impacts, risks and opportunities identified are reported in the above table and are associated with the relevant business units as described in E5-2.

For LKAB's own operations and operations that are subject to permits, environmental impact assessments provide key documentation for assessing impacts. This work is carried out in accordance with the ISO 14001 environmental management system and is followed up annually through an internal environmental aspect register, where risks and opportunities associated with resource use and circular economy are documented and assessed.

As a global purchaser, we have a significant impact on the world around us. Our approach to sustainable purchasing practices is based on a risk perspective in which suppliers are classified based on factors such as geographic risk and industry/product risk. We work on risks and opportunities and set requirements for suppliers in accordance with, for example, environmental criteria for raw materials and renewable resources. We conduct audits to ensure compliance.

Affected communities and stakeholders are consulted as part of established processes whenever there are changes to the operations and in conjunction with permit reviews. In addition, surveys and dialogue meetings are used to gather feedback and strengthen the basis for decision-making.

For more information on the processes and the performance of the double materiality assessment see ESRS 2, IRO-1 on page 60.

E5 -1 Policies related to resource use and circular economy

LKAB's efforts relating to resource use and circular economy are governed by policies and guidelines, including the Sustainability Policy, Code of Conduct, Supplier Code of Conduct, Supplier Handbook and the Group guidelines on

land use and water management. These documents define frameworks and working methods for managing significant impacts, risks and opportunities associated with resource inflows, resource outflows and waste. The focus is on resource efficiency, minimising materials consumption and reducing waste generated, and on opportunities to utilise residual materials and develop circular flows.

Our policy documents and guidelines cover LKAB's commitments to resource efficiency, minimising the use of virgin materials, and advancing recycling and reuse in both the business and the value chain. The Code of Conduct, Sustainability Policy and Supplier Code of Conduct contain requirements for sustainable procurement, including ethical and environmental criteria for raw materials and renewable resources. There are also principles for the sustainable sourcing and efficient use of renewable resources, including that renewable materials should be used responsibly, with traceability and in line with international guidelines.

The policy documents and guidelines give consideration to the principles of the waste hierarchy. Strategies to avoid or reduce waste are prioritised over recycling. The policy documents also encourage the application of ecodesign, that waste is to be seen as a resource and that waste is also to be managed correctly at the consumer stage.

LKAB's policies, including how compliance is monitored, are described in more detail in ESRS 2, GOV-2.

Waste hierarchy

The waste hierarchy, or waste ladder, is an order of priority used for the preventive management of waste. The aim is to prevent waste as far as possible and, when it arises, deal with it in the way that is best for the environment and health. The steps are: prevention, preparing for reuse, recycling, other recovery operations (such as energy recovery) and finally disposal (such as landfill).

If you would like to read more, the policy documents mentioned can be found at lkab.com.

E5-2 Actions and resources related to resource use and circular economy

LKAB's improvement efforts for resource optimisation and circular economy focus on a few large projects that extend across several years. The business units associated with LKAB's significant impacts, risks and opportunities within resource use and circular economy, in relation to the Group's products, services and waste, are the Iron Ore business area and the Special Products business area.

The efforts cover both resource outflows and resource inflows, with improved management of energy, water, chemicals and primary inputs being part of implementing the projects.

Test site in Svappavaara for geomorphic landscape design, which aims to mimic natural geomorphological processes. Barren rock that would otherwise have been deposited is utilised as a construction material.

Strategic extraction of phosphorus and rare earth elements

In this project LKAB is engaged in technological and process development aimed at utilising the apatite and minerals in tailings – currently a residual stream – to extract phosphorus and rare earth elements. In addition to these products, pure gypsum is produced that can be used in the construction industry, thereby contributing to a more circular economy. The aim is to contribute to the supply of critical raw materials in Europe, increase materials utilisation and reduce landfill. Using tailings – which would otherwise have been deposited – to further extract valuable minerals reduces dependence on virgin resources and increases the efficiency of material utilisation.

Following an investment decision in 2024, construction of a demonstration plant in Luleå began in 2025. The plant will act as a centre for development and upscaling, where processes are tested from laboratory to pilot scale in close collaboration with research institutes, suppliers and future customers. Both human and technical resources have been organised in this work, across several locations and areas of expertise, to ensure that the plant contributes to industrial applications and further develops new solutions. The demonstration plant is scheduled to be operational by the end of 2026 and is expected to provide a base for industrial scale-up during the 2030s.

The project strengthens LKAB's position in the European supply of raw materials by contributing to circular solutions and long-term value creation. By maximising the value of materials previously regarded as waste, new business opportunities are created and waste volumes reduced. To find out more about our critical minerals initiative, see the section on our strategy, which starts on page 20.

Geomorphic landscape design and utilisation of barren rock

Barren rock is the rock material that is mined along with the ore but which does not contain high enough levels of iron to be classified as ore. Instead of treating the barren rock as waste, LKAB is developing methods for utilising the material as a resource in various contexts. Barren rock is used in concrete production, for example, and as a construction material for road building and dam extensions. This contributes to a reduced need for virgin materials while also reducing landfill volumes.

In parallel, tests are taking place involving geomorphic landscape design, where the barren rock is placed into shapes that mimic natural landscapes. This method can reduce long-term environmental risks and create better conditions for restoration. It also combines greater resource efficiency with more sustainable land use than if the material was deposited in rockpiles.

To develop techniques for landscape design and remediation, LKAB has allocated resources for constructing test sites in partnership with the construction sector. Knowledge is being built up through a pilot project next to the current operations, where the technical and logistical prerequisites are being tested jointly with external actors. The pilot project that was started in 2022 will continue until 2027, after which the method will be evaluated for gradual implementation on a larger scale in the 2030s.

Use and production of granulated blast furnace slag

Blast furnace slag is a by-product of the steelmaking process which, instead of being deposited, can be used as a substitute for cement clinker. Cement clinker is the main binder in cement, which in turn is used in concrete. Producing cement clinker requires large amounts of lime, which in Sweden is only mined in a few places. Replacing cement clinker with blast furnace slag reduces the need for lime mining and also decreases the amount of residual product that needs to be disposed of as waste.

LKAB uses blast furnace slag in concrete for rock reinforcement in our underground mines. Through a subsidiary in the UK, blast furnace slag is also produced that is sold externally to the local market. The use of blast furnace slag to replace cement clinker on an industrial scale began in early 2020. Opportunities to also use other secondary raw materials as substitutes are expected to increase in the future.

The use of blast furnace slag is part of LKAB's strategy to convert residual streams into valuable products, thereby contributing to both resource optimisation and new business opportunities.

Utilisation of residual lime

Residual lime arises at the pelletising plants in Kiruna, Malmberget and Svappavaara when slaked lime is used in the flue gas scrubbing process to reduce acidic gas emissions. The residual lime is currently deposited within the mine's industrial site in Kiruna.

In line with the waste hierarchy, work is underway to minimise the amount of residual lime generated from the flue gas scrubbing process and to find alternative applications. Tests have been started to assess the technical properties of the lime and its potential use in external production and upgrading processes. In addition, the possibility of using residual lime as a cement substitute in concrete and paste backfill is being investigated within LKAB Berg & Betong. The test phase is ongoing from 2024 to 2026 and will form a basis for decisions on potential expansion later in the decade.

Work is underway to register the residual lime as a by-product under REACH, with a view to preparing for its utilisation in other external industries.

Dialogue is taking place with LKAB Minerals and external actors regarding use of the waste lime to neutralise chemically acidic landfills. This work is in an initial phase but aims to increase resource efficiency and reduce the need to deposit residual lime.

New waste facility in Kiruna

Construction work has begun on a new environmental facility on LKAB's industrial site in Kiruna. The facility, which is expected to be completed in 2026, will bring together operational waste at one location – replacing previous solutions in which waste management was more dispersed. The facility is designed to meet both current and future needs, with a particular focus on the work environment, security and the environment. It will handle various types of waste including hazardous waste, waste oil, scrap metal and scrap iron as well as other operational waste. The facility will have separate sections for waste contractors and for the operations' own waste disposal. Improved accessibility and a clearer structure will make it easier to do the right thing. More of the waste can be converted into a resource, contributing to a more circular and resource-efficient business.

Metrics and targets

E5-3 Targets related to resource use and circular economy

LKAB has not yet set group-wide measurable targets for resource use and circular economy as the work remains focused on developing baseline data and mapping priority material flows.

Work to produce targets is set to start once these basic prerequisites are in place.

LKAB's Sustainability Strategy 2030 constitutes the governing framework, with strategic choices and qualitative targets leading the work forward. Priority areas for development are:

- systematic work on waste and resource flows, including enhanced analysis of resource inflows and forecasts of extractive waste;
- increased resource efficiency by developing new technologies, products and business models.

These development areas are monitored within the framework of LKAB's Sustainability Strategy and regular governance processes. The effectiveness of policies and actions is assessed through regular tracking of implementation and effects within priority resource and waste streams. The aim is to gradually increase resource efficiency and reduce the amount of material deposited. Tracking is based on activities completed and improvements achieved, and is gradually being supplemented with quantitative metrics as baseline data is strengthened. The baseline period for monitoring is 2025.

E5-4 Resource inflows

LKAB defines resource inflows as significant raw materials and inputs that are used in our key products and manufactured in a significant weight. The raw materials may be extracted from our own operations or purchased from an external supplier. Resource inflows are totalled and reported at Group level. By reporting only external

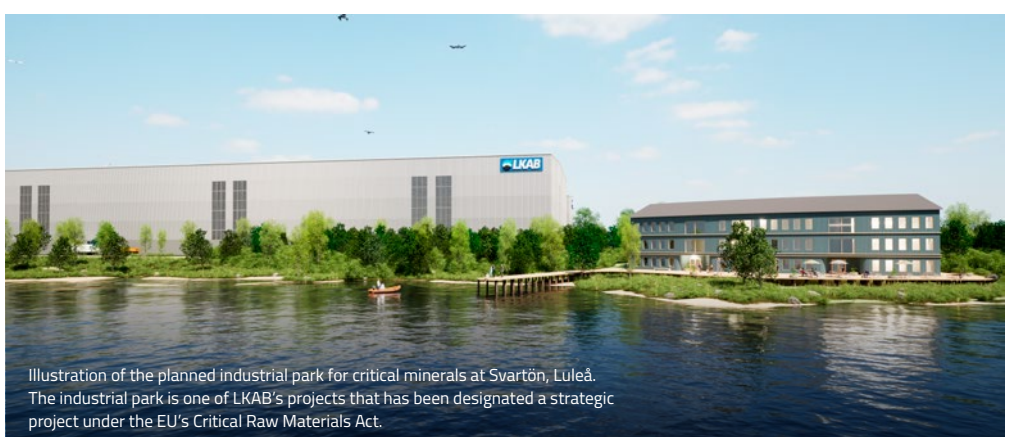


Illustration of the planned industrial park for critical minerals at Svartön, Luleå. The industrial park is one of LKAB's projects that has been designated a strategic project under the EU's Critical Raw Materials Act.

inflows, double counting of reused and recycled categories is avoided.

Inputs used in production but which have been manufactured internally are not classed as a resource inflow. Concrete that is both produced and used within the Group is one such example, but raw material for the concrete that is purchased from outside, such as cement, is a resource inflow.

According to this definition, the resource inflows in the Iron Ore business area consist of volumes mined ourselves as well as inputs in the form of additives in iron ore pellets, such as bentonite. Magnetite, hematite and dolomite are raw materials mined in our own operations.

The Special Products business area sells significantly more products of different types and with varying inputs. In terms of weight, a few products account for the majority, and therefore a selection has been made that covers the majority of the total inputs. Cement that is used in concrete together with ground granulated blast furnace slag (GGBS), ammonium nitrate for the production of explosives and GBS for the production of GGBS for external sales are examples of key inputs to the Special Products business area.

In addition to these external product flows, barren rock is used as an important secondary input within the Group, mainly in the internal production of concrete and other building materials. Barren rock is a residual product that is separated from the iron ore at different stages, and the amount of barren rock used is included in the reported quantity of mined hematite and magnetite. Barren rock forms a key part of LKAB's circular use of materials and resource efficiency.

Secondary resource inflows are calculated as a share of the total weight of material inflows, which includes quantities mined ourselves and externally purchased inputs. In addition to this definition, externally purchased secondary inputs are also reported as a proportion of total external inputs, where we have greater opportunities for influence through supplier selection.

In 2025 a total of 45,023 kilotonnes of minerals and barren rock were mined. External material inflows amounted to 1,291 kilotonnes. During the reporting period LKAB has not had any significant purchases of renewable resources in the form of bio-based inputs or biofuels for non-energy purposes. The weight of externally purchased secondary inflows used in the operations amounted to 467 kilotonnes, corresponding to 1 percent of total inflows.

Weights for mined quantities come from actual data taken when weighing in. The weight of externally purchased quantities is calculated from the quantity consumed in production based on internal material and consumption data, as purchased volumes do not always correspond to actual use during the reporting period due to intermediate storage and inventory changes.

Main products	Own mined volumes	Kilotonnes mined/produced	External raw materials and inputs	Kilotonnes purchased
Finished products (iron ore pellets, fines and magnetite products)	Magnetite	43,873	Additives	761
	Hematite	1,012		
	Dolomite[3]	138		
Concrete		323	Portland cement	50
			GGBS[1]	8
Explosives		20	Ammonium nitrate	13
GGBS (UK)		438	Granulated blast furnace slag (GBS)[2]	459

[1] Secondary input for LKAB's own operations. GGBS is used in concrete production in Kiruna and Malmberget.
[2] Secondary input for sale externally. GBS is ground and dried into GGBS and sold to the concrete industry in the UK.
[3] Refers to the amount consumed from own operations.

E5-5 Resource outflows

Manufactured products in the Iron Ore business area include blast furnace pellets for use in blast furnaces for iron and steel production, direct reduction pellets for steelmaking and smelting in electric arc furnaces and fines, i.e. crushed concentrated iron ore, which is sintered before being used in blast furnaces.

Steel is one of the world's most recyclable materials and can be reused multiple times without losing its technical properties. This circular property makes steel an important material in the transition towards a more sustainable industry.

Despite the high recycling rate, there is still a demand for virgin iron ore. This is due to continued high demand for steel globally, while at the same time not all steel is recycled or available for recycling. In addition, certain grades of steel and certain applications require the addition of newly produced steel to achieve the right properties. Recycling and responsible extraction of iron ore are therefore both important for meeting society's demand for steel in a more sustainable way.

Production in the Special Products business area includes industrial minerals, of which magnetite is the largest product segment. The range also includes processed mineral products customised for different markets and applications. This business area also offers products and services for the mining and construction industries, such as drilling systems, explosives, engineering services and rockwork and concrete work.

Of the quantity of industrial mineral products produced, around a third contains residual materials. Upgrading processes generate extraction waste in the form of barren rock and tailings. These constitute the main waste generated in LKAB's production processes, along with waste lime.

LKAB's main product flows of iron ore and mineral products consist of raw materials for further processing via a long chain of downstream processors. The products have an expected durability in line with the industry average. As the products consist of raw materials for further processing, repairability is not relevant.

LKAB is not covered by extended producer responsibility schemes as the products are raw materials that are processed further by the customers and do not come to market as end-products. LKAB therefore does not participate in take-back or collection systems for end-of-life products.

The products are mostly transported in bulk in rail cars and on ships, so the use of packaging materials is limited.

The total external outflow of products including iron ore pellets, fines, magnetite products and GGBS for external sales amounted to 25,908 kilotonnes in 2025.

Waste

LKAB's waste streams consist of extractive waste and operational waste. The extractive waste is mainly barren rock, tailings and residual lime from the upgrading processes. These are non-hazardous waste in the form of minerals and types of rock with varying contents of iron, silica and limestone, as well as trace elements such as rare earth elements.

Strategic and systematic efforts relating to waste management in accordance with the EU waste hierarchy is a priority area in our Sustainability Strategy. These efforts aim to increase resource efficiency and reduce the amount of materials that go to landfill, for example by developing methods of extracting and refining substances from residual materials.

Utilisation of barren rock is an example of work to reduce the need for virgin materials as well as volumes deposited, thereby strengthening resource efficiency.

Barren rock is separated out in the sorting plant and taken to collection silos. From there the barren rock is transported to piles or used as a construction material, such as in dam construction, road building and concrete.

Remediation of land is an important process linked to mining operations and LKAB is developing new methods and approaches. One example of this is the geomorphic landscape design using barren rock, as described in E5-2 on page 91.

Tailings are extractive waste that, together with water, are deposited in dam facilities at our mining operations. Through research and technological development, LKAB is investigating the possibility of extracting phosphorus and rare earth elements from these masses. This is an example of the utilisation of valuable content from materials that were previously considered waste.

Residual lime arises from the use of slaked lime in the flue gas scrubbing systems in our processing plants and is currently deposited, but work is in progress to investigate and develop methods for its utilisation; see page 92.

Operational waste – such as scrap iron and scrap metal, waste from electrical and electronic equipment, and oils and paints, consists of both non-hazardous and hazardous waste. It is sorted and disposed of by external parties according to the waste hierarchy.

LKAB has no material radioactive waste.

Reporting principles

Reported waste refers to waste from own operations and is reported broken down into waste that has been recycled and waste that has been disposed of. There is a secondary breakdown into hazardous waste and non-hazardous waste.

It is reported using the categories in the waste hierarchy, i.e. prevention, preparing for reuse, recycling, other recovery operations and finally landfill and disposal.

Between 2024 and 2025 parts of the waste streams linked to utilisation of barren rock were reclassified from recycling to other recovery operations. The change is mainly due to a change of waste contractor and an updated classification of how the barren rock is used in practice. The reclassification affects the breakdown between recycling categories but does not entail any material change in the actual material flows or LKAB's approach.

Extractive waste is collected and weighed, for example using a weighbridge, and is sent for treatment depending on the purpose. Operational waste is collected and weighed by waste processors and external contractors that take away the waste for further sorting and disposal. External disposal of the operational waste is compiled into a report with related waste codes according to sorting and disposal routes for the waste concerned. The report is used as a basis for LKAB's waste reporting.

Waste data is based on weighing and reporting from external waste processors and contractors and is checked internally for reasonableness and quality.

Waste (tonnes)	2025	2024
Waste recycled		
Hazardous waste	1,372	2,271
- Preparing for reuse	546	0
- Recycling	352	1,398
- Other recovery operations	474	873
Non-hazardous waste	11,250,544	8,842,031
- Preparing for reuse	7	0
- Recycling	1,699,767	8,830,276
- Other recovery operations	9,550,770	11,755
Total waste recycled	**11,251,916**	**8,844,302**
Waste disposal		
Hazardous waste	630	358
- Incineration	16	30
- Landfill	227	253
- Other disposal operations	387	75
Non-hazardous waste	18,464,203	19,743,147
- Incineration	173	3
- Landfill	18,462,820	19,742,708
- Other disposal operations	1,210	436
Total waste disposal	**18,464,833**	**19,743,505**
Total percentage of non-recycled waste	*62%*	*69%*
Total amount of hazardous waste	2,002	2,629
Total amount of radioactive waste	0	0
Total amount of waste	**29,716,749**	**28,587,807**

Social information

LKAB's operations impact people within its own organisation, in the value chain and in the communities where we operate. Secure employment, responsible business relationships and long-term community development are therefore central to LKAB's strategy and to the ability to implement the industrial transition.

→ ESRS S1 Own workforce
→ ESRS S2 Workers in the value chain
→ ESRS S3 Affected communities

32.4 SEK bn

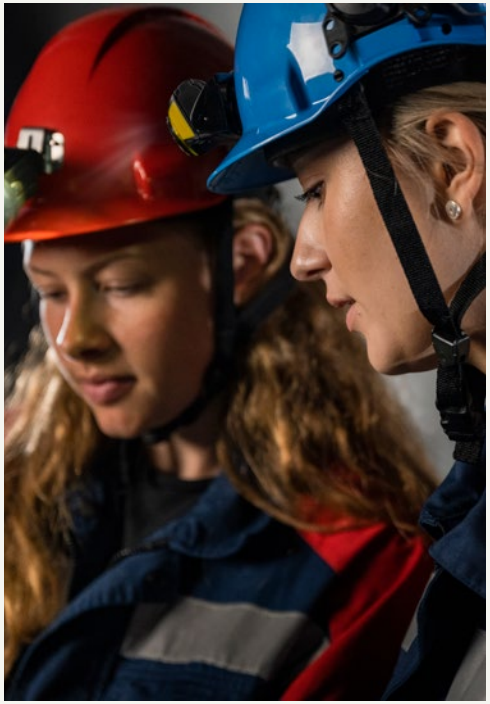
set aside for future urban transformation in the Swedish orefields

Social responsibility in practice

Our operations impact the local community in the form of land use, community development and other impacts linked to mining activities, product processing and transport. A total of SEK 32.4 billion has been set aside for the future urban transformation in the Swedish orefields, in which collaboration, respect for human rights and long-term responsibility are crucial for managing opportunities and challenges.

Developing our safety efforts

To develop our leadership in the area of safety, a group-wide initiative was launched during the year aimed at managers. The focus is on training and coaching to ensure actual behavioural change and a lower accident rate.



LKAB's transformation depends on us being able to attract, develop and retain the right skills and to offer secure and attractive working conditions. Through systematic work environment management, collaboration and active efforts to advance inclusion and equal treatment, we strengthen engagement and reduce the risk of injuries and ill health.

ESRS S1 Own workforce

	Impact		Financial				Where in the value chain		
Sustainability matter	Negative	Positive	Risk	Opportunity	**Actual or potential**	**Time horizon**	Upstream	Own operations	Down-stream
Working conditions									
Health and safety	■			■	Actual	All		■	
Secure employment		■		■	Actual	Medium, long		■	■
Social dialogue		■			Actual	All		■	
Adequate wages			■	■	Potential	Medium, long		■	
Equal treatment and opportunities									
Gender equality and equal pay for work of equal value		■			Actual	All		■	
Measures against violence and harassment in the workplace	■	■	■		Potential	All	■	■	■
Other work-related rights									
Adequate housing	■				Actual	Short, medium	■	■	■

Ensuring skills supply is an essential requirement for LKAB's business strategy.

The engagement, safety and skills of our existing employees are crucial factors for success. Ongoing dialogue and interaction with employees and trade unions enable LKAB to integrate the interests and views of our own workforce into our efforts for health and safety, skills supply and secure employment. Insights from dialogue and interaction are used in LKAB's planning and risk management, thereby contributing to the development of strategy, priorities and working practices for our own workforce.

Safety always comes first in LKAB's operations. Systematic health and safety management, leadership and interaction with employees are key to developing a safe, healthy and inclusive workplace.

Rapid technological development and new ways of working bring a need for continuous employee development, while at the same time we must ensure equal treatment and equal opportunities for all. This includes offering secure employment and socially sustainable living conditions, including access to housing in our operating locations. Our investments in skills development, health and well-being strengthen both the individual and the organisation, and contribute to sustainable working conditions.

Strategy

SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

The primary operations are conducted within the Iron Ore business area, with employees in the Swedish orefields and also in Luleå and Narvik. The Special Products business area has employees both in Sweden and in several other countries. At the end of 2025 LKAB had 5,629 employees, of which 30 percent were women. Over 94 percent are employed on permanent contracts. 57 per-

cent of our permanent employees are blue-collar workers and the rest are white-collar employees.

LKAB engages a limited number of non-employees, both independent individual contractors and staff hired via employment agencies. In addition, a larger number of non-employee contractors are engaged, mainly within the Iron Ore business area. Read more about contractors under S2 Workers in the value chain on page 103.

The material impacts, risks and opportunities identified in relation to our own workforce are working conditions, including health and safety; equal treatment and opportunities for all; and other work-related rights.

If we are unable to access the skills we need, there is a risk that we will not be able to deliver according to plan or achieve our business goals. Competition for labour has also increased in recent years, especially in northern Sweden, and we are continuously working to make clear what we offer as a responsible employer in order to attract and retain skilled workers.

LKAB's business model is based on long-term, sustainable production of iron ore and mineral products with high environmental and safety standards. To succeed in this we need a skilled, healthy workforce that can implement the technology shifts, electrification and automation of the mining operations. Health and safety is thus a key part of our strategy and a prerequisite for productivity, innovation and continuity of deliveries.

The transition to climate neutrality may bring both risks and opportunities for our employees, for example through changing skills needs as well as new job roles and ways of working. At the same time it creates opportunities for development and learning, thereby contributing to good conditions for our own workforce to join in the transition.

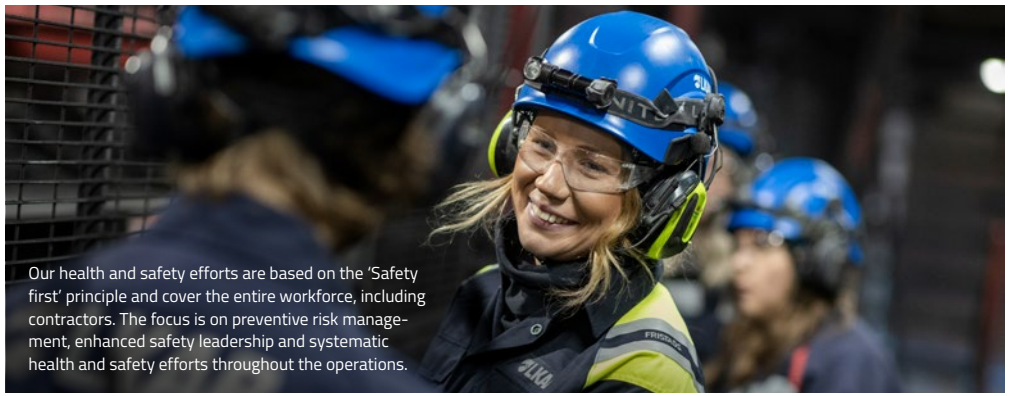
Mining operations involve health and safety risks that could adversely impact our own workforce, such as working close to heavy machinery, transport, falling objects and working at heights. These impacts are dealt with in the materiality assessment as being associated with the industrial conditions of the operations and are therefore not necessarily linked to systemic shortcomings. At the same time, LKAB works systematically to prevent and minimise risks through governance and training as well as through technical and organisational safeguards.

The assessment of which groups are at greater risk is based on analysis of job tasks, work environments and data on incidents and accidents, with operational roles in production, maintenance and transport having been identified as being particularly exposed to risks.

Material impacts, risks and opportunities are taken into account in LKAB's strategic planning and in Sustainability Strategy 2030, where health and safety at work, skills supply and socially sustainable locations are priority focus areas.

Our aim is to be an attractive employer by providing safe, healthy and inclusive workplaces where employees are offered competitive conditions and benefits, as well as continuous skills and career development.
In dialogue with employees and their representatives, LKAB works to develop the work environment in order to advance well-being and prevent ill health. LKAB's processes for preventing discrimination and harassment contribute to an inclusive culture.

LKAB identified its own workforce as a material area in the double materiality assessment carried out in 2025. Material impacts, risks and opportunities are described in the table at the start of this section.



Our health and safety efforts are based on the 'Safety first' principle and cover the entire workforce, including contractors. The focus is on preventive risk management, enhanced safety leadership and systematic health and safety efforts throughout the operations.

Management of impacts, risks and opportunities

S1-1 Policies related to own workforce

The material areas identified for our own workforce in the double materiality assessment are working conditions, equal treatment and opportunities for all, and other work-related rights. These matters are addressed through group-wide policies and guidelines that provide a framework for how LKAB prevents and manages material impacts, risks and opportunities related to our own workforce.

The policy framework for our own workforce, consisting of group-wide policy documents and guidelines such as the Code of Conduct, Sustainability Policy, People Policy, Group guideline 'Safety first', Diversity Plan and the Group's human rights guidelines apply to all of our own workforce unless otherwise stated in the respective documents. Read more about our policies on pages 53–55.

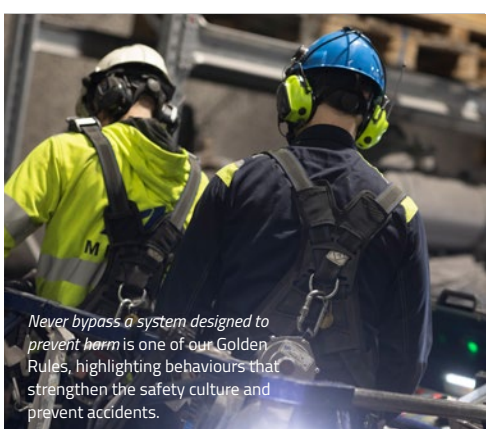
Working conditions, including health and safety
Working conditions, including health and safety, cover many important matters for LKAB and are managed through various policy documents and guidelines within the Group's policy framework. For the area of health and safety, the main governance is through the Group guideline "Safety first". The management system is based on the principle of preventing accidents and occupational diseases, and includes procedures for risk management, safety training and reporting of incidents and accidents. The guideline applies to all of our workforce.

Equal treatment and opportunities for all
Every individual has the right to be treated equally and not to suffer discrimination in employment. LKAB's commitments relating to respect for human rights and labour rights for the Group's own workforce are stated in the Group's human rights guidelines and Diversity Plan. The policy framework includes commitments aimed at the elimination of discrimination, including harassment, and at advancing equal opportunities, diversity and inclusion.

Grounds for discrimination such as racial and ethnic origin, gender, sexual orientation, gender identity or expression, disability, age, religion or other beliefs are covered, as are commitments regarding the inclusion of groups at particular risk of vulnerability.

Procedures for dialogue and cooperation with our own workforce, including interaction with trade union organisations, are part of the policy framework. The framework also contains channels for reporting and action in the event of suspected breaches or discrimination, such as the SpeakUp whistleblowing system and other internal reporting paths.

The policy framework is specified in Sustainability Strategy 2030, which, in addition to providing overall guidance for the Group, identifies priority areas linked to our own workforce. Examples of approaches include systematic health and safety management, safety leadership, risk management, contractor safety, and health promotion efforts, which include occupational hygiene exposure as well as matters related to the organisational and social work environment. The measures implemented cover the entire Group and are applied in all operations as well as to contractors working within the LKAB Group.



Never bypass a system designed to prevent harm is one of our Golden Rules, highlighting behaviours that strengthen the safety culture and prevent accidents.

S1-2 Processes for engaging with own workforce and workers' representatives about impacts

To enable employees and employee representatives to have an influence on matters relating to our own workforce, dialogue and interaction take place at both formal and informal levels. Dialogue takes place both on an ongoing basis and as needed, and includes such elements as workplace meetings, performance reviews, health and safety officer meetings and cooperation with trade unions. Matters addressed include health and safety, security, leadership, skills supply, culture and operations. The starting point for group-wide dialogue is LKAB's strategy, which is based on transformation of the operations. Our business and performance development plans are clearly geared towards this strategy. This is then broken down into targets and development initiatives that are discussed at workplace meetings, communicated internally and followed up in individual performance reviews.

Interaction with trade unions takes place at all levels of the organisation. Representatives of IF Metall, Unionen and Ledarna sit on LKAB's Board of Directors.

LKAB's President and CEO has overall responsibility for the health and safety dialogue, with delegation to managers at different levels. In foreign operations the CEO of each subsidiary is responsible for engagement and for disseminating information, including where there is no health and safety officer.

LKAB does not have a formal Global Framework Agreement regulating basic working conditions and labour rights at Group level, but applies a comprehensive framework for interaction and respect for human rights in employment.

The workforce's perspective is obtained through interaction with trade union representatives, workplace dialogues, the SpeakUp whistleblowing system, anti-discrimination efforts, as well as diversity and inclusion work. Effectiveness is evaluated through key indicators for employee turnover and sickness absence, as well as the outcome of employee surveys.

Employees' different perspectives are captured by diversity surveys, questionnaires, dialogue and interaction. This ensures that the views of workers who may be particularly at risk of adverse impacts, or who risk being marginalised, are also included and taken into account in analysis and tracking. The results are used to develop health and safety efforts and are followed up qualitatively and quantitatively.

S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns

LKAB has established procedures to enable the reporting of work-related concerns and irregularities. The Group has no special remediation process for its own employees, but offers several ways to raise concerns and make comments.

The whistleblowing function, which is operated by an external party, is available to all employees and external parties. Concerns can be reported anonymously via an app, online, by phone or in a physical meeting. There is also a clear process for reporting victimisation, harassment, bullying or the like. In Sweden, all employees additionally have the opportunity to seek support through occupational health care if needed. Employees can also pass on their views to managers, HR, health and safety officers or the trade union organisation.

Concerns raised are tracked and monitored by LKAB through documented processes and collaboration forums, where cases are investigated, analysed and used as a basis for preventive and corrective measures. The effectiveness of the channels is ensured by continuous tracking and evaluation.

Policies and procedures, including LKAB's Code of Conduct, provide information about possible reporting channels and make it clear that everyone who uses them, including employee representatives, is protected from retaliation.

LKAB's grievance management is inspired by the UN Guiding Principles for Business and Human Rights and the OECD Guidelines for Responsible Business Conduct.

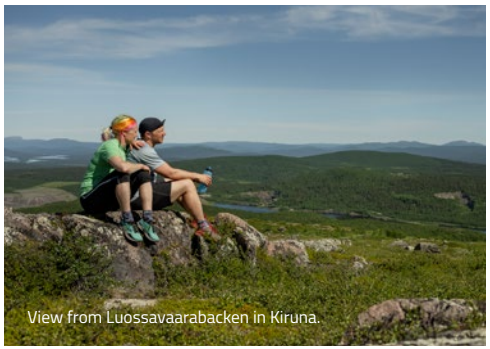
S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Working conditions, including health and safety

LKAB aims to be a responsible and attractive employer. Clear guidelines on pay setting, benefits and interaction with trade union parties ensure that conditions are competitive and fair. Efforts relating to working conditions form part of the strategy to promote an inclusive work environment and reduce risks related to health and safety, pay structure, workload and skills supply.

The actions and processes that make up LKAB's action plan for working conditions, including collective bargaining agreements, pay setting and interaction with employee representatives, are described below. Actions to promote health and safety are described under a separate heading in this section. Where timeframes have been set, these are specified for each action; otherwise, they are part of LKAB's ongoing long-term efforts.

The actions support the targets described in section S1-5.


View from Luossavaarabacken in Kiruna.

- Secure employment: All employees in Sweden and Norway are covered by collective agreements that regulate terms relating to pay, working time and other working conditions. Renegotiation of the collective bargaining agreements in 2025 involved collaboration with trade union parties. In other countries the legislation in force in each country is complied with.
- Adequate wages: LKAB applies both collective wage setting and individual performance-based pay for white-collar employees. Annual pay audits and statistical analysis ensure pay is at market levels and prevent unfair pay disparities.
- Social dialogue: LKAB has established forums for dialogue between employers, trade union organisations and health and safety officers, from a Group works council to local collaborative groups. Social dialogue also takes place through performance reviews, workplace meetings and employee surveys that identify areas for improvement and are followed up in continued development efforts.
- Freedom of association: Freedom of association within LKAB is regulated by the People Policy, collective agreements and national legislation.

Health and safety

LKAB's efforts for a safe and healthy work environment are based on Sustainability Strategy 2030 and cover the entire Group, including contractors. The focus is on a systematic approach to health and safety efforts, enhanced safety leadership and risk management, as well as the advancement of physical, organisational and social health.

- Reduction in work-related accidents: LKAB works actively to minimise the number of work-related accidents that could affect employees' health or result in fatalities. In 2025 a group-wide initiative was launched in partnership with an external provider. Aimed at all managers, it focuses on enhancing safety leadership through training and coaching. The programme runs until 2027 and is followed up at an individual level to ensure actual behavioural change and a reduced accident rate.
- Minimising severe risks: LKAB's operations include areas of work that are associated with severe risks. Analysis of accident and incident data has identified critical areas such as fire, working at height, traffic and mobile machinery, safe shutdowns, barriers, and falling objects and rubble. In 2025 risk management and governance of these risks were strengthened by clearer requirements and tracking. The goal is to reduce severe incidents and to prevent fatal accidents entirely.
- Continuous analysis, development and responsibility: Health and safety events and risks are analysed on an ongoing basis at local and Group level to identify and prioritise actions together with the safety organisation. The ongoing transformation towards digitalised, electrified and automated mining brings new risks but also better conditions for safer work environments through improved working methods and technical solutions. Risk and impact assessments are carried out whenever there are changes in working methods or organisation, and each manager is responsible for the work environment with support from occupational health and safety specialists and technical experts. Actions related to identified impacts, risks and opportunities are integrated into LKAB's regular risk management processes.

Through these efforts LKAB strives to ensure that the way we run our business does not contribute to negative impacts on working conditions, including health and safety, and that the actions lead to actual improvements for our own workforce. Examples of tracking include employee surveys, collaboration and HR data that evaluates the effectiveness of the actions. In the event of a work-related accident, actions are taken in accordance with established health and safety procedures – such as investigation, support for affected employees, and preventive and corrective actions to prevent any repetition.

Equal treatment and opportunities for all

Efforts for equal treatment and opportunities within LKAB focus on preventing and addressing discrimination and harassment and on advancing an inclusive work environment through systematic efforts and tracking in the business.

During the year this work followed LKAB's Diversity Plan, which covered the period up to and including 2025. For the period 2026–2030 LKAB has adopted a new strategy for equality, diversity and inclusion (EDI). The new strategy will help build a diverse workforce and create inclusive environments where everyone feels safe, valued and heard.

Actions implemented in 2025:

- Gender equality and equal pay for work of equal value: LKAB conducts annual pay audits in collaboration with trade unions to detect, rectify and prevent unfair pay gaps between women and men and between equal work and work of equal value. Joint forums are responsible for the classification and assessment of roles within the organisation.
- Actions to address discrimination and harassment in the workplace: LKAB takes a zero tolerance approach to discrimination, harassment and bullying. The Diversity Plan as well as the guidelines and procedures in force cover both preventive efforts and actions to address incidents promptly.
- Measurement and monitoring of employee experiences: Since 2025 work has been in progress to develop a new method of continuously capturing employees' experiences, conducting dialogue and making improvements. This will strengthen preventive efforts against discrimination and harassment.
- Tracking of responsibilities and resources: LKAB's process for addressing violations, harassment and bullying includes support functions, safety officers and HR as support for both managers and employees. Reported events are followed up and prioritised based on severity.

LKAB works to achieve a culture where all employees feel safe, valued and part of a community. Leadership is key: managers are expected to set a good example, create engagement and act clearly on signals of inappropriate behaviours.

Other work-related rights

Access to adequate housing is crucial if LKAB is to be able to attract, recruit and retain skilled employees in the communities where we operate. It is essential for LKAB's initiatives and for the industrial transition that more people choose to relocate to and remain in Norrbotten. Housing is therefore not only a social matter, but also a strategic part of LKAB's long-term efforts for skills supply and sustainable community development.

- Adequate housing: LKAB manages housing matters through its subsidiary LKAB Fastigheter, which provides homes for rent in the Swedish orefields in close collaboration with the municipalities. These efforts include both new development and replacement homes. For employees who own their home, the support provided is linked to the urban transformation. Going forward, the communities are planned to be developed further based on needs and available resources – thereby contributing to social security for employees and their families as well as long-term sustainable housing solutions. Read more about the urban transformation under S3 on page 107.

Metrics and targets

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

LKAB's targets for its own workforce are based on the material areas identified in the double materiality assessment: working conditions, including health and safety; equal treatment and opportunities for all; and other work-related rights. The targets are developed in collaboration with the operations, trade unions, health and safety officers and other relevant stakeholders through established collaborative forums.

Tracking takes place on an ongoing basis via group-wide indicators, employee surveys and annual analysis of accident, sickness absence and pay data. Outcomes are discussed in joint forums to assess progress towards the targets, learn lessons and decide on improvements.

The targets are stable over time and are based on the Group's Sustainability Policy, Sustainability Strategy 2030 and the Group's business plan, as well as collective agreements, statutory requirements and international standards such as the ILO Core Conventions and the UN Guiding Principles for Business and Human Rights.

Progress towards the targets and compliance are ensured through continuous tracking of established processes, collective agreements and statutory requirements.

Working conditions, including health and safety

LKAB's targets associated with work-related rights are based on our ambition to create long-term secure and attractive employment.

- Secure employment: The percentage of employees on short-term contracts is low and therefore no specific target has been set for short-term contracts, but developments are monitored annually by country and area of activity.
- Adequate wages: For wages the target is to ensure competitive terms including benefits, in order to attract and retain skilled employees. This is tracked through pay audits, pay reviews and analysis in collaboration with trade union parties.
- Social dialogue: LKAB's goal is to maintain and develop the dialogue with trade unions at all levels, and to ensure that 90 percent of white-collar employees have documented performance reviews. From 2026 the aim is to offer performance reviews to all employees. Tracking takes place through collaborative meetings, statistics and employee surveys.
- Freedom of association: LKAB promotes freedom of association for all employees. By maintaining open channels for dialogue and respect for workers' rights, we contribute to secure, stable and inclusive employment.
- Health and safety: LKAB works actively to prevent work-related injuries and occupational diseases, including those that may have severe or fatal consequences. The targets include lost-time accidents, with a long-term target of a maximum of 2.0 per million hours worked by 2030. The interim target for 2026 is 4.0. For long-term sick leave we have set a target of 0.8 percent, which applies to both 2026 and 2030. The target is followed up monthly and published externally each quarter.

Regular evaluations identify areas for improvement, such as how the targets can be made clearer and tracking made more systematic. This creates learning and strengthens our long-term efforts for work-related rights.

Equal treatment and opportunities for all

- Equal pay for work of equal value: LKAB's pay setting is based on equal treatment, which addresses any kind of pay discrimination or unfair pay disparities. The aim is for there to be no unjustified or discriminatory pay gaps within LKAB. Tracking takes place via annual pay audits and the number of identified and corrected unfair pay disparities.
- Measures against discrimination and harassment in the workplace: LKAB takes a zero tolerance approach to discrimination, harassment, bullying and victimisation. Tracking takes place via the number of reported incidents and the results of employee surveys.
- Greater diversity and inclusion: One of LKAB's strategic targets for 2030 is a 60/40 gender balance in management teams. The interim target for 2026 is 30 percent women and women managers. LKAB strives for gender balance in recruitment, aiming for each gender to make up 50 percent of the total recruitment volume (target 2026–2030). Perceived inclusion is to be at least 95 percent by 2030.

Other work-related rights

- Adequate housing: Access to housing is crucial for LKAB's ability to attract and retain skilled workers. The targets are closely linked to the targets that have been developed together with municipalities as part of the ongoing urban transformation, in which tracking and experience contribute to the development of attractive and sustainable locations.

S1-6 Characteristics of the undertaking's employees

The total number of employees at year-end was 5,629 (5,517). Of these, a total of 5,308 (5,222) were employed on permanent contracts. The number of employees on short-term contracts was 321 (295), made up of 142 (129) women and 179 (166) men. Of the employees on permanent contracts, a total of 2,259 (2,206) were white-collar workers and 3,049 (3,016) were employed under collective bargaining agreements.

Measurement methods and definitions

The disclosure requirements in S1-6 cover all employees who perform work for the company's entities that are included in the sustainability reporting.

Information concerning the number of employees is based on data from the Group's HR and payroll systems. All individuals who were employed at 31 December 2025 are included in the reporting. The number of employees is defined in the sustainability report as a number of individuals. For the average number of employees see the Ten-year overview on page 41.

LKAB has no workers on zero-hours contracts and consequently this category is not applicable. The category "other" gender is not reported as no such legal classification exists in Sweden, where the majority of the employees are located.

About employee turnover

Employee turnover is based on the total number of employees who left LKAB in 2025 either voluntarily or due to dismissal, retirement or death in service. This number is expressed as a percentage of the number of employees as of 31 December 2024, which makes the

Employees by gender	2025
Men	3,934
Women	1,695
Total employees	5,629

Employee turnover	2025
Number of new hires, permanent contracts	503
Number of leavers, permanent contracts	388
Employee turnover, %	7.4

Employees by country	Number of employees	Of which women
Sweden	5,073	1,574
Other	556	121
Total	5,629	1,695

Gender breakdown	2025
Percentage of women in LKAB's management team	22
Percentage of men in LKAB's management team	78
Percentage of women on LKAB's Board of Directors	56
Percentage of men on LKAB's Board of Directors	44
Percentage of women in LKAB's workforce employed on permanent contracts	29
Percentage of men in LKAB's workforce employed on permanent contracts	71

Employees by contract type, broken down by gender	Women	Men	Total
Total number of employees	1,695	3,934	5,629
Number of permanent employees	1,553	3,755	5,308
Number of temporary employees	142	179	321
Number of non-guaranteed hours employees[1)]	0	0	0

Employees by contract type, broken down by region	Sweden	Norway	United Kingdom	Rest of Europe	Rest of World	Total
Total number of employees	5,073	223	219	37	77	5,629
Number of permanent employees	4,779	196	219	37	77	5,308
Number of temporary employees	294	27	-	-	-	321
Number of non-guaranteed hours employees[1)]	-	-	-	-	-	-

[1)] On-call employees

calculation comparable over time and provides an overview of changes in the workforce.

S1-8 Collective bargaining coverage and social dialogue

This section focuses primarily on Sweden, as the majority of LKAB's employees are based in Sweden and no other countries account for more than 10 percent of the total workforce.

All employees in Sweden and Norway, with the exception of Group management, are covered by collective bargaining agreements. For the Group as a whole, the collective bargaining coverage is approximately 94 percent.

The collective bargaining agreements regulate working conditions and terms of employment for both white-collar employees and those employed under collective bargaining agreements. Group management has terms of employment corresponding to the levels in relevant industry and company agreements. Collective bargaining coverage is calculated as the number of employees whose terms of employment are determined by collective bargaining agreements divided by the total number of employees at year-end.

Social dialogue is well established in Sweden through cooperation agreements, local trade union representatives, health and safety officers, work environment committees and joint forums. All employees in Sweden are based in workplaces with employee representatives, which means that 100 percent of the Swedish workforce is covered by social dialogue structures. In addition to this, the trade union organisations are also represented on LKAB's Board of Directors, which ensures that the employees' interests are taken into account in LKAB's overall governance. Through this representation there is a structure that gives all employees, regardless of country, indirect influence in the formal dialogue between employer and employee representatives.

LKAB has no agreements on representation in a European Works Council (EWC), a Societas Europaea (SE) Works Council or a Societas Cooperativa Europaea (SCE) Works Council.

S1-14 Health and safety metrics

Health and safety efforts and management system

LKAB's occupational health and safety efforts are based on the Group's Sustainability Policy and the Group guideline 'Safety first', which together cover all employees of the Group. The policy framework forms the basis for systematic occupational health and safety efforts to prevent work-related injuries, ill health and incidents throughout the business.

A large part of the Group's operations are also covered by an ISO-certified health and safety management system, including: LKAB, LKAB Berg & Betong AB, LKAB Mekaniska AB, LKAB Kimit AB, LKAB Malmtrafik AB, LKAB Malmtrafikk AS, LKAB Norge AS, LKAB Wassara AB, LKAB Minerals AB, LKAB Minerals Ltd, LKAB Minerals BV, LKAB Minerals Oy, LKAB Minerals Asia Pacific and Likya Minerals. This means that 95.1 percent of LKAB's employees are covered by the company's health and safety management system.

Compliance and outcomes in health and safety management are validated through internal audits but also by a third party, through regular audits according to ISO 45001 and through the audit of the Annual and Sustainability Report.

Fatalities, injuries and ill health

During the year no fatal workplace accidents occurred in connection with LKAB's operations.

In accordance with ESRS, LKAB reports the number of recordable injuries and the rate of recordable injuries per million hours worked. For the company's own workforce the total number of recordable injuries in 2025 was 108,

The rainbow car was commissioned in 2023 and symbolises our commitment to making LKAB an even more welcoming company.

corresponding to a rate of 12.8 recordable injuries per million hours worked.

Definition of recordable injury

The ESRS term 'recordable injuries' covers work-related injuries that result in days away from work (lost time accidents – LTA), restricted work or adapted duties, loss of consciousness, medical treatment beyond first aid and other significant injuries. For medical treatment beyond first aid LKAB has applied the ICMM definition. Other significant injuries include confirmed concussions and injuries that resulted in lasting impairment.

Fatalities, injuries and ill health Number of work-related	Own workforce	Contractors
Fatalities	0	0
Recordable injuries	108	n/a
Number of days lost due to work-related accidents, ill health and fatalities	336	n/a

Lost-time accidents (LTA)

In addition to the ESRS metric, LKAB also tracks lost-time accidents per million hours worked (LTA rate) as a strategic indicator of occupational health and safety. This metric includes both our own employees and contractors working within LKAB's sites.

In 2025 the LTA rate including contractors was 5.2 (4.9). Lost-time accidents related mainly to impacts and blows, slips and falls on the same level, and the handling of work equipment. The most common injury outcomes were wounds, fractures, sprains and strains.

S1-16 Remuneration metrics (pay gap and total remuneration)

The annual total remuneration ratio is calculated for employees in Sweden as the ratio between the highest paid individual's annual remuneration and the median value of the annual remuneration for all employees, excluding the highest paid individual. The median remuneration is based on remuneration paid during the reporting year in Swedish companies within the Group and includes fixed cash remuneration, such as monthly salary, as well as variable salary components such as shift supplements, overtime and holiday-related remuneration and deductions. Benefits in kind are not included.

The calculation covers employees on permanent and short-term contracts in Sweden and is therefore not group-wide.

The remuneration used for the highest paid individual corresponds to the remuneration in Note 6 on page 159. The percentage change in the remuneration ratio refers to the change compared with the previous reporting year. Since the majority of the employees and the highest paid individual are resident for tax purposes in Sweden, no adjustment has been made for differences in purchasing power between countries.

Annual total remuneration ratio	2025	2024
Highest paid individual	10,439,493	10,308,612
Median pay	606,759	599,481
Remuneration ratio	17	17
Change in remuneration ratio	0.01	0.87

The pay gap between women and men is calculated as the difference between women's and men's average gross pay, expressed as a percentage of men's average gross pay. The calculation is based on pay data for employees of the LKAB Group during the reporting year. In 2025 women earned an average of 8.0 percent less than men in the LKAB Group.

S1-17 Incidents, complaints and severe human rights impacts

Reports filed in accordance with procedures for victimisation, harassment and bullying are kept by HR. The compensation/benefits department tracks these annually and compiles a summary of reported cases.

During the year 14 complaints regarding discrimination, harassment or victimisation were recorded, which were received via a grievance procedure or the whistleblowing channel. No cases were reported to OECD National Contact Points and no severe human rights incidents were identified. The cases are dealt with and tracked according to LKAB's established procedures.

Number of reported incidents of discrimination, harassment and victimisation	14
Number of complaints/grievances regarding discrimination, harassment and victimisation (including whistleblower cases)	14
Number of complaints/grievances filed with the National Contact Points for OECD Multinational Enterprises	0
Cost of fines, penalties and compensation for damages as a result of reported cases and incidents of discrimination, harassment and victimisation incl. whistleblowing cases)	0
Number of severe human rights incidents connected to the undertaking's workforce	0
Number of severe human rights incidents relating to non-respect of the UN Guiding Principles on Business and Human Rights or the ILO Declaration on Fundamental Principles and Rights at Work	0
Number of severe human rights incidents relating to the OECD Guidelines for Multinational Enterprises	0
Cost of fines, penalties, and compensation for damages resulting from reported cases of severe human rights incidents	0

LKAB collaborates with a large number of suppliers and contractors, especially in connection with operations in the Swedish orefields and on other industrial sites. In 2025 an updated Supplier Code of Conduct was adopted: by setting clear requirements and through risk-based monitoring and due diligence, we work to promote safe and attractive conditions for workers in the value chain.

ESRS S2 Workers in the value chain

	Impact		Financial				Where in the value chain		
Sustainability matter	Negative	Positive	Risk	Opportunity	**Actual or potential**	**Time horizon**	Upstream	Own operations	Down-stream
Working conditions									
Secure employment		■			Actual	Long	■		
Other work-related rights									
Forced labour	■		■		Potential	All	■	■	■
Adequate housing	■		■		Actual	Long			■

LKAB has a significant impact on workers in the value chain. The operations are highly dependent on contractors and suppliers, both in direct connection with LKAB's industrial sites and further out in the supply chain, in Sweden and internationally. This means that working conditions, health, safety and respect for human rights for workers in the value chain are areas where LKAB can have a considerable sustainability impact.

The material impact mainly affects employees of contractors and suppliers who operate on or in direct connection with LKAB's industrial sites, for example in operations, maintenance, construction work, servicing and logistics. Impacts may also include workers further along the value chain at the supply stage that are of strategic importance or where there is increased risk, such as in the production of equipment, chemicals and other critical inputs. On LKAB's sites in the Swedish orefields the limited supply of housing also means that availability of adequate housing can be a material matter for workers who work temporarily or long-term in connection with LKAB's industrial sites.

Strategy

SBM-2 Interests and views of stakeholders

The assessment of material impacts on employees in the value chain is based on insights from dialogue with contractors, suppliers and industry organisations, as well as from supplier audits and LKAB's due diligence process.

Impacts on workers in the value chain are mainly managed through the requirements that LKAB sets and the Group's monitoring of suppliers, including supplier audits, as well as the risk assessments carried out as part of purchasing and due diligence processes. Insights from workers in the value chain and their representatives are used as a basis for these risk assessments. The risk assessments form the basis of LKAB's operational efforts, such as setting requirements in procurement and prioritising supplier monitoring and audits. These thus have a greater bearing on how LKAB works than the overall strategy or business model.

Read more about how workers in the value chain are included in stakeholder dialogue and the double materiality assessment under ESRS 2 SBM-2 on page 57.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Most of LKAB's suppliers operate in the Nordic region, but the value chain is global and complex. Working conditions and compliance with human rights may therefore vary between regions and supplier categories.

Examples of workers in the value chain that LKAB may have a material impact on:

- Construction and maintenance workers working within LKAB's industrial sites but not directly employed by the Group.
- Workers at upstream or downstream suppliers, particularly in the mining and steel industry, transport and machine maintenance.

- Workers in vulnerable situations, such as migrant workers or young workers at the subcontractor stage, who may be at higher risk of negative impacts due to their origin or due to working relationships in which their working conditions and housing situation may be more difficult to monitor.

LKAB takes a risk-based approach to identifying and managing potential risks in the supply chain. During procurement and ongoing monitoring suppliers are screened based on company information, payment history, geographical location and type of goods or services. The results are used to determine whether a supplier is to be audited further or subject to additional control measures.

Potential negative impacts on workers in LKAB's value chain are mainly judged to be systemic in nature. For contractors closely associated with LKAB's operations these impacts are mainly linked to health and safety, housing and skills needs. In other respects the risk profile is considered to vary depending on geographic origin, type of activity and supplier category, and is managed within the framework of LKAB's risk-based purchasing and procurement process. Risks associated with child labour and forced labour are currently assessed as low, but are tracked through risk-based screening, auditing and dialogue during procurement.

A large proportion of the workers in the value chain work within LKAB's own industrial sites. This means there is a high degree of direct contact and that there are common requirements regarding training, security procedures and health and safety.

In periods of intensive construction work many workers arrive in the Swedish orefields, which entails increased risks associated with health and safety and with housing conditions.

LKAB also takes into account the risks that the transition to a more climate-neutral business may entail for workers in the value chain, for example in new establishments, or through demands for raw materials and new technology that could affect working conditions, skills needs and workloads at suppliers.

Material impacts, risks and opportunities affecting workers in the value chain also have consequences for LKAB, including potential supply disruptions and increased due diligence requirements. At the same time there are opportunities to enhance health and safety as well as skills at these suppliers, which impacts quality, costs and continuity.

LKAB is gradually developing more systematic ways of enhancing health and safety knowledge in the value chain and enabling the positive impact to be increased where risks are identified. These efforts are being developed further within the context of the Group's work on due diligence and are planned to be strengthened during 2026–2027.

LKAB assesses that the business also has a positive impact on workers in the value chain, primarily through job creation, demands for safe and good working conditions and common training and safety initiatives that strengthen skills as well as health and safety among contractors and suppliers.

The identified impacts on value chain workers are linked to LKAB's business model, with its extensive use of contractors and global purchasing, and form a basis for adjustments to the procurement strategy, supplier requirements and risk-based management.

Risks and opportunities arising from dependence on workers in the value chain are taken into account in the Group's strategy, especially in purchasing, partnerships and the Group's long-term transformation.

Management of impacts, risks and opportunities

S2-1 Policies related to value chain workers

LKAB's efforts relating to workers in the value chain are governed by the Sustainability Policy, the Group's human rights guidelines, the Supplier Handbook and the Supplier Code of Conduct. These cover all workers in the value chain and set the framework for how LKAB manages material impacts, risks and opportunities in relation to working conditions and other work-related rights. An updated version of the Supplier Code of Conduct was adopted in 2025.

Working conditions, including secure employment

Commitments

The Group's human rights guidelines follow the UNGPs on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. The guidelines include principles for respect of human rights and labour rights, dialogue and interaction with workers in the supply chain, as well as mechanisms for remediation in cases where violations are identified.

Application among and requirements of suppliers

LKAB has a large proportion of workers who are not directly employed but who work at the Group's industrial sites in Kiruna, Svappavaara, Malmberget, Luleå Malmhamn and Narvik. Alongside the Supplier Code of Conduct their work is also governed by LKAB's Supplier Handbook, which contains more detailed requirements concerning health and safety, security, collective bargaining agreements, subcontractors, reporting paths and penalties for non-compliance.

Monitoring and compliance

LKAB has processes for monitoring compliance with these commitments in the value chain, including requirements arising from the Supplier Code of Conduct and the Supplier Handbook. In cases where non-compliance is reported, the cases are investigated and may result in action plans or the termination of business relationships.

Other work-related rights – forced labour and human trafficking

Commitments

Through the Supplier Code of Conduct, LKAB's suppliers undertake to comply with ethical and social requirements that explicitly prohibit human trafficking, forced labour and child labour. LKAB also publishes an annual statement on modern slavery and human trafficking that describes its efforts to prevent these risks in its own operations and in the supply chain.

The Code also requires safe working conditions, including for those in precarious employment such as workers on short-term contracts or subcontractors' personnel, in accordance with ILO standards.

Other work-related rights – adequate housing

Commitments

LKAB's policy documents also cover matters relating to workers' housing conditions in conjunction with work on or in connection with LKAB's industrial sites. Requirements relating to standards, security and access to suitable housing for workers employed by contractors are regulated through the Supplier Handbook and contract terms. These contribute to ensuring that workers who temporarily work in our operations have a safe and secure stay.

Remote control of mining operations from the control centre in the Kiruna mine – part of our efforts for a safer work environment through digitalisation and automation.

Communication and accessibility

To ensure compliance and awareness, policies and guidelines are communicated to suppliers and other relevant actors in the value chain. This takes place through contract requirements, dialogue meetings and special web portals. To ensure that different target groups understand their responsibilities and can apply the policies in practice, the documents are available in several languages.

LKAB's policies are described in more detail in ESRS 2, GOV-2. More information can also be found at lkab.com.

S2-2 Processes for engaging with value chain workers about impacts

The perspective of workers in the value chain is primarily taken into account through ongoing dialogue with the LKAB employees responsible for subcontractors and contractors working at LKAB's industrial sites. This dialogue takes place through interaction between the operational and work environment functions and the contractors' representatives, and covers matters relating to health and safety and working conditions.

Workers' views are also obtained during supplier audits and in the tracking of corrective actions. In 2025 a total of 21 supplier audits were conducted, which included anonymous interviews with both employees and trade union representatives at the audited companies. These insights are used in risk assessments and to develop relationships with suppliers.

Responsibility for ensuring that this dialogue takes place and that the outcomes are taken into account in LKAB's human rights efforts lies with the SVP Environment and Sustainability. LKAB currently has no Global Framework Agreements with trade unions and does not systematically evaluate the effectiveness of the engagement.

LKAB is gradually developing its methods in order to better integrate the perspective of workers in the value chain into risk management and tracking, with a particular focus on vulnerable or marginalised groups.

Supplier audits	2025
Number of audits carried out	21
Number of non-conformances found in audits	220
Number of outstanding non-conformances from the audit	69
Number of closed non-conformances from the audit	151

S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

If LKAB causes or contributes to negative impacts on workers in the value chain, this is addressed in dialogue with the parties concerned and through corrective actions in accordance with the human rights guidelines. Experiences are integrated into risk management and supplier audits to assess and strengthen the effectiveness of the actions.

Workers in the value chain can report grievances via LKAB's whistleblowing function SpeakUp, which is open to both internal and external parties. The Supplier Code of Conduct requires that suppliers have their own grievance mechanisms or to provide information on LKAB's channel, thereby ensuring that workers can raise concerns and have these investigated.

LKAB tracks reported cases and findings from audits as part of its sustainability efforts and evaluates the channels based on legitimacy, accessibility and trust in line with the UN Guiding Principles and the OECD Guidelines. Cases received through SpeakUp are recorded, investigated and followed up in accordance with the process described under G1-1.

To strengthen awareness and trust, LKAB provides information and training relating to the available reporting channels and requires suppliers to do the same. Among other places, information about reporting channels is provided in the Supplier Code of Conduct, contracts and introductions. Awareness of and perceived trust in the reporting procedure is tracked in conjunction with supplier audits and in dialogue with suppliers and their representatives. The channels treat cases confidentially and offer the possibility of anonymity to protect individuals from reprisals.

For more information on the whistleblowing channel SpeakUp see G1 Business conduct on page 116.
To read more, visit lkab.com.

S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

In 2025 LKAB has taken various actions to prevent, mitigate and remediate negative impacts on workers in the value chain, and to address identified risks and opportunities.

An updated Supplier Code of Conduct has been produced and adopted at Group level. The Code is a key tool for ensuring good working conditions and respect for human rights among suppliers and their subcontractors. It is based on international guidelines such as the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the ILO Core Conventions and the UN Global Compact.

LKAB has also produced a group-wide plan for strengthening due diligence efforts which establishes processes for identifying, assessing and addressing risks associated with working conditions in the supply chain.

LKAB's purchasing procedures are designed to support due diligence and prevent business decisions from causing or contributing to negative impacts on workers in the value chain.

In 2025 no cases were identified where LKAB or its suppliers caused or contributed to actual negative impacts that resulted in financial compensation to workers in the value chain.

LKAB uses self-assessments, third-party audits, follow-up dialogue and its own supplier audits to identify and assess actual and potential negative impacts and to determine which actions are appropriate in each case. Audits of high-risk suppliers are prioritised, and aim both to prevent and mitigate negative impacts and to assess the effect of actions implemented.

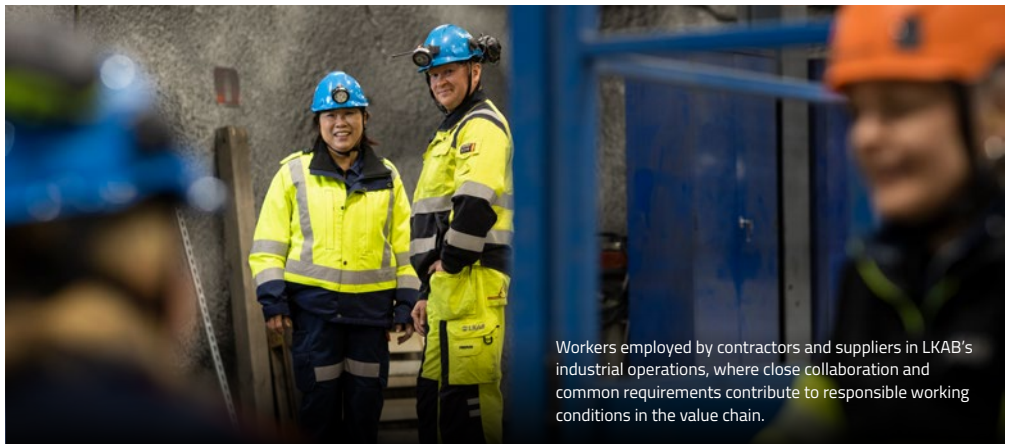
The sustainability and purchasing functions lead the process jointly, based on severity, causal links and potential impacts. These tracking mechanisms ensure that actions produce the intended outcome and that any need for further improvements is identified. The strategy for addressing specific negative impacts on workers in the value chain includes improved purchasing procedures, category-based risk management and close cooperation with suppliers. LKAB also participates in industry-wide initiatives to strengthen skills and harmonise requirements of working conditions in the value chain.

Any negative impacts are addressed in the first instance through dialogue and demands for corrective actions by the supplier concerned. If the shortcomings are not rectified, the cooperation may be terminated. Formal remediation, such as financial compensation, is unusual and is dealt with on a case-by-case basis. Processes for assessing and ensuring appropriate remediation are developed as part of LKAB's efforts.

Many of our suppliers' employees work on LKAB's sites on a daily basis. Based on risk assessments, the health and safety of these workers is a priority area. In 2025 this collaboration was strengthened through training, joint safety initiatives and tracking. Day-to-day dialogue and close engagement with key suppliers is crucial for creating a safe and responsible work environment.

No severe cases of violations of the rights of workers in the value chain were reported in 2025, and the actions taken are deemed to be proportionate in relation to identified risks.

In 2025 a special function was established within the sustainability organisation that is responsible for coordinating work on social sustainability and due diligence in the value chain. This work is integrated with the purchasing function, which is responsible for operational implementation vis-à-vis suppliers, and is carried out in close collaboration with the operational audit section within the sustainability unit to ensure independent monitoring and control of processes.



Workers employed by contractors and suppliers in LKAB's industrial operations, where close collaboration and common requirements contribute to responsible working conditions in the value chain.

Metrics and targets

S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

LKAB's efforts to reduce negative impacts and strengthen positive impacts in the value chain are influenced by lessons learned from supplier audits and dialogue with supply chain representatives. We are gradually developing a more systematic approach and establishing group-wide targets in the area of purchasing. This work includes actions to address forced labour and other unethical use of workers upstream in our value chain. We also promote safe and decent working conditions by requiring compliance with the Supplier Code of Conduct.

This is tracked by means of supplier audits. Any non-conformances are documented and monitored until the actions have been implemented, and the outcome is used to identify patterns, drive improvements and strengthen overall risk management in the supply chain.

LKAB's operations impact local communities, particularly in the Swedish orefields, through public benefits as well as significant impacts associated with land being taken into use and urban transformation. 2025 saw the church in Kiruna being moved to its new location, an updated deformation forecast with an expanded impact area, and dialogues across several operating locations.

ESRS S3 Affected communities

	Impact		Financial				Where in the value chain		
Sustainability matter	Negative	Positive	Risk	Opportunity	**Actual or potential**	**Time horizon**	Upstream	Own operations	Down-stream
Communities' economic, social and cultural rights									
Land-related impacts	■				Actual	All		■	
Security-related impacts	■				Potential	All	■	■	■
Adequate housing	■				Actual	All			■
Rights of indigenous peoples									
Free, prior and informed consent (FPIC)	■				Potential	All	■	■	■
Cultural rights			■		Potential	All			■
Other	■	■	■		Actual	All	■	■	■

LKAB's operations have an extensive impact on several of the local communities in which we operate. This impact includes both positive contributions such as employment, infrastructure and community development, and negative impacts related to the relocation of residents, land use, dust, vibrations, seismic events and traffic.

As a result of these impacts, LKAB's relationship with the affected communities is central to the Group's ability to operate and develop. Views and rights-related issues raised through dialogue with affected communities are integrated into LKAB's planning and risk management, and thereby influence our strategy and business model.

This dialogue also covers reindeer husbandry, where the way we collaborate may change over time as the business develops and the needs of the parties change.

LKAB's reporting of impacts on affected communities partly follows the structure of ESRS S3, but deviates from the proposed division into subtopics. The reason for this is that several of the actual impacts from the mining operations are not covered by any separate standard, but are nevertheless directly relevant to residents and workers in affected communities; these are therefore reported under S3. Examples of such impacts include vibrations from blasting, noise, seismic activities, ground deformation and traffic impacts, which may cause both physical disturbances and concern among local residents. Dust is primarily dealt with under E2 Environment.

Strategy

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

LKAB's impacts on surrounding communities extend throughout the entire mining cycle, from exploration and mining to post-treatment, processing, transport and the export of iron ore products.

LKAB's greatest impact is on the communities that lie in the area described in this report as the Swedish orefields, i.e. the mining communities of Kiruna, Gällivare/Malmberget and Svappavaara. The Norwegian port city of Narvik is also greatly impacted. The operations create jobs, infrastructure and confidence in the future, and for

over a hundred years have contributed to shaping the communities where LKAB operates. Today the Swedish orefields are one of the parts of the country with the lowest levels of unemployment.

At the same time, mining involves taking land into use and affects communities when settlements are relocated or reindeer husbandry areas are changed; read more about Affected communities and Indigenous peoples in the fact box below. The impacts arise primarily in or in connection with the Group's own operations and are closely linked to the business model, in which land use and utilisation of natural resources are weighed against social and environmental consequences.

The double materiality assessment carried out in 2025 confirms that LKAB's most significant impacts, risks and opportunities are closely linked to its relationship with the communities where the company operates. The assessment shows that urban transformation, land use and impacts on the rights of indigenous peoples are key issues in permitting processes and for the transformation and social legitimacy of the company.

Certain of the material risks and opportunities affect specific groups rather than all of the affected communities, especially Sámi reindeer herding communities and residents of the areas directly affected by the urban transformation or disturbances near the mines.
To address these impacts, LKAB works on community development. This is a long-term commitment that includes compensation, dialogue and investment to create attractive, thriving communities – both during the operation of the mine and in the planning that extends beyond the life of the mine.

Failure to manage social impacts responsibly could result in risks to trust and, in the long run, also put permitting processes at risk. These in turn are important for the business in both the short and the long term.

A core matter for LKAB is the urban transformations taking place in Kiruna and in Gällivare/Malmberget, where it is necessary to relocate buildings, infrastructure and operations to enable mining to continue. These changes create opportunities for new construction, local development and new jobs, but also entail stresses through the loss of homes, cultural environments and social contexts as well as changing requirements for community functions.

In addition, residents in the immediate area are impacted by disturbances such as vibrations from blasts, seismic events and increased traffic linked to the mining operations, which can impact security and quality of life and therefore form part of LKAB's overall impact on the communities around its operations.

In addition to the communities that are directly adjacent to LKAB's mining operations, communities further afield are also affected – primarily through logistics chains that include roads and railways, as well as port operations in Luleå and Narvik.

Affected communities
Affected communities refers in this section to materially affected communities where LKAB impacts people and groups who live or work close to our facilities. LKAB's impacts are significant and therefore constitute the main focus of reporting under S3.

LKAB's greatest impact is on the communities situated in the area described in this report as the Swedish orefields, as well as in the port cities of Narvik and Luleå.

Indigenous peoples
The Sámi are Sweden's recognised indigenous people. Sweden's Instrument of Government states that the opportunities of the Sámi people and of ethnic, linguistic and religious minorities to preserve and develop a cultural and social life of their own shall be promoted (Chapter 1, Art. 2). Their rights are also regulated in the Reindeer Husbandry Act, among other places, which includes special rights to land and water use for reindeer husbandry and related activities. LKAB's operations are conducted in areas that in several cases are subject to reindeer husbandry rights, and involve land being taken into use both directly, through mining and facilities, and indirectly, through impacts on land functionality that change the conditions for other purposes such as reindeer husbandry. As a result, some Sámi communities are significantly affected, which is why certain information is included in reporting under this section.

Sámi community (sameby)
Under the Reindeer Husbandry Act (1971:437), a Sámi community is an economic and administrative association of Sámi people engaged in reindeer husbandry within a certain geographic area. Sámi community refers to both a legal entity and a geographically defined reindeer husbandry right, with rights to land and water use for reindeer husbandry and related activities. LKAB's operations are conducted in areas where various Sámi communities have reindeer husbandry rights. LKAB's land use and mining operations affect the conditions for reindeer husbandry, for example through land encroachment and other forms of disruption.

Management of impacts, risks and opportunities

S3-1 Policies related to affected communities

LKAB's efforts for affected communities are primarily governed by the Sustainability Policy, the Group's human rights guidelines and the Code of Conduct.

The Sámi people and Sámi reindeer herding communities have special rights that are regulated by law. For the Sámi communities within whose areas LKAB has operations, there are cooperation agreements. We have committed to working according to the recommendations published in the industry organisation Svemin's position paper on indigenous peoples and the mineral industry (*Positionsdokument – Urfolk och mineralnäring*), which means that we endeavour to apply the principle of free, prior and informed consent (FPIC) as per industry guidance.

LKAB's commitments include respect for the rights of local people and indigenous peoples, dialogue and consultation processes with affected communities, and the principle of providing or enabling remedy for negative impacts. As a state-owned company LKAB is also subject to the State Ownership Policy for state-owned enterprises, which sets out overarching requirements of responsible business conduct and is taken into account when working with the affected communities.

The ambition of 'development before phase-out' is a central tenet of the urban transformation and means that new homes, premises and community functions are to be completed before previous built environments are demolished. The compensation models are designed to put groups affected in an equivalent position to their previous situation.

Through its compensation models LKAB creates the conditions for the values that currently exist in the operating locations to remain in place, albeit elsewhere within

the municipalities. LKAB contributes to this by ensuring that sufficient homes and premises are built in relation to what needs to be demolished. These principles and agreements also form the basis for how remediation is provided or enabled in the event that the urban transformation has negative effects, as described in more detail under S3-3 and S3-4.

LKAB's policies take into account the application requirements in ESRS and are based on principles in international frameworks such as the UN Guiding Principles, the ILO Fundamental Principles and the OECD Guidelines. Fulfilment of these commitments is tracked through regular dialogues, consultation processes and monitoring of agreements with municipalities, Sámi communities and other affected parties; see the description of processes and evaluation under S3-2 and S3-4. Remediation for negative impacts is managed through processes for receiving and investigating grievances, as well as through corrective actions and offsetting in accordance with the mitigation hierarchy (avoid–minimise–restore–offset) and relevant agreements.

LKAB's policies are described in more detail in ESRS 2, GOV-2. More information can also be found at lkab.com.

S3-2 Processes for engaging with affected communities about impacts

LKAB takes the perspectives of affected communities into account through dialogue and consultation processes with municipalities, local residents, civil society and affected Sámi communities. Dialogue primarily takes place directly with the parties concerned or their legitimate representatives. The frequency of dialogue meetings varies depending on need and impacts.

The perspectives of affected communities are taken into account in the decision-making process for environmental permits, offset actions and urban transformation, and are integrated into LKAB's strategic and operational governance. In Sweden this takes place, among others, through statutory consultation in accordance with the Environmental Code, as well as through surveys among residents in the operating locations aimed at identifying priority issues..

In conjunction with communication of the expanded impact area in Kiruna, in autumn 2025 special information and dialogue meetings were held with affected parties and local residents. Citizen dialogues also took place with Kiruna Municipality and the public. These enable LKAB to provide information about changes but also to capture perspectives from the local community, which are taken into account in subsequent planning and decisions.

Operational responsibility

LKAB's community development function, which has representation in the Group management, has operational responsibility for dialogue with affected stakeholders in connection with urban transformation. The Group's Environment and Sustainability function, which is also directly represented in Group management, has overall responsibility for dialogue with other stakeholders in the local communities – such as local residents who are not property owners and affected Sámi communities. Engagement takes the form of consultations, regular dialogue meetings and memorandums of understanding.

Both the community development function and the Group's Sustainability function have employees with relevant backgrounds, and external expertise is brought in to supplement this where necessary.

Tracking

LKAB has a material local impact and tracks the effectiveness of its engagement through outcomes of processes and agreements. This includes consultations carried out, including those within the context of permit reviews; signed memorandums of understanding and other agreements with affected parties such as munici-

Moving culturally and historically significant buildings to new locations in conjunction with the urban transformation in Kiruna, as well as previously implemented actions in Gällivare/Malmberget, are part of our efforts to manage land-related impacts and preserve cultural heritage values.

Extended impact area from the mining in Kiruna

In 2020 a major seismic event occurred in Kiruna. Since then LKAB has spent several years working on extensive assessments, measurements and modelling. These formed the basis of an updated forecast detailing an expanded impact area from the mining operations, as communicated in August 2025. The updated forecast is based on three interrelated main factors:

- the seismic event in 2020
- mining at a deeper level
- a change in the focus of production

The updated forecast means that an additional approximately 2,700 homes and around 6,000 people are expected to be directly affected over the coming 10 years. For those affected, this will bring changes to their living conditions – including housing and daily life. The urban transformation that this is assessed to necessitate includes not only housing, but also other buildings and community functions, which increases the complexity of planning and implementation for many actors – with Kiruna Municipality playing a key role.

Intensive dialogue efforts with those directly affected has been initiated and, in collaboration with Kiruna Municipality, citizen dialogues also began towards the end of the year. We are humbled by the impact that the updated forecast and the continued urban transformation will have on people and the local community. Our ambition is for the process going forward to be as clear, predictable and as long-term as possible, in close collaboration with Kiruna Municipality and in dialogue with those affected.

palities and Sámi communities; as well as actions implemented within the urban transformation (for example, property acquisitions and relocations arranged) and the payment of agreed compensation.

Perspectives of marginalised or particularly affected groups

LKAB strives to capture perspectives from groups that may be particularly affected or marginalised and therefore adapts its modes of dialogue to the needs of different target groups. This is done through a combination of formal consultations, open dialogue meetings and dialogue meetings aimed at specific groups, and written communications such as neighbourhood letters and local information sheets which facilitate contact with groups that use digital channels to a lesser extent, such as the elderly and people with certain types of disabilities. Information is also provided through websites, social media and LKAB's visitor activities, enabling broad participation and continuous contact.

LKAB engages in verbal and written communication that is adapted as far as possible to the needs of the recipients. This includes conducting dialogue specifically with groups at risk of being disproportionately impacted by the urban transformation.

In addition to these modes of dialogue, LKAB has open channels for receiving views and complaints as well as a whistleblowing system that can also be used by external parties, thereby further strengthening opportunities to capture the perspectives of different groups.

Cooperation with Sámi communities and municipalities

To regularise cooperation – particularly with affected Sámi communities and municipalities – LKAB enters into cooperation agreements, development agreements and memorandums of understanding. The cooperation agreements and development agreements are legally binding and serve as a framework for forums as well as providing working methods for sharing information, decision-making and ongoing consultation. Memorandums of understanding are not legally binding and set out the parties' shared ambitions, identified focus areas and principles for dialogue.

Dialogue with Sámi communities pays particular attention to indigenous peoples' rights to land and water use for reindeer husbandry, cultural and traditional environments, and how permit reviews and other decisions can impact these rights, in accordance with the principle of free, prior and informed consent (FPIC).

Both types of agreement are based on reciprocity and respect, and aim to create the conditions for agreements and joint solutions on matters relating to land use and the impacts of the operations. How and when engagement is to take place is determined in dialogue with the parties concerned, enabling early dialogue and joint planning. Scheduling meetings with the Sámi communities is adapted as far as possible to the different phases of the reindeer husbandry year, as it can be challenging to arrange meetings at times when reindeer husbandry is in its most intensive season.

S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns

The principles of the mitigation hierarchy (avoid–minimise–restore–offset) guide efforts to address actual and potential negative impacts on affected communities and are used to remediate negative impacts that LKAB is assessed to have contributed to or caused.

Affected communities and the general public can put forward views and make complaints by post, email or phone, through dialogue meetings/open house events, in regular local surveys as well as anonymously through the SpeakUp whistleblowing system. The system is operated by an independent third party and is available in several languages. Read more about the whistleblowing system in G1-1 Business conduct on page 116.

To assess whether affected communities are aware of and have confidence in LKAB's structures and processes for raising concerns, the company tracks participation in dialogue and consultation processes, the outcome of regular local surveys and the inflow and handling of complaints, including matters received via the SpeakUp whistleblowing system. Overall, these indicators give the impression that the mechanisms are known and used. Protection against retaliation for individuals who report irregularities is regulated in LKAB's whistleblowing procedures and follows Sweden's Whistleblowing Act, which is described in more detail in section G1-1.

LKAB also tracks actions taken and matters received on an ongoing basis to ensure that negative impacts are addressed effectively. Frequently asked questions and recurring comments are analysed and used to improve working methods and processes over time, while the use of the reporting channels and how well they work for the groups they are intended for is also evaluated.

S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

LKAB's impacts on nearby affected communities vary between its operating locations but have common features: land use, community development and other impacts linked to the mining operations, product processing and transport. Efforts to prevent, mitigate and remediate negative impacts and to advance positive contributions are an integral part of LKAB's governance and Sustainability Policy. Most of the actions are continuous and are integrated into LKAB's ongoing community development, which means that some have no fixed end-date.

Trust in LKAB is declining in our operating locations

A survey conducted in autumn 2025 shows that, when compared year on year, trust in LKAB remains high nationally but has decreased in our operating locations, with the greatest decline in Kiruna and Gällivare.

Trust refers to the proportion responding that they have a "fairly" or "very" high level of trust. Value (change since 2024, in percentage points):

Kiruna: 55 *(–19)*
Luleå: 85 *(–7)*
Gällivare: 69 *(–14)*
Narvik: 50 *(–13)*

In follow-up questions, respondents describe the areas with which their trust is associated. Many say they understand the need for urban transformation, but a recurring theme is how the process is experienced – with participation, time schedules and the clarity and transparency of communication being highlighted.

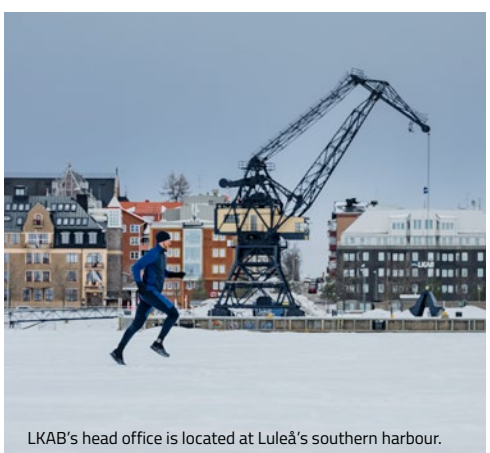
In Kiruna, communication about the updated deformation forecast was particularly highlighted. In Kiruna and Narvik, concerns are also mentioned related to impacts on the local environment, such as issues around land and water and experience of noise and dust.

LKAB sees the outcome and the negative trend as sending an important signal, and takes the results very seriously. In 2026 priority will be given to improving how we work with residents and actors in the community to create clearer and more predictable processes. The focus will be on dialogue, transparency and improved feedback on matters linked to community development and offsetting.

Overall, the actions are based on the principle of development before phase-out and the guidelines described in S3-1. The actions in this section are linked to the material impacts, risks and opportunities identified at subtopic level: land-related impacts, security-related disruption, housing provision, reindeer husbandry and FPIC-related matters, as well as other impacts on communities such as noise, dust and public concern.

Their effectiveness is generally tracked through LKAB analysing actions implemented and receiving feedback from relevant groups within all the areas of action.

The majority of LKAB's resources linked to impacts on communities relate to the urban transformation in Kiruna and Gällivare/Malmberget, with the aim of creating the long-term conditions needed for residents, businesses and the cityscape. For financial information see Note 30 in the financial section of the report. Other S3-related efforts are reported collectively at a qualitative level in this section, including as regards dialogue, collaboration and consultation, measurement and tracking as well as offset and restoration.



LKAB's head office is located at Luleå's southern harbour.

The need for actions is identified through a combination of measurements, consultations, obtaining the views of and dialogue with actors concerned, as well as analysis of risks and negative impacts as part of LKAB's due diligence process.

Communities' economic, social and cultural rights

Community development and land use

LKAB's operations mean that parts of the communities have to be relocated in order for mining to continue. This work is based on deformation forecasts that show how the ground is affected by the mining operations over time. These forecasts are used to plan and implement the relocation of homes, infrastructure and businesses in good time before the areas are taken into use. LKAB therefore works extensively on community development in Kiruna and Gällivare/Malmberget to prevent, mitigate and remediate negative impacts on people and communities in a planned, collaborative and long-term manner.

Community development follows the deformation forecasts produced and is expected to continue at least until 2035. The work includes both physical relocations and social processes in which LKAB collaborates with municipalities, businesses and civil society. Community development is expensed on an ongoing basis and financed by allocated funds that are reviewed annually.

Since 2006 LKAB has paid out a total of MSEK 35,734 in respect of the urban transformation, of which MSEK 18,922 relates to previous years' provisions. For further information see Note 31 in the financial section of the report.

The urban transformation is a necessary part of LKAB's operations, but it also involves people leaving places with a long history and personal memories. LKAB therefore strives to ensure that its community development is characterised by respect, participation and long-term responsibility, with new environments creating the conditions for the communities of the future in the Swedish orefields.

Kiruna

The urban transformation is governed by formal cooperation agreements that specify responsibilities and ways of working. Planned relocations of cultural buildings, including Kiruna Church, were carried out in 2025, illustrating how LKAB applies the principle of development before phase-out through joint planning with the municipality.

To ensure a long-term approach and a clear division of responsibilities, in 2025 LKAB and Kiruna Municipality signed a Mine City Park agreement, which involves LKAB compensating the municipality with just over MSEK 600 for streets, utilities and green areas in the new districts of the city.

At the same time the parties signed a memorandum of understanding covering aspects such as collaboration on housing construction, education, security, and stakeholder and citizen dialogue. The aim is to strengthen the joint processes for secure and sustainable development in Kiruna.

Gällivare/Malmberget

The actions in Gällivare/Malmberget are based on needs linked to the mine's impact on ground stability, community infrastructure and future land access. This calls for solutions relating to compensation and collaboration in close dialogue with the municipality.

At the end of 2025 an addendum to the cooperation agreement from 2012 was signed with Gällivare Municipality, covering compensation for the area of eastern Malmberget where buildings have been phased out but for which compensation has not previously been provided. The compensation is for municipal land and infrastructure, thereby enabling the municipality to invest in new infrastructure and develop buildable land for long-term secure and attractive environments in Gällivare.

In addition to the updated cooperation agreement, a memorandum of understanding was also signed with Gällivare Municipality at the end of the financial year with agreed focus areas for future collaboration. Common challenges relating to land access, housing construction, skills development and work-related crime will be prioritised. The parties will also collaborate further on identified issues such as population growth, the safety and security of the public in general, growth and attractiveness. To facilitate putting this into practice, LKAB is now represented on the municipality's Public Health and Safety Committee.

Luleå

The actions in Luleå are based on the need to address at an early stage any potential effects on the community associated with industrial transition and planned establishments. Collaboration on housing matters and the safety and security of the local community is thus considered an appropriate action.

LKAB participates in the Green Industrial Forum in Luleå, which aims to identify common social challenges associated with the major industrial initiatives planned in the region. In 2025 a memorandum of understanding was signed by LKAB, Luleå Municipality and industry actors covering cooperation on housing for temporary contractors as well as a safe, secure and well-functioning local community. This will take place through collaboration between LKAB, the municipality and other actors, including regular dialogues within the framework of the forum.

The effectiveness of community development is tracked by analysing actions implemented, monitoring agreements and through regular dialogue with municipalities and affected groups to ensure that the efforts produce the intended outcome.

Environmental effects and other disturbances

Mining causes noise, dust, vibration, seismic activity and other disturbances that affect residents in nearby areas. LKAB works continually on measurement, technical improvements and dialogue to prevent, mitigate and remediate the associated negative impacts.

Vibration and noise are monitored through ongoing measurement close to buildings. The results are used in the planning of blasts and adaptation of the operations, as well as to improve control programmes and increase transparency vis-à-vis local residents.

Diffuse dust fallout is measured continuously at measuring stations and through spot checks, with ongoing technical actions to reduce spread. Actions include irrigation, covering and adjustment of stockpiles, windbreak mesh and asphalting of surfaces. In Narvik and Luleå, digital environmental monitoring systems are used that enable early detection and action. Read more about LKAB's work to reduce noise and dust under E2 on page 78.

Complaints related to noise, vibrations and dust are tracked through ongoing recording and analysis of concerns raised. The Group is developing a comprehensive system for managing complaints and environmental data in order to better evaluate the effectiveness of the actions taken and to determine priorities for the future.

Community engagement

LKAB actively contributes to long-term community development in its operating locations through financial and practical support for local initiatives, clubs, education and culture. These efforts aim to advance positive impacts in the form of employment, attractiveness and social cohesion. Priority actions are identified in collaboration with other actors in society and are tracked through feedback and ongoing engagement to ensure that the support has the intended effects.

In 2025 LKAB continued to develop partnerships that strengthen the local business community. One example is the role as chair of Kiruna växer ('Kiruna is Growing'), in which companies, municipality and civil society work together to create growth and foster start-ups. LKAB is also represented on the board of business association Gällivare Näringsliv. Engagement in these associations enables the Group to support local and regional development initiatives as well as educational and cultural initiatives, as a complement to the Group's sponsorship activities.

The local community's attitude to LKAB is regularly tracked and serves as an overall indicator of how the Group is perceived to be addressing negative impacts and how it contributes positively to community development. Although the link between individual actions and changes in trust is difficult to ascertain in the short term, developing this trust is crucial for LKAB's operations and development.

Rights of indigenous peoples and cooperation with Sámi communities

As regards the rights of indigenous peoples, LKAB's efforts build on the cooperation agreements established with affected Sámi reindeer herding communities. The agreements provide a framework for dialogue, information exchange and joint decisions on matters relating to land use and the impacts of the operations.

At the end of 2025 the cooperation agreement between LKAB and Gabna Sámi community was terminated as it was no longer considered to meet the parties' needs or be appropriate for the current circumstances. LKAB intends to remain in contact with this Sámi community and to provide information on matters that may affect its activities, and to conduct a dialogue with the aim of jointly developing new modes of long-term effective cooperation.

For other Sámi communities, efforts during the year have primarily focused on maintaining the continuity of engagement and ensuring that existing cooperation agreements are applied in practice.

Central Gällivare, as viewed from the railway station one winter evening in November.

Resource use and overall processes

Actions to prevent, mitigate and offset negative impacts are integrated into LKAB's due diligence process, in which consultation, stakeholder dialogue and environmental impact assessments are key tools. These processes create the conditions for business practices, such as land use planning, land acquisition and exploitation, to be conducted in a responsible way and with consideration for affected communities.

Where negative impacts are identified, any need for offset or restoration is addressed within the framework of established consultation and compensation processes. This ensures that the views of affected communities are integrated into the design and implementation of the actions.

In 2025 no severe human rights incidents related to affected communities were reported.

Metrics and targets

S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

LKAB has set targets to guide its efforts to manage and reduce material impacts on affected communities. The targets form part of LKAB's sustainability management and set the long-term direction for how the business will contribute to sustainable community development in the regions where we operate.

In the Sustainability Strategy LKAB has formulated time-bound targets for reducing negative impacts, advancing positive contributions and managing material risks and opportunities for affected communities. The targets are based on the Sustainability Policy and the Group's commitments on human rights, and are translated into priorities in community development, land use, dialogue processes and tracking.

The targets help to strengthen long-term social acceptance and trust between LKAB and the communities affected by the mining operations.

Target for 2026: Establish a more systematic approach to social acceptance, including measurement and tracking of relevant indicators as well as the initiation of actions to advance social acceptance at local level.

Target for 2030: Maintain a high level of social acceptance for the operations at a local, regional and national level.

To achieve these targets, priority performance development plans for 2025–2026 have been prepared. They include further development of models for stakeholder engagement and collaboration in affected communities, the development and testing of tracking models for social acceptance, clarification of LKAB's social responsibilities and social investments, and the development of indicators for public benefit, trust and acceptance.

In addition, the plans include a number of key activities in the urban transformation work, such as stepping up the pace in the supply of new housing for affected communities, streamlining the processes for those affected who want to obtain a replacement home from LKAB, and strengthening communication efforts for greater transparency around actions implemented and their outcome/effects in the operating locations.

Ongoing tracking takes place through quarterly reconciliations, with annual evaluation as part of the Group's governance and monitoring.

LKAB has a process for involving relevant stakeholders in work on the targets where needed; for example, through dialogue, collaboration and consultation with municipalities and Sámi communities. This process may include formulating targets, tracking progress, and identifying lessons learned and needs for improvement.

The work is under development and the targets will be further specified as methods and tracking systems are completed.

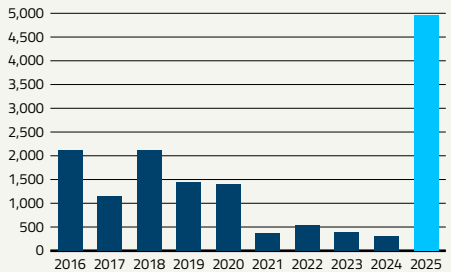
Grievances filed – environmental	2025
Total number of environmental complaints received	7
Complaints regarding noise	0
Complaints regarding diffuse dust fallout	5
Complaints regarding vibrations	1
Other complaints	1
Number of complaints addressed during the period	7
Number of complaints resolved during the period	7

Grievances filed – social impacts	2025
Total number of claims filed during the period	103
Number of claims addressed during the period	91
Number of claims accepted during the period	0
Number of claims rejected during the period	3
Number of previous claims accepted during the period	2
Number of previous claims rejected during the period	2

Grievances filed – urban transformation	2025
Total number of grievances raised during the period	11
Number of grievances addressed during the period	11
Number of grievances resolved during the period	10

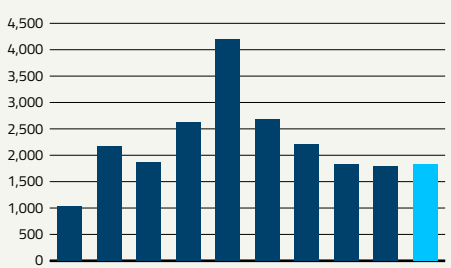
Economic value distributed	2025
Distributed taxes by country (MSEK)	
Sweden	2,195
Norway	30
Rest of World	61
Total distributed to tax	2,286
Sponsorship activities distributed (MSEK)	
Northern Sweden and Norway	64
Rest of World	1
Total sponsorship activities distributed (MSEK)	65

Costs for urban transformation provisions
MSEK



Urban transformation costs for 2025 amounted to MSEK 4,954 (313), with costs increasing as a result of the updated impact area for the urban transformation in Kiruna announced during the autumn.

Expenditures, urban transformation
MSEK



Since 2006 LKAB has paid out approximately SEK 37 billion in respect of the urban transformation and at the end of the year we had SEK 32 billion set aside in provisions for future transformation.

Governance information

Responsible business conduct is a prerequisite for LKAB's long-term development and the trust of owners, employees and communities.

→ ESRS G1 Business conduct

Governance in practice
We use policy documents, training and internal controls to strengthen compliance with common working practices. Sustainability-related targets are also integrated into governance and incentives. At the end of the year 92 percent of our employees in at-risk positions had completed anti-corruption training.

92%
of employees in at-risk positions have completed anti-corruption training

Developing governance
We work systematically to prevent and detect irregularities through risk assessments, training and auditing. During the year there were no confirmed cases of corruption or bribery within the Group, among either employees or business partners.

LKAB's governance is based on the State Ownership Policy and internal governing documents, and aims to ensure a business that is responsible and sustainable long-term. Through clear roles and responsibilities, internal control and monitoring of risks and compliance, we strengthen trust and create the conditions for transformation and value creation.

ESRS G1 Business conduct

	Impact		Financial				Where in the value chain		
Sustainability matter	Negative	Positive	Risk	Opportunity	**Actual or potential**	**Time horizon**	Upstream	Own operations	Down-stream
Corporate culture				■	Potential	All	■	■	■
Political engagement and lobbying activities			■	■	Potential	Long	■	■	■
Relationships with suppliers including payment practices		■			Actual	All	■	■	
Corruption and bribery	■				Potential	All	■	■	■

Business conduct is a material matter for LKAB and is crucial to maintaining trust throughout the value chain. The double materiality assessment shows that corporate culture, political engagement, supplier relations and corruption and bribery are of financial or impact materiality for the business.

A strong and ethical corporate culture and transparent impacts are particularly important for a state-owned company in a regulated industry. As a large purchaser, LKAB also has a responsibility to apply fair terms and clear payment practices. In addition, the mining industry and certain geographical regions entail increased corruption risks, requiring systematic and preventive anti-corruption efforts.

Governance

GOV-1 The role of the administrative, supervisory and management bodies

The Board of Directors of LKAB has overall responsibility for the organisation and ensures that operations are conducted in accordance with good business practice and ethical principles. The Board establishes the framework for internal governance and control, which forms a basis for compliance with relevant laws, regulations and policies. The Board of Directors has extensive expertise in areas such as mining and basic industry, finance, business development and sustainable business practices. The nomination process by the Government Offices of Sweden takes into account diversity and gender balance, while documented competence in relevant business and sustainability matters is required for board assignments. The Board's committees, including the Finance and Audit Committee, contribute expertise that ensures an informed approach to LKAB's responsibilities.

Management of impacts, risks and opportunities

IRO-1 Description of the process to identify and assess material impacts, risks and opportunities

The process for identifying material impacts, risks and opportunities related to business conduct follows LKAB's overall methodology for double materiality assessment; see IRO-1 on page 60. The assessment includes risks associated with corruption, business ethics, payment practices and supplier relationships. Criteria such as location, nature of operations, sector and business structure are used to assess where risks may arise. The results are integrated into LKAB's risk management and reported to the Board of Directors and the Finance and Audit Committee.

G1-1 Business conduct policies and corporate culture

Corporate culture and political engagement

LKAB's business is operated with great integrity and we act in a professional, businesslike and impartial manner in our relations with our business partners. Our aim is to work with business partners that set an example in business conduct, which reduces business risk and can bring savings in the longer term.

To set an example in industry and in society demands systematic and preventive efforts in the areas of anti-corruption and business ethics. This work is governed by LKAB's Code of Conduct, the Group's anti-corruption guidelines and the Supplier Code of Conduct.

LKAB works in an inclusive and responsible manner with mutual respect, and regards diversity and differences as strengths that drive continuous improvement. The Code of Conduct describes how employees at LKAB are to act towards each other, towards our business partners and towards the community around us. It builds on LKAB's behaviours, international guidelines and the ambition to set an example both in business and in the community. The Codes of Conduct must be complied with by all employees and by business partners such as suppliers and consultants. LKAB evaluates its corporate culture through regular employee surveys and dialogues in the organisation, thereby providing a basis for assessing compliance and identifying development needs.

Whistleblowing system and other reporting channels

LKAB has established mechanisms for detecting, reporting and investigating breaches of law, the Code of Conduct and other internal rules. The SpeakUp whistleblowing service, which is managed by an independent external actor, allows both internal and external stakeholders to anonymously report suspected irregularities in several languages. Concerns can be reported by phone or email using a local reporting channel or via a link on LKAB's internal and external websites. Anyone wishing to report misconduct in the public interest in accordance with the Whistleblowing Act can also report to the authority designated by the government. Any suspicion of criminal activity can be reported directly to the Swedish Police Authority. Information on how to report, including a link for making a report, can be found on the local intranets. For the general public, information is available on the website lkab.com. Responsibility for the whistleblowing system lies with LKAB's General Counsel.

Accounting and Finance is responsible for investigating concerns raised. Suspected cases of corruption are examined according to the same procedures as the examination of other concerns received via LKAB's whistleblowing channels.

LKAB's Ethics Committee has an advisory function and is responsible for procedures, calibration and evaluation of the whistleblowing system. The members of the Ethics Committee are the CFO, General Counsel and the SVP HR and Communications. The Committee meets regularly and monitors the Group's processes and handling of corruption concerns and other whistleblower concerns. At each meeting with the Board's Finance and Audit Committee, the CFO reports on whistleblowing cases raised (anonymised). The chair of the Finance and Audit Committee then reports the main points from the Committee's meeting, including whistleblowing cases, at the subsequent Board meeting.

Any individual who, in good faith, has reported misconduct in the public interest is protected against repercussions under Sweden's Whistleblowing Act.

Systematic anti-corruption efforts

Systematic efforts to prevent, detect, investigate and take action in the event of corruption or bribery allegations are based on the Group's anti-corruption guidelines as well as procedures for purchasing, procurement and internal control. Concerns are raised through the Group's whistleblowing system, SpeakUp.

The risk of corruption is estimated to be greatest in functions and roles with decision-making authority or significant influence on large business transactions, such as in procurement, major projects and sponsorship, as well as in roles that involve extensive contacts with outside parties. This definition of at-risk positions also includes the Board of Directors and management team, as their decisions have a major impact on business, governance and external relations. The respective business area and Group function determine which roles are classed as an at-risk position.

The Group's anti-corruption and anti-bribery guidelines are aligned with international anti-corruption conventions including the UN Convention against Corruption, and are based on the Swedish Anti-Corruption Institute's Code to Prevent Corruption in Business (the Business Code), the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

LKAB's policies are described in more detail in ESRS 2, GOV-2. More information can also be found at lkab.com.

G1-2 Management of relationships with suppliers

The management of relationships with suppliers is based on agreements and the principles set out in LKAB's Supplier Code of Conduct. The Supplier Code of Conduct describes the overall requirements relating to international standards, due diligence and risk management in the supply chain. LKAB's purchasing guidelines and associated payment practices ensure that payments are made on time and that small and medium-sized suppliers are not subject to liquidity risks. Procedures for monitoring and corrective actions in the event of non-compliance are included in the purchasing process.

The management of supplier relationships is based on a risk-based approach in which the scope of monitoring and dialogue is tailored to the supplier's risk profile. The purchasing organisation has procedures and training to support uniform application of the Code of Conduct and relevant sustainability factors in contacts with suppliers. Industry-specific certification requirements are taken into account where relevant. For more information on how we monitor our suppliers see S2-2 on page 105.

If shortcomings are identified, corrective actions and continued monitoring are employed to reduce risks in the supply chain and strengthen the supplier's ability to meet the requirements.

G1-3 Prevention and detection of corruption and bribery

LKAB's work against corruption and bribery is governed by the Group's anti-corruption guidelines and Code of Conduct, supplemented by procedures for purchasing, procurement and internal control. LKAB works systematically to prevent and detect irregularities by means of risk assessments, training and auditing. Suspected cases of corruption or bribery are investigated by the General Counsel and handled by LKAB's Ethics Committee,

thereby ensuring independence from individuals who may be involved in the case. The outcome and status are reported back to the Board's Finance and Audit Committee and on to the Board. For a more detailed description of the whistleblowing process and the role of the Ethics Committee see G1-1.

The Group's anti-corruption guidelines are communicated through the company's management system and internal channels to ensure they are available to and understood by all employees.

At present there is no general anti-corruption training for all employees, but in-depth anti-corruptiontraining is given to those in at-risk roles within the Group. The training includes practical scenarios and covers LKAB's anti-corruption rules, relevant legal requirements, examples of impermissible conduct, reporting procedures and how to handle conflicts of interest.

At the end of 2025 a total of 92 percent of at-risk functions and units had completed the training.

Work is underway to produce anti-corruption training for LKAB's management team and Board of Directors. The plan is that the training will be implemented in 2026.

Anti-corruption training	2025
Number of at-risk positions	188
Number of at-risk positions that have completed training	173
Percentage of at-risk positions that have completed anti-corruption training (%)	92

LKAB's head office in Luleå.

Metrics and targets

G1-4 Incidents of corruption or bribery

In 2025 there were no confirmed cases of corruption or bribery. No employee had their contract terminated and no collaborations with business partners were terminated due to confirmed instances of corruption or bribery, either in 2025 or in previous years.

G1-5 Political influence and lobbying activities

LKAB's advocacy efforts are characterised by transparency and responsibility. The Board of Directors has overall responsibility for ensuring that LKAB conducts its advocacy work responsibly and in accordance with the State Ownership Policy.

LKAB makes no political contributions, either directly or indirectly.

LKAB sometimes makes submissions in consultation processes and engages in some lobbying on its own behalf in the form of meetings and dialogue, and participates in industry organisations such as Svemin, Jernkontoret, Euromines and Svensk Vindenergi. Through these forums LKAB advocates for such things as efficient permitting processes, secure energy supply and conditions that support the industrial transition, which are material risks and opportunities for the business. These organisations work on industry-wide matters and are politically independent, and LKAB's membership thus does not imply any direct or indirect political contribution.

LKAB is listed in the EU Transparency Register under ID number 419925437896–51.

No person on LKAB's Board of Directors or among Group management has held a comparable position at an authority in the past two years.

G1-6 Payment practices

LKAB's standard payment terms are 30 days for invoices from suppliers. In 2025 a total of 77 percent of invoices were paid within this period. It is not currently possible for the LKAB Group to determine the average time the Group takes to pay an invoice from invoice date, but the table below provides a breakdown of payment times.

At the end of the year there were no outstanding legal proceedings in respect of late payment. No further breakdown of payment times by supplier category is reported.

Payment practices	2025
Number of supplier payments made within 0–30 days	261,813
Number of supplier payments made within 31–60 days	69,824
Number of supplier payments made within 61–90+ days	8,285
Total number of payments made to suppliers during the year	339,922

Appendix

IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement

Standard	Section	Datapoint	Disclosure requirement	Legislation	Material	Page
General information	GOV-1	Para. 21 (d)	Board's gender diversity	SFDR; Benchmark Regulation	Yes	52
	GOV-1	Para. 21	Percentage of board members who are independent	Benchmark Regulation	Yes	52
	GOV-4	Para. 30	Statement on due diligence	SFDR	Yes	56
	SBM-1	Para. 40 (d) (ii)	Involvement in activities related to fossil fuel	SFDR; Pillar 3; Benchmark Regulation	No	N/A
Climate change	E1-1	Para. 14	Transition plan to reach climate neutrality by 2050	European Climate Law	Yes	64
	E1-1	Para. 16 (g)	Undertakings excluded from Paris-aligned Benchmarks	Pillar 3; Benchmark Regulation	Yes	65
	E1-4	Para. 34	GHG emission reduction targets	SFDR; Pillar 3; Benchmark Regulation	Yes	68
	E1-5	Para. 38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	SFDR	Yes	69
	E1-5	Para. 37	Energy consumption and mix	SFDR	Yes	69
	E1-5	Para. 40–43	Energy intensity associated with activities in high climate impact sectors	SFDR	Yes	69
	E1-6	Para. 44	Gross Scope 1, 2, 3 and Total GHG emissions	SFDR; Pillar 3; Benchmark Regulation	Yes	72
	E1-6	Para. 53–55	Gross GHG emissions intensity	SFDR; Pillar 3; Benchmark Regulation	Yes	70
	E1-7	Para. 56	GHG removals and carbon credits	European Climate Law	No	N/A Phase-in
	E1-9	Para. 66	Exposure of the benchmark portfolio to climate-related physical risks	Benchmark Regulation	Yes	N/A Phase-in
	E1-9	Para. 66 (a)	Disaggregation of monetary amounts by acute and chronic physical risk	Pillar 3	Yes	N/A Phase-in
	E1-9	Para. 66 (c)	Location of significant assets at material physical risk	Pillar 3	Yes	N/A Phase-in
	E1-9	Para. 67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	Pillar 3	No	N/A
	E1-9	Para. 69	Degree of exposure of the portfolio to climate-related opportunities	Benchmark Regulation	Yes	N/A Phase-in
Pollution	E2-4	Para. 28	Pollutant releases and transfers to air, water and soil	SFDR	Yes	81
Water and marine resources	E3-1	Para. 9	Water and marine resources	SFDR	Yes	82
	E3-1	Para. 13	Dedicated policy	SFDR	No	N/A
	E3-1	Para. 14	Sustainable oceans and seas	SFDR	No	N/A
	E3-4	Para. 28 (c)	Total water recycled and reused	SFDR	No	N/A
	E3-4	Para. 29	Total water consumption in m^3 per net revenue on own operations	SFDR	No	N/A
Biodiversity and ecosystems	E4.SBM-3	Para. 16 (a) (i)	Activities negatively affecting biodiversity-sensitive areas, impacts linked to land degradation, desertification or soil sealing, and operations that affect threatened species	SFDR	Yes	86
	E4-2	Para. 24 (b)–(d)	Policies related to biodiversity and ecosystems	SFDR	Yes	87
Resource use and circular economy	E5-5	Para. 37 (d)	Non-recycled waste	SFDR	Yes	94
	E5-5	Para. 39	Hazardous waste and radioactive waste	SFDR	Yes	94

Standard	Section	Datapoint	Disclosure requirement	Legislation	Material	Page
Own workforce	S1.SBM-3	Para. 14 (f)–(g)	Significant risk of child labour or forced labour	SFDR	No	N/A
	S1-1	Para. 20	General approach to human rights for own workforce	SFDR	Yes	97
	S1-1	Para. 21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 9	Benchmark Regulation	Yes	97
	S1-1	Para. 22	Processes and measures for preventing trafficking in human beings	SFDR	No	N/A
	S1-1	Para. 23	Workplace accident prevention policy or management system	SFDR	Yes	97
	S1-3	Para. 32 (c)	Grievance/complaints handling mechanisms	SFDR	Yes	98
	S1-14	Para. 88 (b)–(c)	Number of fatalities and number and rate of work-related accidents	SFDR; Benchmark Regulation	Yes	102
	S1-14	Para. 88 (e)	Number of days lost to injuries, accidents, fatalities or illness	SFDR	Yes	102
	S1-16	Para. 97 (a)	Unadjusted gender pay gap	SFDR; Benchmark Regulation	Yes	102
	S1-16	Para. 97 (b)	Excessive CEO pay	SFDR	Yes	102
	S1-17	Para. 103 (a)	Incidents of discrimination	SFDR	Yes	102
	S1-17	Para. 104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	SFDR; Benchmark Regulation	Yes	102
Workers in the value chain	S2.SBM-3	Para. 11 (b)	Significant risk of child labour or forced labour in the value chain	SFDR	Yes	104
	S2-1	Para. 17–18	General approach to human rights for value chain workers	SFDR	Yes	104
	S2-1	Para. 19	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	SFDR; Benchmark Regulation	Yes	104
	S2-1	Para. 19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 9	Benchmark Regulation	Yes	104
	S2-4	Para. 36	Human rights issues and incidents connected to its upstream and downstream value chain	SFDR	Yes	105
Affected communities	S3-1	Para. 16	Human rights policy commitments	SFDR	Yes	108
	S3-1	Para. 17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	SFDR; Benchmark Regulation	Yes	108
	S3-4	Para. 36	Human rights issues and incidents connected to affected communities	SFDR	Yes	110
Consumers and end-users	S4-1; S4-4	Para. 16–17; para. 35	All disclosures	SFDR; Benchmark Regulation	No	N/A
Business conduct	G1-1	Para. 10 (d)	Protection of whistle-blowers	SFDR	Yes	116
	G1-4	Para. 24 (a)	Fines for violation of anti-corruption and anti-bribery laws	SFDR; Benchmark Regulation	Yes	117
	G1-4	Para. 24 (b)	Standards of anti-corruption and anti-bribery	SFDR	Yes	117

ESRS Table of contents

Auditor’s limited assurance report on Luossavaara-Kiirunavaara AB (publ)’s sustainability statement

To Luossavaara-Kiirunavaara AB,
corporate identity number 556001-5835.

Conclusion

We have conducted a limited assurance engagement of the sustainability statement for Luossavaara-Kiirunavaara AB (publ) (the company) for the financial year 2025. The sustainability statement is included on pages 50–121 in this document.

Based on our limited assurance engagement as described in the section Auditor's responsibility, nothing has come to our attention that causes us to believe that the sustainability statement does not, in all material respects, meet the requirements of the Swedish Annual Accounts Act which includes,

- whether the sustainability statement meets the requirements of ESRS,
- whether the process the company has carried out to identify reported sustainability information has been conducted as described in the sustainability statement, and
- compliance with the reporting requirements of the EU’s Green Taxonomy Regulation Article 8.

Basis for conclusion

We have conducted the limited assurance engagement in accordance with FAR’s recommendation RevR 19 *The auditor’s limited assurance regarding the statutory sustainability statement*. Our responsibility according to this recommendation is further described in the section Auditor’s responsibility.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matters

The prior year’s sustainability statement has not been in scope for limited assurance procedures in accordance with RevR 19 The auditor’s limited assurance regarding the statutory sustainability statement and consequently the prior years’ information in the sustainability statement for 2025 have not been in scope for limited assurance procedures in accordance with RevR 19 *The auditor’s limited assurance regarding the statutory sustainability statement*. Our conclusion is not modified in respect of these matters.

Information other than the sustainability statement

This document also contains information other than the sustainability statement and is found on pages 2–49, 124–194, 199–209. The Board of Directors and the Managing Director are responsible for this other information.

Our conclusion on the sustainability statement does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our limited assurance engagement on the sustainability statement, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the sustainability statement. In this procedure we also take into account our knowledge otherwise obtained in the limited assurance engagement and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of sustainability statement in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act, and for such internal control as they determine is necessary to enable the preparation of the sustainability statement that is free from material misstatements, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express a conclusion with limited assurance on whether the sustainability statement has been prepared in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act based on our review. The limited assurance engagement has been conducted in accordance with FAR's recommendation RevR 19 *The auditor’s limited assurance regarding the statutory sustainability statement*. This recommendation requires that we plan and perform our procedures to obtain limited assurance that the sustainability statement is prepared in accordance with these requirements.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. This means that it is not possible for us to obtain such assurance that we become aware of all significant matters that could have been identified if a reasonable assurance engagement had been performed.

Our firm applies ISQM 1 (International Standard on Quality Management), which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We are independent of Luossavaara-Kiirunavaara Aktiebolag in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

A limited assurance engagement involves performing procedures to obtain evidence to support the sustainability statement. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the sustainability statement, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board of Directors and the Managing Director prepare the sustainability statement, in order to design procedures that are appropriate under the circumstances, but not for the purpose of providing a conclusion on the effectiveness of the company's internal control. The review consists of making inquiries, primarily of persons responsible for the preparation of the sustainability statement, performing analytical review, and conducting other limited review procedures.

In conducting our limited assurance engagement, with respect to the process undertaken to identify the sustainability information to be reported, we have:

- Obtained an understanding of the process by:
  – performing inquiries to understand the sources of the information used by management; and
  – reviewing the company's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our review procedures regarding the Process implemented by the company was consistent with the description of the Process set out in the sustainability statement.

In conducting our limited assurance engagement, with respect to the sustainability statement, we have performed, but were not limited to, the following:

- Through inquiries, obtained a general understanding of the company's reporting and consolidation processes, including the company's internal control environment and information systems, relevant to the preparation of information in the sustainability statement.
- Evaluated whether information identified as material through the process the company has carried out is also included in the sustainability statement.
- Evaluated whether the structure and the presentation of the sustainability statement is in accordance with the requirements of the ESRS.
- Performed inquiries with relevant personnel and analytical procedures on selected disclosures in the sustainability statement.
- Performed substantive procedures through sample testing on selected disclosures in the sustainability statement.
- Through inquiries, obtained understanding of the methods used to develop material estimates and how these methods were applied.
- Through inquiries, obtained a general understanding of the process to identify economic activities which are eligible and aligned with the EU Green Taxonomy, and the corresponding disclosures in the sustainability statement.
- Where applicable, compared disclosures in the sustainability statement with corresponding disclosures in the financial statement.

Inherent limitations in preparing the sustainability statement

In reporting forward-looking information in accordance with ESRS, the Board of Directors and the Managing Director of Luossavaara-Kiirunavaara Aktiebolag are required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by Luossavaara-Kiirunavaara Aktiebolag. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Stockholm, 26 March 2026

KPMG AB

Joakim Thilstedt
Authorized Public Accountant

Corporate governance

→ Comments by the Chairman of the Board
→ Corporate governance report
→ Board of Directors
→ Group management

Comments by the Chairman of the Board

The year has been marked by major challenges, with geopolitical uncertainty and changing market conditions. Despite this, we have seen improved stability in our plants during the year compared with the previous year, when we had disruptions to both production and deliveries. We have also taken significant steps forward in our work on the investments that will shape LKAB for generations to come.

Investments in safety and internal stability

Safety is our top priority and our most key responsibility. We work continuously to achieve safe working environments with healthy employees. During the year we initiated systematic, proactive and risk-conscious safety work, primarily in those parts of the business where the risks are greatest. We are continuing to move step by step towards a safer working environment.

Our mines and processing plants have performed better and been more stable than last year, with fewer production disruptions. This reflects systematic and purposeful improvement efforts. It is particularly gratifying to see how our maintenance work in the core operations has developed, as we have established new ways of working in Kiruna that are now being rolled out throughout the organisation. This provides fundamental reinforcement that will continue to increase stability, availability and reliability for many years to come.

During the year we also continued to strengthen our logistics system. The installation of the new ship loader in the port of Narvik is an important step in creating a more reliable and efficient logistics chain. Although we continue to have capacity challenges on the Iron Ore Line, our employees made valuable and decisive efforts within our own areas of influence.

Our work to strengthen plant stability has started to pay off during the year, although further efforts are needed to achieve the volumes we are aiming for.

Strong customer relationships and the way forward

Even in a turbulent world, we maintain strong customer relationships. Europe's steel industry is transitioning towards reduced carbon emissions while at the same time being squeezed by economic conditions, structural changes and global competition. We monitor developments closely – from capacity utilisation among German industry to the transformation of the automotive industry and the increasing competition from Asia. Nonetheless, we are seeing stable demand for our iron ore products, and our customers continue to show confidence in LKAB and our product quality.

We are continuing to work according to our long-term strategy. We are about to embark on the biggest investments in LKAB's history: new main haulage levels in the Kiruna and Malmberget mines, extraction of critical minerals and increased product processing, with future carbon-free sponge iron as a key part of Europe's transition. We are also awaiting notification from Bergsstaten – the Mining Inspectorate of Sweden – concerning our concession application for the Per Geijer iron ore deposit in Kiruna, which contains large amounts of rare earth elements.

The year has shown the importance of making decisions based on complete, reliable information. Using proven processes, we invest and develop the operations when the conditions are right.

Developing our communities is an important responsibility

Taking responsibility for enabling people to live safe lives and investing in the communities where we operate is part of our long-term social contract. During the year we communicated continued urban transformation in Kiruna, with an expanded impact area from the existing mining, which will affect even more people in and around our local communities. This will demand extensive efforts where we accept our responsibility together with the municipality and the state.

The moving of Kiruna Church during the year was a significant milestone in the ongoing urban transformation. The move was in many ways a unique event and shows the importance of preserving historical heritage for the town, for its culture and for those who live in Kiruna.

Long-term investment focus for future development

We are in a situation in which permit processes, energy supply and delivery capacity will be crucial for our ability to develop the operations and implement our future initiatives. These are matters we are actively working on, where the decisions do not lie with us. Our responsibility is to deliver high quality documentation and to act promptly and professionally – and we expect other actors to do their part.

Profitability is the foundation that will give us freedom going forward. Over the next 10 years our investments will require considerable resources, and it is primarily through strong earnings and good cash flow that we are financing LKAB's future. This is what makes it possible to continue investing in our operations, in the local communities and in the transition that Europe and the world need.

In closing I would like to express my appreciation for our employees, who are showing professionalism, responsibility and strength at a time of both change and pressure. Our employees make a difference – every day.

I would also like to express my warm and heartfelt thanks to Jan Moström, who after a long period with

many changes is now leaving his position as President and CEO. Jan has led LKAB through complex years and laid the foundation for the major steps we are now taking. At the same time, I would like to welcome our new CEO Johan Menckel. The handover has been marked by mutual respect and cooperation, providing a sound foundation for the future.

LKAB is a company with strong roots and an even stronger future. Through resilience and responsibility we can continue to be an engine for Norrbotten, for Sweden and for Europe's industrial transition for many decades to come.

Luleå, 26 March 2026

Anders Borg
Chairman of the Board

Corporate governance report

Corporate governance structure

LKAB's owner, the Swedish state, is ultimately responsible for making decisions on the company's governance. At the Annual General Meeting the owner (shareholder) appoints Board members, the Chairman of the Board and an auditor. The Board is responsible to the owner for the company's organisation and the administration of its affairs. The diagram below summarises how governance and control are organised at LKAB.

1. Annual General Meeting

The AGM is LKAB's highest decision-making body and the forum at which the shareholder formally exercises its influence. The AGM resolves on adoption of the income statement and balance sheet, discharge from liability of the Board, the election of Board members and the auditor, the remuneration of Board members and the auditor and guidelines for the remuneration of senior executives.

2. Board nominations

LKAB does not have a nomination committee. The preparation of decisions on the nomination of Board members instead takes place through a Board nomination process in accordance with the State Ownership Policy. The work is coordinated by the department for state-owned enterprises at the Swedish Ministry of Finance. See deviation from the Swedish Corporate Governance Code on page 127.

3. Auditor

The auditor reports to the shareholder at the AGM and provides an audit report on the annual accounts and the Board's administration of the company. The auditors report regularly, verbally and in writing, to the Finance and Audit Committee on how the audit was conducted and on the auditor's assessment of internal control at the company. A summary of the annual audit is also submitted to the full Board.

4. Board of Directors

The Board of Directors is responsible for the company's organisation and manages the company's affairs on behalf of the owner. The work of the Board includes continuously monitoring the company's financial situation and ensuring that the company is organised so that its bookkeeping, asset management and other financial circumstances are controlled in a satisfactory manner. The Board also appoints the President.

5. Remuneration Committee

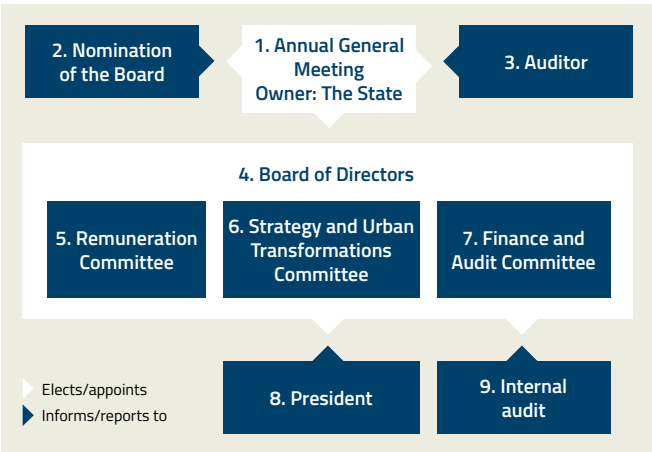
The committee produces proposals and prepares matters relating to remuneration and other terms of employment for the President and other members of Group management, as well as the Board's proposed guidelines for remuneration of senior executives and the company's remuneration report. The committee also monitors the company's process for succession planning and talent management, and evaluates the company's employee incentive programmes annually.

6. Strategy and Urban Transformations Committee

The committee prepares and follows up matters relating to the company's long-term conditions for mining operations, and monitors that the company is managing the urban transformation efficiently and appropriately.

7. Finance and Audit Committee

This committee oversees the company's financial reporting and sustainability reporting by reviewing key accounting matters and other factors that could affect the quality of reporting content. The committee also monitors compliance with LKAB's Finance Policy, including the company's liquidity management, borrowing and hedging, and provides a review and quality assurance of costing assumptions associated with strategic investments. The committee also establishes investment guidelines for asset management and monitors compliance with these.



8. President

The President is appointed by the Board of Directors. The President is responsible for the ongoing administration of the company in accordance with the Board's guidelines and instructions, and for ensuring that the strategic direction and the Board's decisions are implemented and followed.

9. Internal audit

Internal audit is performed by an external party based on an annual plan decided by the Finance and Audit Committee. Internal audit complements the external audit and the findings of the audits are reported to the Finance and Audit Committee and the Board of Directors.

Governing documents, guidelines and regulations

Basic regulations

The basis for corporate governance at LKAB is Swedish legislation, the Swedish Corporate Governance Code (the Code), the State Ownership Policy and internal governing documents. In the State Ownership Policy the government sets out important principles and overriding objectives for the governance and management of state-owned enterprises; see also www.government.se.

Code of Conduct

The Code of Conduct describes how we at LKAB are to conduct ourselves towards each other, towards our business partners and towards the community around us. It builds on LKAB's behaviours, international guidelines and our wish to set an example both in business and in the community. The Code of Conduct is to be complied with by all employees of LKAB, and also by our business partners such as suppliers and consultants. We want our suppliers to lead the field when it comes to ethics, the work environment, equality and diversity, and therefore we require that they comply with both our Basic Requirements and our Supplier Code of Conduct.

Policy documents

Sustainability Policy
LKAB's mission is to utilise iron ore and mineral resources in a responsible way and to secure lasting competitiveness and long-term value creation. Our goal is a business that is sustainable in the long term, in which diversity is an asset. We will get there through zero accidents and illness, by showing respect for human rights and by minimising negative environmental and climate impact.

Risk Management Policy
Through effective risk management work we create the best conditions for achieving our strategic goals. A systematic way of working creates an understanding of risks and makes us equipped to identify, prioritise, manage and monitor our risks.

Finance Policy
The Finance Policy is to ensure that all the Group's financial risks are identified and managed according to risk appetite, and that financing activities support the business plan adopted. The policy sets out the overall framework for financing activities as well as how responsibility for the activity is allocated and how good internal control is ensured.

Insider Policy
The Insider Policy aims to ensure that LKAB manages inside information correctly.

LKAB's governing documents and policies are described in more detail on our website lkab.com.

Deviations from the Code

In accordance with the State Ownership Policy, LKAB applies the Code. LKAB's governance for the 2025 financial year deviates from the requirements stated in the Code on the following points.

Code rule	Deviation and explanation/comment
Item 1.1 Publication of information on shareholder's right of initiative.	The purpose of this rule is to give shareholders the opportunity to prepare for the AGM in a timely manner and to have a matter included in the AGM notice. At state-owned companies it is not necessary for this rule to be applied, and there is therefore no publication of information on the shareholder's right of initiative.
Item 2 The company shall have a nomination committee that represents the company's shareholders.	Due to its ownership structure, LKAB does not have a nomination committee. The Board nomination process follows the principles outlined in the State Ownership Policy and is coordinated by the Swedish Ministry of Finance. Proposals for the election of the auditor and for auditor's fees are presented by the Board and adopted by the company, applying the EU Audit Regulation. Accordingly, the references to the nomination committee in items 1.2, 1.3, 4.6, 8.1 and 10.2 of the Code are also not applicable.
Item 10.2 The corporate governance report shall contain information that indicates whether Board members are independent of major shareholders.	The provision is aimed primarily at protecting non-controlling shareholders in companies with dispersed ownership. At wholly state-owned enterprises there is no reason to apply this rule.

Shareholders and Annual General Meeting

Shareholders

LKAB is wholly owned by the Swedish state. The Government Offices of Sweden administers companies through the special organisation for administration of state-owned enterprises that is part of the Swedish Ministry of Finance.

To achieve active and professional company administration the owner has developed a corporate governance model that includes a number of tools and processes. In the State Ownership Policy the government sets out important principles and overriding objectives for the governance and management of state-owned enterprises. The government has high expectations that the enterprises' business operations are conducted in an exemplary manner in accordance with seven general principles. These principles also guide the government's management of the enterprises. In brief, the seven principles mean that state-owned enterprises must act on a commercial basis, have good corporate governance, generate sustainable value creation, have long-term ambitions and good transitioning capacity, be characterised by security awareness and contribute to the country's preparedness for crisis and war, pay reasonable and well-considered remuneration, and act transparently in relation to their stakeholders.

Monitoring financial goals is another important governance tool that the state has as owner. LKAB's financial goals were decided at an extraordinary general meeting in 2021 and relate to profitability, capital structure and dividend; see page 7 for the goals and how they are monitored.

Annual General Meeting 2025

LKAB's Annual General Meeting took place on 24 April 2025 at Vetenskapens Hus in Luleå. The owner was represented by Åsa Mitsell of the Ministry of Finance. The meeting was chaired by Chairman of the Board Anders Borg. The Annual General Meeting was open to the public.

Resolutions passed at the Annual General Meeting included the following:

- A dividend of SEK 6,286 per share, representing a total of SEK 4,400,000,000.
- Re-election of Board members Anders Borg, Carina Andersson, Alrik Danielson, Catrin Fransson, Eva Hamilton, Bjarne Moltke Hansen, Kerstin Konradsson, Lotta Mellström and Per-Olof Wedin.
- Re-election of Anders Borg as Chairman of the Board.
- Remuneration of SEK 777,000 to the Chairman of the Board and SEK 350,000 to the other Board members elected at the AGM. Remuneration is not paid to any Board member who is employed at the Government Offices of Sweden, nor to employee representatives.
- Re-election of the registered accounting firm KPMG AB as auditor for a period of one year.
- Resolution on unchanged guidelines for remuneration and other terms of employment for senior executives.

The minutes of the 2025 AGM and of other recent years' general meetings are available on LKAB's website at lkab.com.

Board nominations

The Government Offices of Sweden has made Board nominations in accordance with the process set out in the State Ownership Policy. The work is coordinated by the department for state-owned enterprises at the Swedish Ministry of Finance. LKAB's expertise requirements are analysed based on the company's operations, situation and future challenges. Diversity aspects such as ethnic and cultural background are among the factors considered. The government aims to achieve gender balance both on individual boards and at portfolio level. In order to be considered for a Board position, a person must have a high level of expertise relevant to current business operations, business development, industry expertise, financial matters, sustainable enterprise or in other relevant areas. They must also have a high level of integrity and the ability to act in the best interests of the company.

LKAB's Group management has adopted a Group guideline on HR matters stating that diversity and equal opportunity are important factors in recruitment. The recruitment process is to be conducted systematically using transparent selection criteria, with a high level of integrity and free from any kind of discrimination. The guideline is applied in all recruitment within the Group.

Auditor

On behalf of the owner, the auditor independently reviews the administration by the Board and President as well as the company's annual report and accounts. The auditor also performs a review of the company's interim report for the third quarter and of the company's sustainability report. The auditor is elected by the AGM. The work of the auditor is evaluated annually.

At the Annual General Meeting held on 24 April 2025 KPMG AB was re-elected as auditor for a period of one year. Authorised Public Accountant Joakim Thilstedt is the chief auditor. The remuneration of the auditor is specified in Note 7 on page 159 of the Annual Report.

Board of Directors

Composition and division of duties of the Board of Directors

LKAB's Articles of Association state that the company's Board of Directors shall consist of no fewer than six and no more than eleven AGM-elected members, excluding deputies. The Board consists of nine AGM-elected members: five women and four men. One of the AGM-elected members is employed at the Government Offices of Sweden. Employees are represented by three members and three deputies in accordance with the Board Representation (Private Sector Employees) Act. Board members have broad and extensive experience from trade and industry, and most maintain other duties as members of the boards of large companies. To avoid conflicts of interest the members of the Board report other assignments outside the company to the Chairman of the Board. The members of the Board are presented on pages 133–134. The Board annually establishes rules of procedure for the Board, instructions for the President and instructions for financial reporting. These documents define the basic division of responsibility and powers between the Board, Board committees, the Chairman and the President.

Chairman of the Board

The duties of the Chairman are subject to the Swedish Companies Act, the Code and the State Ownership Policy.
They are further specified in the Board's rules of procedure. The Chairman's duties include organising and leading the work of the Board, ensuring that the Board fulfils its duties and that its decisions are implemented effectively, and ensuring that the Board evaluates its own work annually.

The Chairman of the Board has an obligation to provide information to, and is responsible for contacts with, the owner, and must ensure that the owner is informed – at owner dialogues and, if necessary, more regularly – of the enterprise's overall development and goal attainment.

If the enterprise is facing major strategic transitions, the Board must inform the owner well in advance through the Chairman of the Board and request a special strategic review for the owner's position to be provided in writing.

The work of the Board of Directors in 2025

In 2025 the Board held 12 meetings, including three extra Board meetings, one constituent Board meeting and one per capsulam meeting. The meetings were held in Luleå, Kiruna and Stockholm, as well as digitally. The meetings follow a set agenda to ensure the Board's information needs are met. The first meeting of the year is usually an annual accounts session attended by the auditor. At this meeting, the Board deliberates with the company's auditors without the President or other members of Group management being present. At the second Board meeting the Annual and Sustainability Report is discussed. The third to eighth meetings tend to be devoted to operational, strategic and personnel matters, among other things, and to market development. At the last Board meeting of the year decisions are made on the business plan and budget for the coming year. The Board visited LKAB's locomotive workshop and areas affected by the mine in Kiruna in conjunction with the Board meeting in August.

In March 2025 the company's President and CEO Jan Moström announced that he intends to retire in 2026. The Board then began a recruitment process and in July Johan Menckel was appointed as the new President and CEO of LKAB, who will assume the position on 1 April 2026.

At the end of August 2025 LKAB reported an updated deformation forecast for Kiruna. The extended impact area includes around 2,700 homes that will need to be replaced over the coming 10 years in order that mining can continue. The estimated cost for this part of the urban transformation is just over SEK 20 billion.

The Board has also decided to build a new sorting plant at the mine in Malmberget. The investment amounts to SEK 6 billion and the plant is expected to be in operation in 2028. During the year the Board also closely monitored the preparations for and installation of a new ship loader in Narvik. The new ship loader is a strategically important investment in the company's logistics system and forms part of an ongoing larger investment programme in the Port of Narvik for a total of SEK 5 billion in the period up to 2029.

During the 2025 Board year, the Board continued to focus on LKAB's transformation and ongoing planning for the construction of a demonstration plant for the production of fossil-free sponge iron in Malmberget. The Board has also monitored the work to establish a research and development centre and a demonstration plant for the processing of phosphorus and rare earth elements in Luleå.

Other important matters on the Board's agenda have been LKAB's efforts in respect of the work environment and safety, ongoing urban transformation in Kiruna and Gällivare/Malmberget, the company's maintenance strategy, the management of the company's investment matters, good cost control and ongoing environmental permit reviews for the operations in Malmberget. The Board has received ongoing reports on the company's adaptation to changed EU regulations on sustainability reporting. The findings of the company's internal audit, which in 2025 focused on the transaction process within urban transformation, were reported back to the Board. The annual review of LKAB's governing documents was performed. Due to the changed world situation, the Board has had an increased focus on risk and security, including continuity and contingency planning. Training focusing on the NIS2 Directive and cybersecurity matters has been provided to the Board of Directors.

During 2024 and early 2025 the Swedish National Audit Office conducted a review of the transformation of LKAB. The result was presented in a report in April 2025, with the Swedish National Audit Office concluding overall that LKAB has acted in a commercially reasonable manner and is following a gradual process, focusing on choice of technology, profitability and risk management.

Deputies to employee representatives participate in Board meetings. The President is not a Board member, but participates in Board meetings along with the Chief Financial Officer. The company's Legal Counsel serves as secretary to the Board. Board member attendance at 2025 Board and committee meetings is shown in the table on page 131.

Committees

According to the State Ownership Policy, it is the Board's responsibility to assess the need for establishing special committees. LKAB's Board has established a Remuneration Committee, a Strategy and Urban Transformations Committee, and a Finance and Audit Committee. Committee work is of a preparatory and advisory nature. However, in special cases the Board may delegate decision-making powers to the committees. Committee members and chairs are appointed at the constituent Board meeting that follows the AGM each year.

Remuneration Committee

The Remuneration Committee has four members: Anders Borg (chair), Catrin Fransson, Lotta Mellström and Tomas Larsson. The meetings are also attended by the Senior Vice President, HR and Communications.

The Remuneration Committee's duties include preparing and evaluating the remuneration and other terms of employment for the President and other members of Group management, and preparing the Board's proposed guidelines for remuneration of senior executives. The committee is also responsible for the company's remuneration report, for monitoring the company's process for succession planning and talent management, and for annually evaluating the company's incentive programmes for employees. In the first half of 2025 the Remuneration Committee participated in the recruitment of a new President for the company.

The Remuneration Committee held 15 meetings during the year.

Strategy and Urban Transformations Committee

The Strategy and Urban Transformations Committee has five members: Anders Borg (chair), Eva Hamilton, Bjarne Moltke Hansen, Per-Olof Wedin and Anders Elenius. Its meetings are also attended by the President, the SVP Community Development and the SVP Strategy and Business Development. The Strategy and Urban Transformations Committee's tasks include monitoring the company's management of matters of particular strategic importance for mining, such as access to land as well as efficient and legally sound permitting processes. It also prepares matters relating to urban transformation and monitors the company's management in this area.

In the course of the year the Strategy and Urban Transformations Committee held six meetings.

Finance and Audit Committee

The Finance and Audit Committee has six members: Alrik Danielson (chair), Carina Andersson, Catrin Fransson, Kerstin Konradsson, Lotta Mellström and Stefan Tallfjärd. Its meetings are also attended by the Chief Financial Officer and, when needed, the company's auditor. The committee is tasked with quality assurance of LKAB's financial reporting and sustainability reporting, and with ensuring that the company has appropriate risk management, complies with established principles for reporting and internal control, and that LKAB undergoes a qualified, effective and independent audit. The committee also has a mandate to review and quality-assure costing assumptions associated with strategic investments. The committee further establishes investment guidelines for asset management and monitors compliance with these. The Finance and Audit Committee is additionally responsible for purchases of audit services and prepares a reasoned proposal for the election of an auditor

that is put to the Board of Directors for approval, and also prepares the Board's proposal for the appropriation of earnings for the financial year. The committee's duties also include monitoring that the company's liquidity management, financing and hedging activities comply with the Finance Policy passed by the Board, and otherwise preparing financial matters that require Board approval. The Finance and Audit Committee is also responsible for planning the internal audit.

In the course of the year the Finance and Audit Committee held seven meetings.

Internal audit

Internal audit is performed by an external party based on an annual plan decided by the Finance and Audit Committee. Internal audit complements the external audit and the findings of the audits are reported to the Finance and Audit Committee and the Board of Directors. In 2025 internal audit focused on the transaction process within urban transformation.

Evaluation

Evaluation of the Board of Directors

The Board's work is evaluated once a year with questions on how the Board as a whole and the Board members individually fulfil their duties. This evaluation is used in the Board's internal work. The Chairman is responsible for processing the results so that they can form a basis for discussions and improvements. The evaluation in 2025 consisted of a web-based survey. The results and analysis of the evaluation were discussed by the full Board at its meeting in December 2025. The Chairman of the Board notifies the owner of relevant results of the evaluation ahead of work related to the election of new Board members.

Evaluation of the President

The evaluation of the President's performance is a fundamental task of the Board of Directors. The Board continually evaluates the President's work and has regular deliberations at Board meetings where Group management are not present. The evaluation in 2025 consisted of a web-based survey. The results and analysis of the evaluation were discussed by the full Board at its meeting in December 2025.

Remuneration principles

Guidelines

The 2025 AGM approved remuneration levels for Board members and auditors, and also adopted guidelines for remuneration of senior executives which accord with the remuneration principles set out in the State Ownership Policy. The remuneration to senior executives is based on fixed remuneration, benefits and pension. No variable remuneration is paid to senior executives in Group management. The guidelines passed by the AGM for 2025 and reporting on the remuneration paid to senior executives can be found in Note 6 on pages 157–159. LKAB has also published a separate remuneration report, which is available on our website at lkab.com.

The Board of Directors does not intend to change the guidelines for remuneration of senior executives in 2026.

Remuneration to the Board of Directors

Total fees to the Board members elected by the AGM amounted to SEK 3,731,000 in 2025. See Note 6 on pages 157–159.

Incentive programme

LKAB's 2025 incentive programme is designed to stimulate involvement and reward important factors in the Group's success.

It provides added motivation for target attainment and for implementing the LKAB Group's strategy, of which sustainability is an integral part. Input parameters include monitoring performance against targets for delivery volume, occupational health and safety, carbon intensity and return on equity.

The programme is based on the principle of "One LKAB" and thus the same parameters apply to all employees regardless of where they work in the organisation. The maximum remuneration is SEK 60,000 per person and year. Senior executives are not included in the incentive programme.

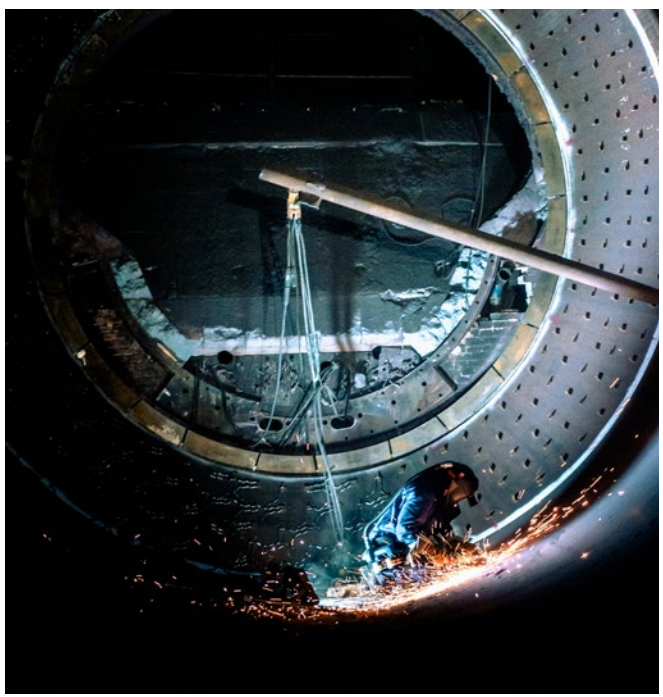
LKAB's management

Group management and Group management structure

The President, who is also the Chief Executive Officer of the LKAB Group, is responsible for day-to-day management in accordance with the Swedish Companies Act. General responsibilities are stated in the President's instructions and the Board's rules of procedure.

The President has established a Group management team for steering the Group's overall direction. Group management holds monthly meetings at which matters of importance are discussed and matters to be raised with the Board are prepared. The CEO also has monthly operational follow-up meetings with each business area and Group function to discuss matters such as results, forecasts, investments, progress towards targets set, significant events and current challenges. The CEO also has a more in-depth follow-up meeting with the management team of each business area several times a year.

Information on the members of the Group management team can be found on page 135.



The work of the Board of Directors in 2025

Q1

February. Adoption of the year-end report. Review of 2024 audit. Review of the Group's governing documents.

March. Approval of Annual and Sustainability Report.

Q2

April. Adoption of interim report for Q1. Business intelligence. Annual General Meeting, including decision on dividend of SEK 4.4 billion. Constituent Board meeting.

June. Decisions on updated strategy.

July. Johan Menckel appointed as the new President of LKAB, taking up the position on 1 April 2026.

Q3

August. Adoption of interim report for Q2. Updated deformation forecast for Kiruna. Decision to build a new sorting plant in Malmberget.

Q4

October. Adoption of interim report for Q3.

December. Decisions on business plan and budget for 2026. Review of evaluation of the Board of Directors and of the President for 2025.

Board meetings 2025

	24/1	11/2	27/3	24/4	Constit.	10/6	3/7	14/7	14/8	27–28/8	21–22/10	11/12
Anders Borg	■	■	■	■	■	■	■	■	■	■	■	■
Carina Andersson	■	■	■	■	■	■	■	■	■	■	■	■
Alrik Danielson	■	■	■	■	■	■	■	■	■	■	■	■
Anders Elenius	■	■	■	■	■	■	■	■	■	■	■	■
Catrin Fransson	■	■	■	■	■	■	■	■	■	■	■	■
Eva Hamilton	–	■	■	■	■	■	■	■	■	■	■	■
Bjarne Moltke Hansen	■	■	■	■	■	■	■	■	■	■	■	■
Kerstin Konradsson	■	■	■	■	■	■	■	■	■	■	■	■
Tomas Larsson	■	■	■	■	■	■	■	■	■	■	■	■
Lotta Mellström	■	■	■	■	■	■	■	■	■	■	■	■
Stefan Tallfjärd	■	■	■	■	■	■	■	■	■	■	■	■
Per-Olof Wedin	■	■	■	■	■	■	■	■	■	■	■	■
Peter Nordström (deputy)	■	■	■	–	–	■	■	■	■	■	■	■
Hans Thorneus (deputy)	–	■	■	■	■	–	■	■	■	■	■	■
Johan Ömlén (deputy)	–	■	■	■	■	■	■	■	■	■	■	■

Finance and Audit Committee 2025

	5/2	20/3	15/4	3/6	11/8	20/10	3/12
Alrik Danielson	■	■	■	■	■	■	■
Carina Andersson	■	■	■	■	■	■	■
Catrin Fransson	■	■	■	■	■	■	■
Kerstin Konradsson	■	■	■	■	■	■	■
Lotta Mellström	■	■	■	■	■	■	■
Stefan Tallfjärd	■	■	■	■	■	■	■

Strategy and Urban Transformations Committee 2025

	30/1	10/4	27/5	19/8	30/9	24/11
Anders Borg	■	■	■	■	■	■
Eva Hamilton	■	■	■	■	■	■
Bjarne Moltke Hansen	■	■	■	■	■	■
Per-Olof Wedin	■	■	■	■	■	■
Anders Elenius	■	■	■	■	■	■

Remuneration Committee 2025

	17/1	19/2	18/3	31/3	22/4	5/5	19/5	23/5	26/5	19/6	30/6	18/8	13/10	24/11	16/12
Anders Borg	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Catrin Fransson	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Lotta Mellström	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Tomas Larsson	■	■	■	■	■	■	■	■	–	■	■	■	■	■	■

Internal control over financial reporting

The Board's responsibility for internal control over financial reporting is regulated by the Swedish Companies Act, Annual Accounts Act and Corporate Governance Code. The Board has overall responsibility for financial reporting, and its rules of procedure govern the internal division of duties between the Board and the Finance and Audit Committee. Work on internal control over financial reporting within LKAB is based on the five internal control components below.

Control environment

LKAB's internal control structure is based on a defined division of responsibilities between the Board, Board committees and the President. The internal control structure is also based on the Group's organisation and the way business is run, including well-defined roles and responsibilities, delegation of powers, governing documents such as policies, guidelines and instructions and clearly defined management processes. The Board and management review the Group's governing documents each year for the purpose of ensuring good internal governance and control and that the structure and content of the Group's governing documents are clear. The most important elements of the control environment for financial reporting are dealt with in the Group's governing documents for accounting, financial transactions and regulation of the division of authority. Group instructions and systems for the presentation and consolidation of the Group's financial statements aim to ensure the accuracy of the financial reporting.

Risk assessment

A comprehensive risk analysis for financial reporting is carried out annually at Group level, with input from the business areas. Based on this comprehensive risk analysis, priority processes are identified and worked on in a structured way through process reviews, including documenting risks and controls.

Control activities

In addition to the Board and its Finance and Audit Committee, the management teams in the Group are also general control bodies. The business processes are designed to ensure that any deviations in the financial reporting are prevented or detected and rectified by controls built into the processes. Control activities include everything from review of performance outcomes at management team meetings to specific account reconciliation and analysis at various levels in the day-to-day processes for financial reporting.

Information and communication

Information on steering documents such as policies, guidelines and instructions is available on LKAB's intranet. Changes to instructions for financial reporting are updated regularly and communicated to the functions and operations concerned. The Group's central accounts function is tasked with ensuring the application of Group-wide instructions for financial reporting and with identifying and communicating on weaknesses and areas for improvement in financial reporting processes.

Monitoring activities

Business processes that are judged to have a material impact on financial reporting are monitored continually, for example by performing risk analysis or based on previously identified weaknesses or deviations. In 2025 ongoing audits of standardised controls were carried out according to plan. The results of these reviews are fed back to the operations concerned and actions decided on are monitored on an ongoing basis.

LKAB has an internal control function that is responsible for the framework for internal control over financial reporting. The head of the function reports to the Chief Financial Officer and presents matters relating to internal governance and control at the meetings of the Finance and Audit Committee. Internal audit carries out audits on behalf of the Finance and Audit Committee, and internal control is also followed up within the context of the external audit. The structure for monitoring internal control that currently exists at LKAB is deemed to meet the Board's requirements.

Luleå, 26 March 2026

The Board of Directors, through the Chairman

Anders Borg

Internal control over financial reporting

Board of Directors

1. Anders Borg

Born: 1968

Board member since 2023

Education: Studies in economics, economic history, political science and philosophy at Stockholm University and Uppsala University.

Background: Sweden's Finance Minister 2006–2014. Advisor to the Riksbank (Sweden's central bank) and expert advisor in the Prime Minister's Office. Former advisor and board member at various companies in the sectors of telecommunications, fintech and public administration. Has also worked for Citigroup, ABN AMRO and SEB, and has been an active member of the World Economic Forum for many years.

Other directorships: Chairman of the Board at Sehlhall Fastigheter AB and DanAds International AB. Board member at Nederman Holding AB and Rud Pedersen Public Affairs Company AB. Senior advisor to Kinnevik, Nordic Capital, East Capital and Amundi.

2. Carina Andersson

Born: 1964

Board member since: 2024

Education: Mining Engineering, KTH Royal Institute of Technology, Stockholm.

Background: Senior position at Sandvik Materials Technology, 2008–2011. Previous directorships at Beijer Alma AB (publ) 2011–2023, Sintercast AB (publ) 2014–2018, Gränges AB (publ) 2014–2022, BE Group AB (publ) 2018–2022, Systemair AB (publ) 2015–2025, Detection Technology Oyj (publ) 2019–2024, Swedish Stirling AB (publ) 2020–2023. Chairman of the Board at Returpack AB 2022–2024. CEO Ramnäs Bruk AB 2004–2008, CEO Scana Ramnäs AB 2002–2004.

Other directorships: Chairman of the Board at Carbomax AB. Board member at Papershell AB.

3. Alrik Danielson

Born: 1962

Board member since: 2024

Education: Bachelor of Economics at the Gothenburg School of Economics.

Background: President and CEO of SKF AB 2015–2021. President and CEO of Höganäs AB 2005–2014.

Other directorships: No further directorships.

4. Catrin Fransson

Born: 1962

Board member since: 2021

Education: MBA, Luleå University of Technology, Senior Executive Programme, London Business School.

Background: CEO Svensk Exportkredit (Swedish Export Credit Corporation) 2014–2021. Swedbank 1997–2014, including in senior positions such as head of the Swedish Banking Division and Group Products Division.

Other directorships: Chairman of the Board at Swedfund International AB. Board member at insurance company PRI Pensionsgaranti.

5. Eva Hamilton

Born: 1954

Board member since: 2015

Education: Dag Hammarskiöld College. Economics at Uppsala University. Journalism at Stockholm University.

Background: Chairman of the Board at Radiotjänst i Kiruna 2006–2015. Previous directorships at Fortum Oyj 2015–2021, Lindex 2015–2019 and Stockmann 2019–2021. CEO at SVT 2006–2014. Head of SVT Fiction 2004–2006. Head of SVT News and Sport 2000–2004. Journalist at Sydsvenska Dagbladet, Sundsvalls Tidning, Aftonbladet, SvD, Dagens Industri and Rapport/SVT. Brussels correspondent 1993–1996.

Other directorships: Chairman of the Board at Luleå University of Technology and the Swedish Film and TV Producers' Association. Board member at Bonnier News AB, Bonnier News Local AB, Expressen/Lifestyle AB and Yrkesnämnden för film och TV (Screen Skills Committee Sweden). Member of the Royal Swedish Academy of Engineering Sciences (IVA).

6. Bjarne Moltke Hansen

Born: 1961

Board member since: 2016

Education: BSc Engineering, Danmarks Ingeniør Akademi (Danish Academy of Engineering).

Background: Group Executive Vice President (Koncerndirektør) FLSmidth & Co. 2002–2017, President Aalborg Portland Holding A/S 2000–2002, President Cembrit Holding A/S 1995–2000, various managerial positions at Unicon A/S 1984–1995.

Other directorships: Chairman of the Board at Aalborg Portland Holding A/S, RMIG A/S, Pindstrup Mosebrug A/S, Randers Tegl A/S and Aasted ApS. Board member at PPC Ltd and Danish SGD Investment Fund, Investment Committee.

7. Kerstin Konradsson

Born: 1967

Board member since: 2023

Education: MSc in Metallurgy, KTH Royal Institute of Technology.

Background: President and CEO, Erasteel 2023–2024. President, Boliden Smelters and CEO, Boliden Commercial AB 2012–2019. President, Åkers Cast Rolls Europe & Asia and CEO, Åkers Sweden AB 2007–2011. Vice President Metallurgy and other senior positions at SSAB Oxelösund AB 1995–2007. Board member at Höganäs AB 2016–2021.

Other directorships: Board member at Sibelco NV. Member of the Royal Swedish Academy of Engineering Sciences (IVA) and Deputy Chair of Division V Mining and Materials Engineering.

8. Lotta Mellström

Born: 1970

Board member since: 2018

Education: MBA, Lund University.

Position: Senior advisor and corporate administrator within the department for state-owned companies at the Ministry of Finance.

Background: At the Government Offices of Sweden since 2001. Analyst within the department for state-owned enterprises at the Ministry of Enterprise/Ministry of Finance 2001–2008, management consultant Resco AB 2000–2001, controller Sydkraft Försäljning AB 1998–2000, management trainee and controller positions within the ABB group 1993–1998.

Other directorships: Board member at Jernhusen AB and SSC Space AB.

9. Per-Olof Wedin

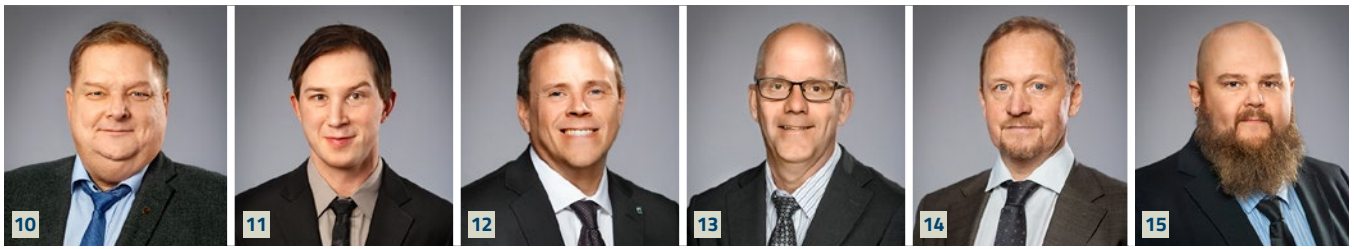
Born: 1955

Board member since: 2018

Education: MSc in Engineering, KTH Royal Institute of Technology, Stockholm.

Background: President and CEO Sveaskog AB 2011–2019, CEO Svevia 2008–2011, head of Stora Enso's Uncoated Magazine Papers and Pulp division and its Transport and Distribution department 2001–2008, CEO Stora Enso Grycksbo AB 1998–2001. Senior positions within SCA and Modo 1982–1998.

Other directorships: Chairman of the Board at Skogssällskapet and Envigas AB. Member of the Royal Swedish Academy of Engineering Sciences (IVA), Division VIII Forestry Engineering, and of the Royal Swedish Academy of Agriculture and Forestry, Forestry Division.



Employee representatives

10. Anders Elenius

Born: 1965
Position: Production driller
Board member since: 2018
Education: Upper secondary school,
Background: Employed by LKAB since 1990.
Other directorships: Chair of Gruv 12:an, the local trade union association for IF Metall Malmfälten.

11. Tomas Larsson

Born: 1983
Position: Scaler
Board member since: 2018
Education: Upper secondary school,
Background: Employed by LKAB since 2003.
Other directorships: Chair of Gruv 4:an, the local trade union association for IF Metall Malmfälten.

12. Stefan Tallfjärd

Born: 1971
Position: Section Leader
Board member since: 2023 (deputy member 2020–2023).
Education: Within building and construction
Background: Employed by LKAB since 1997.
Other directorships: Board member at Ledarna Malmberget/Luleå/Stockholm, board member at Ledarna inom Processindustrin, representative at GRAMKO – the Health & Safety Committee of the Mining and Mineral Industry.

13. Peter Nordström

Born: 1963
Position: Rock Worker
Deputy board member since: 2020
Education: Upper secondary school, trade union training
Background: Employed by LKAB since 2010.
Other directorships: Chair of Klubb 135:an, the local trade union association for IF Metall Malmfälten; Chairman of the Board at Vittangi Alltjänst AB.

14. Hans Thorneus

Born: 1975
Position: IT Architect
Deputy board member since: 2023
Education: Economics, specialisation Controller, Växjö University (Linnaeus University).
Background: Employed by LKAB since 1995.
Other directorships: Deputy Chair Unionen Kiruna/Svappavaara. Board member Unionen Region Norrbotten.

15. Johan Ömlén

Born: 1983
Position: Maintenance Mechanic
Deputy board member since: 2024
Education: Upper secondary school, international welding specialist.
Background: Employed by LKAB since 2009.
Other directorships: Chair of the local trade union association IF Metall Klubb Svartöstaden. Chief safety officer, IF Metall Klubb Svartöstaden. Regional safety officer, IF Metall Norrbotten. Deputy member of branch board for IF Metall Branch 2 Norrbotten.

Auditor and secretary

Auditor
KPMG
Joakim Thilstedt
Authorized Public Accountant

Secretary
Malin Sundvall
General Counsel, LKAB
Secretary to the Board since 2008

Group management

1. Jan Moström[1]

President and CEO

Education: Mining Engineer, Bergsskolan Filipstad 1983.

Year employed: 2015

Born: 1959

Other engagements: Chairman of Svemin (industry association of mining, mineral and metal producers) and Euro Mine, Deputy Chairman of GAF (the Association of Mining Employers), and board member at Svenskt Näringsliv (Confederation of Swedish Enterprise) and Infra Nord.

Background: Boliden 2000–2015, Skellefteå Municipality 1998–2000, Boliden 1979–1998.

2. Niklas Johansson

Senior Vice President
Public Affairs and External Relations

Education: MBA, Stockholm School of Economics 1998.

Year employed: 2020

Born: 1970

Background: Ministry for Foreign Affairs 2019, Ministry of Enterprise and Innovation 2016–2019, Opcon AB 2007–2016, Prime Minister's Office 2003–2006, Government Offices 1996 and 1997–2003, European Parliament 1994–1995.

3. Per Landström

Senior Vice President
Strategy and Business Development

Education: MBA, Umeå University, 2004.

Year employed: 2018

Born: 1980

Background: Boliden 2013–2018, Metso 2012–2013, LKAB 2005–2012.

4. Pia Lindström

Senior Vice President
Environment and Sustainability

Education: Bachelor's degree in Environmental and Health Protection, Umeå University 1994, Executive Programme in Industrial Management, KTH Royal Institute of Technology, Stockholm 2017–2018 and supplementary studies in, among other things, in organic chemistry.

Year employed: 2022

Born: 1970

Background: Boliden 1998–2022, Norsjö Municipality 1996–1998.

5. Magnus Karlsson

Chief Financial Officer

Education: MBA, Stockholm School of Economics 2004

Year employed: 2025

Born: 1980

Background: Scania 2015–2025, My Academy 2014–2015, Spotify 2013–2014, EF Education First 2006–2013, Scania 2004–2006.

6. Peter Richardson

Senior Vice President
Iron Ore Business Area

Education: Master of Science in Geotechnology, Luleå University of Technology, 1995

Year employed: 2026

Born: 1971

Background: Barrick Gold 2022–2024, Lundin Mining 2015–2022, Boliden 1995–2015.

7. Åse Juhlin

Senior Vice President
HR and Communications

Education: Graduated from Mid Sweden University in 1998 with a bachelor's degree specialising in psychology (human resources management), supplementary studies in commercial law and economics.

Year employed: 1998

Born: 1967

Background: LKAB 1998–

8. Darren Wilson

Senior Vice President
Special Products Business Area

Education: Master of Business Administration (MBA), Open University.

Year employed: 2013

Born: 1969

Background: Saint-Gobain 1986–2013.

9. Stefan Hämäläinen

Senior Vice President
Community Development

Education: Officer, Swedish National Defence College 2002.

Year employed: 2013

Born: 1970

Background: Swedish Armed Forces 1990–2003, Kiruna Municipality 2003–2012, Radiotjänst 2012–2013, LKAB 2013–present

Changes to Group management

In the first quarter of 2025 the company's President Jan Moström announced that he intends to retire in 2026. In July Johan Menckel was appointed as the new President of LKAB, taking up the position on 1 April 2026.

In the second quarter of 2025 Åse Juhlin took up the position of Senior Vice President HR and Communications, having held the role of Acting Senior Vice President HR and Communications since 1 December 2024.

In the third quarter of 2025 Magnus Karlsson took up the position of Chief Financial Officer, replacing Peter Hansson who had held the position of Acting Chief Financial Officer since January 2025. Peter Hansson left the Group management for other assignments within LKAB.

In the first quarter of 2026 Peter Richardson became the new Senior Vice President Iron Ore Business Area, replacing Michael Palo who left LKAB at the end of March 2026.

Remuneration

For remuneration to Group management in 2025 see Note 6 on pages 157–159.

[1] Neither the President and CEO nor any natural person or legal entity related to him has any significant shareholdings or partnerships in companies with which LKAB has significant business relationships.

Contents – accounts

Consolidated income statement

1 January – 31 December

MSEK	Note	2025	2024
	1		
Net sales	2, 3	33,325	33,146
Cost of goods sold	13, 14, 15, 31	-27,836	-22,503
Gross profit/loss		**5,489**	**10,643**
Selling expenses		-458	-439
Administrative expenses		-995	-868
Research and development expenses		-961	-1,260
Other operating income	4	467	1,179
Other operating expenses	5	-419	-488
Share of profit of joint ventures and associates		151	-45
Operating profit/loss	**2, 6, 7, 8**	**3,274**	**8,722**
Financial income		1,276	2,549
Financial expense		-862	-320
Net financial income/expense	**9**	**414**	**2,229**
Profit/loss before tax		3,688	10,951
Tax	11	-712	-2,178
Profit/loss for the year		**2,976**	**8,773**
Profit for the year attributable to:			
Owners of the parent	12	2,977	8,764
Non-controlling interests		-1	9
Earnings per share before and after dilution (SEK)	12	4,253	12,519
Number of shares		700,000	700,000

Consolidated statement of comprehensive income

1 January – 31 December

MSEK	Note	2025	2024
Profit/loss for the year		**2,976**	**8,773**
Other comprehensive income			
Items that will not be reclassified to profit or loss for the year:			
Remeasurement of defined-benefit pension plans		155	207
Tax attributable to actuarial gains and losses		-32	-43
Changes for the year in the fair value of equity instruments measured at fair value through other comprehensive income	26	2,771	-3,513
		2,894	**-3,349**
Items that have been or may be reclassified subsequently to profit or loss for the year:			
Translation differences on translation of foreign operations for the year	26	-300	115
Remeasurement relating to high inflation	26	-4	6
Changes in fair value of cash flow hedges for the year	26	101	-3
Changes in fair value of cash flow hedges reclassified to profit or loss for the year	26	3	-2
Tax attributable to components of cash flow hedges	26	-21	1
Total items that may be reclassified subsequently to profit or loss for the year		**-221**	**117**
Other comprehensive income for the year		**2,673**	**-3,232**
Comprehensive income for the year		**5,649**	**5,541**
Comprehensive income for the year attributable to:			
Owners of the parent		5,650	5,532
Non-controlling interests		-1	9

Consolidated statement of financial position

1 January – 31 December

MSEK	Note	31 Dec 2025	31 Dec 2024
Assets	1, 17, 33, 34, 35, 36, 38		
Non-current assets			
Intangible assets	13	2,641	2,423
Property, plant and equipment for operations	14	40,677	38,048
Property, plant and equipment for urban transformation	15	29,320	14,370
Interests in associates and joint ventures	16	885	777
Financial investments	20	7,985	5,237
Non-current receivables		2	2
Deferred tax assets	11	5	2
Total non-current assets		**81,515**	**60,859**
Current assets			
Inventories	23	7,723	8,193
Accounts receivable	3, 24	2,874	3,653
Prepaid expenses and accrued income	25	620	807
Other current receivables	3, 22	2,531	2,709
Current investments	20, 41	25,822	25,823
Cash and cash equivalents	41	2,310	4,816
Total current assets		**41,880**	**46,001**
Total assets		**123,395**	**106,860**

1 January – 31 December

MSEK	Note	31 Dec 2025	31 Dec 2024
Equity and liabilities			
Equity	26, 44		
Share capital		700	700
Reserves		4,050	1,500
Profit brought forward including profit for the year		75,224	76,531
Equity attributable to owners of the parent		**79,974**	**78,731**
Non-controlling interests		63	64
Total equity		**80,037**	**78,795**
Non-current liabilities			
Non-current interest-bearing liabilities	27	300	282
Other non-current liabilities		56	56
Provisions for pensions and similar commitments	29	513	765
Provisions for urban transformation, long-term portion	30, 31	29,516	11,273
Other provisions	30	1,766	1,639
Deferred tax liabilities	11	760	1,604
Total non-current liabilities		**32,911**	**15,619**
Current liabilities			
Current interest-bearing liabilities	27	107	2,086
Trade payables		2,863	2,724
Current tax liabilities		396	1,013
Other current liabilities	3	363	379
Accrued expenses and deferred income	32	3,174	2,923
Provisions for urban transformation, short-term portion	30, 31	2,906	2,683
Other provisions	30	638	638
Total current liabilities		**10,447**	**12,446**
Total liabilities		**43,358**	**28,065**
Total equity and liabilities		**123,395**	**106,860**

Consolidated statement of changes in equity

2024 MSEK	Equity attributable to owners of the parent							
	Share capital	Translation reserve	Fair value reserve	Hedging reserve incl. hedging cost reserve	Retained earnings incl. profit/loss for the year	Total	Non-controlling interests	Total equity
Opening equity 1 Jan 2024	700	-195	5,100	2	75,199	80,807	54	80,861
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
Closing equity 31 Dec 2024	**700**	**-85**	**1,587**	**-2**	**76,531**	**78,732**	**63**	**78,795**

See Note 26.

2025 MSEK	Equity attributable to owners of the parent							
	Share capital	Translation reserve	Fair value reserve	Hedging reserve incl. hedging cost reserve	Retained earnings incl. profit/loss for the year	Total	Non-controlling interests	Total equity
Opening equity 1 Jan 2025	700	-85	1,587	-2	76,531	78,732	63	78,795
Profit/loss for the year	–	–	–	–	2,977	2,977	-1	2,976
Other comprehensive income for the year	–	-304	2,771	83	123	2,673	–	2,673
Comprehensive income for the year	**–**	**-304**	**2,771**	**83**	**3,100**	**5,650**	**-1**	**5,649**
Dividend	–	–	–	–	-4,407	-4,407	–	-4,407
Closing equity 31 Dec 2025	**700**	**-389**	**4,358**	**81**	**75,224**	**79,975**	**63**	**80,037**

See Note 26.

Consolidated statement of cash flows

1 January – 31 December

MSEK	Note	2025	2024
Operating activities	1, 41		
Profit/loss before tax		3,688	10,951
Adjustment for items not included in cash flow		7,929	1,675
Income tax paid		-2,217	-2,079
Expenditures, urban transformation	30, 31	-1,821	-1,743
Expenditures, other provisions	30	-2	-11
Cash flow from operating activities before changes in working capital		**7,577**	**8,793**
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in inventories		470	-1,439
Increase (-)/Decrease (+) in operating receivables		9	-319
Increase (+)/Decrease (-) in operating liabilities		250	96
Change in working capital		**729**	**-1,662**
Cash flow from operating activities		**8,306**	**7,131**
Investing activities			
Acquisition of property, plant and equipment	14	-6,017	-5,408
Government investment grants		34	112
Disposal of property, plant and equipment		77	63
Acquisition of other financial assets – operating		-18	-158
Disposal/acquisition (net) of current investments		1,692	6,330
Cash flow from investing activities		**-4,232**	**939**

MSEK	Note	2025	2024
Financing activities			
Repayments		-2,002	-146
Repayment of lease liabilities		-138	-97
Dividend paid to Parent Company shareholder	26	-4,400	-7,600
Dividend paid to non-controlling interests	26	-7	-7
Cash flow from financing activities		**-6,547**	**-7,850**
Cash flow for the year		**-2,473**	**220**
Cash and cash equivalents at start of year		4,816	4,572
Exchange difference in cash and cash equivalents		-33	24
Cash and cash equivalents at end of year		**2,310**	**4,816**

Operating cash flow[1)]

MSEK	Note	2025	2024
Cash flow from operating activities		**8,306**	**7,131**
Acquisition of property, plant and equipment		-6,017	-5,408
Government investment grants		34	112
Disposal of property, plant and equipment		77	63
Acquisition/disposal of other financial assets – operating		-18	-158
Operating cash flow		**2,382**	**1,740**
Disposal/acquisition (net) of current investments		1,692	6,330
Cash flow after investing activities		**4,074**	**8,070**
Cash flow from financing activities		-6,547	-7,850
Cash flow for the year		**-2,473**	**220**

[1)] Operating cash flow is a company-defined performance measure; for definition see Note 42.

Income statement – Parent Company

1 January – 31 December

MSEK	Note	2025	2024
	1, 38		
Net sales	2, 3	30,240	30,081
Cost of goods sold	14, 15, 31	-26,049	-20,649
Gross profit/loss		**4,191**	**9,432**
Selling expenses		-352	-300
Administrative expenses		-666	-566
Research and development expenses		-890	-1,172
Other operating income	4	61	755
Other operating expenses	5	-23	-85
Operating profit/loss	**6, 7, 8**	**2,321**	**8,064**
Earnings from financial items:			
Income from interests in Group companies		35	38
Income from interests in associates		–	-403
Income from other securities and receivables held as non-current assets		381	632
Other interest income and similar profit/loss items		1,134	3,173
Interest expense and similar profit/loss items		-609	-189
Profit/loss after financial items	**9**	**3,262**	**11,315**
Appropriations	10	347	408
Profit/loss before tax		**3,609**	**11,723**
Tax	11	-693	-2,380
Comprehensive income for the year[1)]		**2,916**	**9,343**

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

Balance sheet – Parent Company

1 January – 31 December

MSEK	Note	31 Dec 2025	31 Dec 2024
Assets	1, 33, 34, 35, 36		
Non-current assets			
Intangible assets	13	1,619	1,209
Property, plant and equipment for operations	14	34,222	32,253
Property, plant and equipment for urban transformation	15	29,320	14,370
Financial assets			
Interests in subsidiaries	39	3,746	3,321
Interests in associates and jointly controlled entities	18	815	797
Receivables from Group companies	19, 38	2,106	2,360
Other non-current securities	21	3,227	3,227
Other non-current receivables	22	76	72
Deferred tax asset	11	1,594	760
Total financial assets		**11,564**	**10,537**
Total non-current assets		**76,725**	**58,369**
Current assets			
Inventories	23	6,710	7,129
Current receivables			
Accounts receivable	3, 24	2,460	3,043
Receivables from Group companies	38	811	783
Other current receivables	3, 24	2,198	2,567
Prepaid expenses and accrued income	25	582	732
Total current receivables		**6,051**	**7,125**
Current investments	41	25,378	25,872
Cash and bank balances	41	1,867	3,696
Total current assets		**40,006**	**43,822**
Total assets		**116,731**	**102,191**

MSEK	Note	31 Dec 2025	31 Dec 2024
Equity and liabilities	1, 33, 34, 35		
Equity	26, 44		
Restricted equity			
Share capital (700,000 shares)		700	700
Statutory reserve		697	697
Non-restricted equity	40		
Profit/loss brought forward		61,167	56,224
Profit/loss for the year		2,916	9,343
Total equity		**65,480**	**66,964**
Untaxed reserves	40	10,145	10,145
Provisions			
Provisions, urban transformation	30, 31	29,516	11,273
Other provisions	29, 30	1,612	1,532
Total provisions		**31,128**	**12,805**
Current liabilities			
Bonds and commercial papers	28	–	2,000
Trade payables		2,308	2,137
Liabilities to Group companies	38	818	1,151
Current tax liabilities		349	973
Other current liabilities		254	215
Accrued expenses and deferred income	32	2,706	2,480
Provisions for urban transformation	30, 31	2,906	2,683
Other provisions	30	637	638
Total current liabilities		**9,978**	**12,277**
Total equity and liabilities		**116,731**	**102,191**

Statement of changes in equity – Parent Company

2024 MSEK	Restricted equity		Non-restricted equity		
	Share capital	Statutory reserve	Profit/loss brought forward	Profit/loss for the year	Total equity
Opening equity 1 Jan 2024	700	697	63,824	–	65,222
Profit/loss for the year	–	–	–	9,343	9,343
Dividend	–	–	-7,600	–	-7,600
Closing equity 31 Dec 2024	**700**	**697**	**56,224**	**9,343**	**66,964**

See Note 26.

2025 MSEK	Restricted equity		Non-restricted equity		
	Share capital	Statutory reserve	Profit/loss brought forward	Profit/loss for the year	Total equity
Opening equity 1 Jan 2025	700	697	65,567	–	66,964
Profit/loss for the year	–	–	–	2,916	2,916
Dividend	–	–	-4,400	–	-4,400
Closing equity 31 Dec 2025	**700**	**697**	**61,167**	**2,916**	**65,480**

See Note 26.

Cash flow statement – Parent Company

1 January – 31 December

MSEK	Note	2025	2024
Operating activities	1, 41		
Profit/loss after financial items		3,262	11,315
Adjustment for items not included in cash flow		7,211	1
Income tax paid		-2,150	-1,957
Expenditures, urban transformation	30, 31	-1,821	-1,743
Expenditures, other provisions	30	0	-11
Cash flow from operating activities before changes in working capital		**6,502**	**7,605**
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in inventories		419	-1,358
Increase (-)/Decrease (+) in operating receivables		-264	-535
Increase (+)/Decrease (-) in operating liabilities		128	378
Change in working capital		**283**	**-1,515**
Cash flow from operating activities		**6,785**	**6,090**

MSEK	Note	2025	2024
Investing activities			
Acquisition of property, plant and equipment		-4,786	-4,806
Government investment grants		34	112
Disposal of property, plant and equipment		184	309
Shareholder contributions paid		-443	-400
Group contributions paid		-43	–
Other changes in financial assets		114	-240
Disposal/acquisition (net) of current investments		1,693	6,331
Cash flow from investing activities		**-3,247**	**1,306**
Financing activities			
Repayments of borrowings		-2,000	–
Group contributions received		319	416
Dividend paid to Parent Company shareholder		-4,400	-7,600
Cash flow from financing activities		**-6,081**	**-7,184**
Cash flow for the year		**-2,543**	**212**
Cash and cash equivalents at start of year		4,444	4,208
Exchange difference in cash and cash equivalents		-34	24
Cash and cash equivalents at end of year		1,867	**4,444**

Note 1 Significant accounting policies

1 Compliance with standards and laws
The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the EU. The Swedish Corporate Reporting Board's Recommendation RFR 1 Supplementary Accounting Rules for Groups was also applied. The Parent Company applies the same accounting policies as the Group, except where stated below in the Parent Company's accounting policies section. The annual report and consolidated financial statements were approved for issue by the Board of Directors and the President on 26 March 2026. The consolidated income statement, statement of comprehensive income and statement of financial position and the Parent Company's income statement and balance sheet are subject to approval at the Annual General Meeting on 23 April 2026.

2 Measurement bases applied in preparing the financial statements
Assets and liabilities are recognised at historical cost, apart from certain financial assets and liabilities that are measured at fair value. Financial assets and liabilities measured at fair value consist of derivatives, financial instruments with mandatory measurement at fair value through profit or loss, as well as debt and equity instruments at fair value through other comprehensive income.

A defined-benefit pension liability/asset is recognised as the net of the fair value of plan assets and the present value of the defined-benefit liability, adjusted for any asset restrictions.

3 Functional currency and presentation currency
The functional currency of the Parent Company is the Swedish krona (SEK), which is also the presentation currency for both the Parent Company and the Group. This means that the financial statements are presented in SEK. Unless otherwise stated, all amounts are rounded off to the nearest million SEK.

4 Assessments and estimates in the financial statements
Preparing the financial statements in accordance with IFRS requires company management to make assessments, estimates and assumptions that affect the application of accounting policies and the recognised amounts of assets, liabilities, income and expenses. Actual outcomes may diverge from these estimates and assessments. These estimates and assumptions are reviewed regularly. Changes in estimates are recognised in the period in which the change is made if the change only affects that period, or the period in which the change is made and future periods if the change affects both current and future periods.

Assessments made by company management when applying IFRS that have a significant effect on the financial statements and estimates made that may lead to significant adjustments in the following year's financial statements are described in more detail in section 28, Significant estimates and assessments.

5 Significant accounting policies applied
The following consolidated accounting policies were applied consistently to all periods that are presented in the consolidated financial statements, unless otherwise stated. The consolidated accounting policies were applied consistently in the presentation and consolidation of the Parent Company, subsidiaries and joint ventures.

6 Changes for 2025
6.1 New and amended IFRS reporting standards
New or amended IFRSs have had no material effect on LKAB's financial statements.

7 New and amended reporting standards effective from or after calendar year 2026
The implementation of IFRS 18 will not affect LKAB's net profit, but will affect the presentation of income and expenses within the new categories in the income statement. The standard will be applied from 1 January 2027 and will be applied retrospectively for the comparative year.

8 Classification etc.
Non-current assets and liabilities consist essentially of amounts that are expected to be recovered or paid more than 12 months after the end of the reporting period. In cases where loan liabilities are associated with covenants, only covenants that are to be met before or on the closing date affect the classification as a current or non-current liability. Current assets and liabilities essentially consist of amounts that are expected to be recovered or paid within 12 months of the end of the reporting period.

9 Operating segment reporting
An operating segment is a part of the Group that engages in business operations from which it may generate income and incur expenses and for which independent financial information is available. An operating segment's earnings are also monitored by the company's chief operating decision-maker, which is Group management, to assess its performance and to allocate resources to the operating segment. See Note 2 for a more detailed description of the division and presentation of operating segments.

10 Principles of consolidation and business combinations
10.1 Subsidiaries
Subsidiaries are companies that operate under the control of the Parent Company. In assessing controlling interest, de facto control and potential voting rights are taken into account. Subsidiaries are recognised according to the acquisition method. The purchase price allocation determines the fair value on the date of acquisition of acquired identifiable assets and assumed liabilities and of any non-controlling interests. Transaction costs incurred are recognised in profit or loss for the year.

Upon acquisition the Group chooses either to recognise non-controlling interests in the acquired company at fair value – in other words, goodwill is included in non-controlling interests – or as a proportion of the identifiable net assets.

10.2 Associates
Associates are companies in which the Group has a significant but not controlling influence over operating and financial governance, normally by means of a share-holding of between 20 and 50 percent of votes. Interests in associates are accounted for using the equity method, which means that the carrying amount of the Group's interests in associates corresponds to the Group's share of the associates' equity. The Group's share of associates' profit or loss after the acquisition is recognised in operating profit.

10.3 Joint ventures
Joint ventures are companies where the Group has a shared controlling interest through cooperation agreements with one or more parties and where the Group has rights to the net assets, rather than having direct rights to assets and obligations for liabilities. Interests in joint ventures are recognised according to the equity method; see above regarding associates.

10.4 Joint operations
Joint operations are reported as a share of assets, liabilities, revenues and expenses relating to interests in a joint operation in accordance with the IFRS standard that is applicable to these specific assets, liabilities, revenues and expenses.

10.5 Transactions that are eliminated on consolidation
Intragroup receivables and liabilities, income or expenses, and unrealised gains or losses arising from intragroup transactions between Group companies are eliminated entirely when preparing the consolidated financial statements.

11 Foreign currency
11.1 Foreign currency transactions
Transactions in foreign currency are translated to the functional currency at the exchange rate in effect on the transaction date. Monetary assets and liabilities in foreign currencies are translated to the functional currency at the exchange rate prevailing on the closing date. Exchange rate differences that arise on translation are recognised in profit or loss for the year. Non-monetary assets and liabilities that are recognised at historical cost are translated at the exchange rate in effect on the transaction date. Non-monetary assets and liabilities recognised at fair value are translated to the functional currency at the rate in effect on the date of measurement at fair value.

11.2 Financial statements of foreign operations
Assets and liabilities in foreign operations, including goodwill and other group-related surpluses and deficits, are translated from the foreign operations' functional currencies to SEK, the Group's presentation currency, at the exchange rate in effect at the end of the reporting period. Income and expenses in a foreign operation are translated to SEK at an average exchange rate that constitutes an approximation of the exchange rates that applied when the transactions occurred. Translation differences arising from currency translation of foreign entities are recognised in other comprehensive income and accumulated in a separate component in equity called the translation reserve.

11.3 Net investment in foreign operations
Monetary non-current receivables from and liabilities to a foreign operation for which settlement is not planned or is unlikely to take place within the foreseeable future are in practice part of the company's net investment in the foreign operation. An exchange rate difference that arises for the monetary non-current receivable or liability is recognised in other comprehensive income and accumulated in a separate component in equity called the translation reserve.

12 Revenue
12.1 Performance obligations and revenue recognition policies
Revenue is measured based on the compensation specified in the contract with the customer. The Group recognises revenue when control over goods or services transfers to the customer. Information on how and when performance obligations in contracts with customers are fulfilled and the associated policies for revenue recognition are summarised below.

12.1.1 Sales of iron ore
Iron ore is traded in US dollars (USD). LKAB prices iron ore mainly according to a variable pricing model, with an index-linked price based on the spot price.

The variable pricing model mainly uses quarterly prices, which means that the price is determined subsequently after the end of the quarter. The price is substantially affected by the current quarter's average for 62%/65% sinter fines CFR in China. During the quarter, revenue is based on a preliminary price. At the end of the quarter a price adjustment is recognised based on the established quarterly prices. There are also other pricing models with the same structure where the final price is determined and adjusted subsequently. The variable pricing model also uses monthly prices, determined as the previous month's price.

In the case of fixed price sales, negotiated prices apply. The customer gains control over the goods when the goods have been delivered in accordance with the terms of sale. Invoices are prepared and reported on this date. Translation is at the current exchange rate. If sales are hedged by forward exchange rate contracts, translation is at the hedged rate. Ongoing reservations are made for discounts granted and these decrease net sales.

Costs relating to delayed loading of vessels, known as demurrage, also affect the transaction price and are recognised within net sales.

12.1.2 Sales of industrial minerals
The Minerals group trades in a number of different minerals, both minerals in its own possession such as magnetite, huntite and mica, and external minerals that are either further processed within the Group or sold on in unchanged form to the end customer. Trade in industrial minerals occurs either in the country's local currency or in a major currency such as USD or EUR.

The customer gains control over the goods when the goods have been delivered in accordance with the contractual terms of sale. Invoicing usually takes place upon delivery and the revenue is recognised on this date. Where applicable, ongoing reservations are made for discounts granted and these decrease net sales.

12.2 Government grants
Government grants are recognised in the statement of financial position as deferred income when there is reasonable assurance that the grant will be received and the Group will comply with the terms associated with the grant. Grants are accrued systematically in profit for the year in the same way and over the same periods as the costs for which the grants are intended to compensate. Government grants related to assets are recognised as a reduction in the asset's carrying amount. For government grants, see Note 4.

13 Leases
At the start of the lease or on reassessment of a lease containing various components – lease and non-lease components – the Group allocates the consideration set out in the agreement to each component based on the standalone price. In the case of leases for buildings and land, fixed amounts paid are mainly reported as a single lease component.

Leases where the Group is the lessee
The Group reports a lease liability and a right-of-use asset when the lease begins.

The lease liability is initially measured at the present value of remaining lease payments during the assessed term of the lease. The term of the lease is the non-cancellable period plus additional periods in the lease if, at the time the lease commences, it is considered reasonably certain that such options will be exercised.

The lease payments are discounted using the Group's incremental borrowing rate, which refers to the Group's borrowing cost based on a reference interest rate for interest rate swaps. In addition to the Group's credit risk, the rate reflects the term of each lease and the currency of the underlying asset. The lease liability includes fixed payments, variable lease payments that depend on an index or a rate, and amounts expected to be paid in accordance with residual value guarantees. Variable lease payments that do not depend on an index or a rate are expensed in the period to which they relate. The value of the liability is increased by the interest expense for the period concerned and reduced by the lease payments made. The interest expense is calculated as the value of the liability multiplied by the discount rate.

The right-of-use asset is measured initially at cost, consisting of the initial value of the lease liability plus lease payments that were made on or before the start date as well as any initial direct expenses. The right-of-use asset is depreciated on a straight-line basis from the start date to the end of the lease term.

If rent for premises is index-linked, the liability is adjusted by a corresponding adjustment of the carrying amount of the right-of-use asset. Similarly, the values of the liability and asset are adjusted in conjunction with reassessment of the lease term.

The Group includes right-of-use assets in property, plant and equipment for operations in the statement of financial position, which is the same line in which the underlying assets would have been recognised had they been owned.

Lease liabilities are included in interest-bearing liabilities in the statement of financial position. No right-of-use asset or lease liability is recognised for leases with a term of 12 months or less, or where the underlying asset is of low value. Lease payments for these leases are expensed on a straight line basis over the term of the lease.

Leases where the Group is the lessor

Where the Group is the lessor, it is established at the start date of each lease whether the lease is to be classified as a finance lease or an operating lease. The leases where the Group is the lessor are recognised as operating leases.

The Group recognises lease payments from operating leases as revenue on a straight-line basis over the term of the lease on the line for Other operating income; this primarily relates to rental income.

14 Financial income and expense

Financial income includes interest income on invested funds, dividends, gains on financial assets measured at fair value through profit or loss, the return on plan assets and gains on hedging instruments that are recognised in net financial income/expense.

Financial expense includes interest expense on borrowings, provisions, lease liabilities and defined-benefit pension obligations, losses on financial assets measured at fair value through profit or loss, impairment of financial assets and losses on hedging instruments that are recognised in net financial income/expense.

Exchange gains/losses on financial assets and financial liabilities including currency derivatives are recognised net.

Interest income and interest expense are recognised using the effective interest method. Dividends are recognised when the right to payment is established.

15 Taxes

Income tax consists of current tax and deferred tax. Income tax is recognised in profit or loss for the year except when the underlying transaction is recognised in other comprehensive income or equity, in which case the associated tax effect is recognised in other comprehensive income or equity.

Current tax is tax to be paid or received for the current year, applying the tax rates enacted or substantively enacted by the closing date; adjustment of current tax attributable to prior periods is also reported here.

Deferred tax is calculated according to the balance sheet method, based on temporary differences arising between the carrying amount of assets and liabilities and their value for tax purposes. Temporary differences are not taken into consideration in Group goodwill. Temporary differences attributable to interests in subsidiaries and associates that are not expected to be reversed in the foreseeable future are also not taken into consideration.

The measurement of deferred tax is based on how the carrying amount of assets or liabilities is expected to be realised or settled. Deferred tax is calculated by applying the tax rates and tax regulations enacted or substantively enacted at the end of the reporting period.

Deferred tax assets relating to deductible temporary differences and loss carryforwards are only recognised to the extent that it is probable that they will be utilised. The value of deferred tax assets is reduced when it is no longer deemed probable that they can be utilised. The Group applies the temporary mandatory exception from accounting for deferred taxes arising from legislation adopted to implement the OECD's Pillar Two model rules.

16 Financial instruments

16.1 Financial assets

Financial assets include financial investments, current investments, cash and cash equivalents, loans receivable, accounts receivable and derivatives.

Accounts receivable and debt instruments issued are recognised upon being issued. Other financial assets are recognised when the Group becomes a party to the contractual terms of the instrument.

On initial recognition a financial asset is measured at fair value. In the case of financial instruments not measured at fair value through profit or loss, transaction costs directly attributable to the acquisition or issue are included. Receivables are measured at the transaction price. How they are reported subsequently depends on how the asset is classified.

A financial asset is derecognised in the statement of financial position when the contractual rights to the cash flows from the financial asset cease. On initial recognition a financial asset is classified as measured at fair value through profit or loss, at amortised cost or at fair value through other comprehensive income – equity investment.

Financial assets are not reclassified after initial recognition unless the Group changes its business model for managing financial assets, in which case all the financial assets affected are reclassified as at the first day of the first reporting period after the change in business model.

For debt instruments the classification is based on two criteria: the company's business model for managing the financial asset and the instrument's contractual cash flows.

16.1.1 Financial assets measured at fair value through profit or loss

Holdings in this category are current investments and derivatives.

Debt instruments held for trading or managed and where the result will be assessed based on fair value are measured at fair value through profit or loss. This is determined at portfolio level, since this best reflects how such business is managed and how information is given to management. The information taken into consideration includes established policies and objectives of the portfolio, and how the business model's results are assessed and reported to Group management.

In the case of equity instruments (shares) the general rule is that these are measured at fair value through profit or loss. This category is used for all holdings except for holdings where the Group has irrevocably elected to present changes in value through other comprehensive income; see section 16.1.3 below. This decision is made for each new investment.

Net gains and losses, including interest and dividend income, are recognised in profit or loss. Derivatives contracted for operating items are recognised in operating profit, while derivatives of a financial nature are recognised in net financial income/expense.

16.1.2 Financial assets measured at amortised cost

Holdings in this category are accounts receivable, loans receivable, and cash and cash equivalents.

A financial asset is measured at amortised cost if it fulfils both of the following conditions and has not been identified as measured at fair value through profit or loss:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and
- the agreed terms of the financial asset give rise to cash flows on specified dates that consist only of payments of principal and interest on the outstanding principal.

Amortised cost is determined using the effective interest rate calculated on the date of acquisition. The amortised cost is reduced by impairment losses. Interest income, exchange gains and losses, impairment losses and gains or losses on derecognition are recognised in profit or loss.

16.1.3 Equity instruments measured at fair value through other comprehensive income

Holdings in this category are equity instruments (shares) classified in this category on initial recognition.

The Group may irrevocably elect to recognise subsequent changes in the fair value of an investment in an equity instrument that is not held for trading through other comprehensive income. This decision is made on an investment-by-investment basis.

Changes in value, both realised and unrealised, are recognised in other comprehensive income and accumulated in the fair value reserve, and are never reclassified to profit or loss. Dividends are recognised as income in profit or loss.

16.2 Financial liabilities

Financial liabilities include loan liabilities, accounts payable and derivatives. Financial liabilities are reported when the Group becomes a party to the contractual terms of the instrument.

On initial recognition a financial liability is measured at fair value. In the case of financial instruments not measured at fair value through profit or loss, transaction costs directly attributable to the acquisition or issue are included. How they are reported subsequently depends on how the liability is classified.

When the obligations stated in the contract are satisfied, cancelled or expire, the financial liability is derecognised in the statement of financial position.

On initial recognition a financial liability is measured at fair value through profit or loss or at amortised cost.

16.2.1 Financial liabilities measured at fair value via profit or loss

A financial liability is classified at fair value through profit or loss if it is held for trading purposes, is a derivative or was identified as such on initial recognition.

Financial liabilities in this category are derivatives. Net gains and losses, including interest expense, are recognised in profit or loss.

16.2.2 Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost are loan liabilities and accounts payable.

Loan liabilities are measured initially at fair value, net after transaction costs, and subsequently at amortised cost. Amortised cost is determined using the effective interest rate calculated on the date the liability was assumed. This means that surpluses and deficits, as well as direct issue costs, are allocated across the term of the liability.

Accounts payable are measured initially at fair value and subsequently at amortised cost.

Interest expense and exchange gains and losses are recognised in profit or loss. Gains or losses on derecognition are also recognised in profit or loss.

17 Derivatives and hedge accounting

The Group holds financial derivatives in order to financially hedge a portion of the cash flow risks to which the Group is exposed, primarily exchange rate exposure risks.

Derivatives are measured at fair value on initial recognition. Thereafter they are measured at fair value and changes in value are recognised as described below.

When the Group initially identifies hedging relationships, the risk management objectives and the strategy are documented with the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether changes in the cash flow of the hedged item and the hedging instrument are expected to cancel each other out.

17.1 Receivables and liabilities in foreign currency

Hedge accounting is not applied to hedging of foreign currency risk since financial hedging is reflected in the accounts by the fact that both the underlying receivable or liability and the hedging instrument are recognised at the exchange rate on the closing date and the translation differences are recognised in profit for the year.

Exchange rate changes related to operating receivables and liabilities are recognised in operating profit, while exchange rate changes related to financial receivables and liabilities are recognised in net financial income/expense.

17.2 Cash flow hedging

When a derivative is identified as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve.

In the case of forward foreign exchange contracts, the Group only identifies changes in fair value in the spot element as hedging instruments in the cash flow hedging relationship. Fair value changes in the forward component of the forward foreign exchange contract (forward points) are reported as a hedging cost reserve and recognised in the hedging reserve in equity.

When the hedged expected cash flow affects earnings, the hedging instrument's cumulative change in value in the hedging reserve and hedging cost reserve is reclassified to profit or loss. This means that gains and losses relating to hedges are recognised in profit or loss for the year at the same time as gains and losses for the items hedged.

18 Property, plant and equipment

18.1 Owned assets

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment. Cost includes the purchase price plus expenses directly attributable to the asset in order to put it in the location and condition that allow it to be used as intended. The cost of self-constructed non-current assets includes expenditures for materials, expenditures for employee benefits, and other fabrication costs directly attributable to the asset where applicable.

Property, plant and equipment that consists of parts with different useful lives are treated as separate components.

The carrying amount of a property, plant and equipment item is derecognised from the statement of financial position when the asset is disposed of or retired. The gain or loss arising from the disposal or retirement of an asset is the difference between the selling price and the asset's carrying amount less direct selling expenses. Gains and losses are recognised as other operating income/expense.

18.2 Exploration and evaluation expenditures

Greater knowledge of the extent of the iron ore deposits is necessary to secure access to more ore and ensure the future development of operations. The orebody is surveyed and defined by means of exploration drilling, mainly via drifts adjacent to it. Ore deposit exploration in both existing and future mining areas is expensed.
This principle is also applied in the exploration of areas outside existing mines.

18.3 Underground facilities

Underground facilities from which iron ore is extracted can be divided into waste rock mining (development phase) and iron ore mining (production phase).

Waste rock mining consists of work done to expose the orebody in conjunction with the construction of a new main haulage level, facilities pertaining to transport and maintenance functions such as railways, roads, drifts, shafts, inclined drifts (a system of access for vehicle traffic from surface level to the work site underground), and facilities for service and electrical and air supply. Expenditures for facilities intended for use over a period of more than one year are capitalised in the statement of financial position. Depreciation occurs systematically over the useful life of the main haulage level concerned.

Iron ore mining mainly consists of development, cave drilling and loading, haulage and hoisting of the ore. Expenditures for these activities have a useful life of at most one year, which is why they are expensed as they are incurred.

18.4 Open-pit mines

Iron ore mining above ground takes place in what are known as open-pit mines. Stripping is carried out to expose the orebody, and such things as moraine and barren rock are removed. This is called barren rock mining.

During the development phase expenditures are capitalised as part of the cost of the mine and depreciation occurs systematically over the useful life of the mine.

Expenditure on barren rock mining during the production phase that provides improved access to ore for future mining is recognised under assets and depreciated according to the production-based method.

18.5 Remediation

Future expenditure on dismantling and removing assets and restoring sites or areas where they are located (remediation costs) as relates to ongoing operations are capitalised. Capitalised amounts consist of the present value of estimated expenditures that are simultaneously recognised as provisions.

18.6 Subsequent expenditures

Subsequent expenditures are added to the cost only when it is probable that future economic benefits associated with the asset will flow to the company and the cost can be measured reliably. All other subsequent expenditures are recognised as expenses in the period in which they arise.

A subsequent expenditure is added to the cost if the expenditure relates to the replacement of identified components or parts thereof. In cases where a new component is created, the expenditure is also added to the cost. Any undepreciated carrying amounts for replaced components, or parts thereof, are retired and expensed in conjunction with the replacement. Repairs are expensed as incurred.

18.7 Depreciation principles

Depreciation is on a straight-line basis over the asset's estimated useful life; land is not depreciated. Leased assets are depreciated over their estimated useful life or, if shorter, over the contractually agreed lease term. The Group applies component depreciation, which means that the estimated useful life of the components is used as the basis for depreciation. Facilities and equipment used in open-pit mines are normally depreciated over the lesser of the expected useful life and the useful life of the mine to which they relate.

The following periods of use are applied to property, plant and equipment including future remediation costs:

Properties used in operations, rental properties	15–100 years
Plant and machinery, open-pit mining	Production-based
Other plant and machinery	5–20 years
Equipment, tools, fixtures and fittings	5–20 years
Underground installations	12–20 years
Surface mining facilities	As ore is extracted
Capitalised remediation costs	Estimated useful life of present production structure.

Properties used in operations are mainly classified as buildings, land improvements and land.

Buildings and land improvements consist of several components that are classified on the basis of function, such as roads, surfacing, service facilities, processing plants etc.

Rental properties consist of several components with varying useful lives. The main classifications are buildings and land. Buildings are divided into several components whose useful lives vary.

The following main groups of components have been identified and form the basis for depreciation of rental properties.

Frames, foundations and interior walls	100 years
Water, sewage, electrical and heating systems	50 years
Exterior facades	40 years
Windows	30 years
Interior finishing and appliances	15 years

Depreciation methods, residual values and useful life are assessed annually and adjusted as necessary.

18.8 Urban transformation

18.8.1 Acquisition of properties

When property is acquired as part of urban transformation, the cost is divided into a building component and a mine component. The distinction is based on the assumption that the building can be used for temporary rental for a limited period from acquisition until evacuation. The building component is calculated as the present value of the net cash flows from the rental. The mine component is defined as the property's total cost less the building component.

The building component is expensed in the period in which the building is expected to be utilised.

The mine component is expensed using the production-based method, which means that the cost is calculated on the basis of ore extracted relative to the estimated total volume for the current main haulage level.

For a further description of urban transformation accounting policies, see policy 28.1.1.

18.8.2 Mine assets

For provisions that relate to commitments outside the existing impact boundary (the boundary of the impact of mining to date for which compensation is payable), a mine asset relating to future mining is recognised. The mine asset is expensed using the production-based method, which means that the cost is calculated on the basis of ore extracted relative to the estimated total volume for the current main haulage level.

A mine asset related to future mining is recognised for Kiruna and Eastern Malmberget.

For a further description of urban transformation accounting policies see section 28.1.1.

18.8.3 Replacement properties

Two compensation options are offered to owners of rental properties and small houses: a replacement property equivalent to the existing property or financial compensation. For those choosing the replacement property option, all the costs of building the replacement property are recognised under property, plant and equipment. When the property is handed over, this is offset against provisions for the commitment; see also Note 31. Where the option of financial compensation has been chosen, the compensation paid is deducted from provisions for the commitment.

19 Intangible assets

19.1 Goodwill

Goodwill is measured at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and tested annually for impairment; see accounting policies in section 21.1.

19.2 Research and development

Expenditures on research aimed at gaining new scientific or technical knowledge are expensed as incurred.

Expenditures on development, where research findings or other knowledge are applied to produce new or improved products or processes, are recognised as an asset in the statement of financial position, provided that the product or process is technically and commercially feasible and the company has sufficient resources to complete development and then use or sell the intangible asset. The value includes directly attributable expenditures, such as for goods and services as well as employee benefits. If the above criteria are not met, the expenditures are reported as a cost.

19.3 Other intangible assets

Other intangible assets acquired by the Group consist mainly of mining rights, favourable purchasing contracts, licences, customer relationships and software; see Note 13 for a more detailed breakdown. The assets are reported at cost less accumulated amortisation and any impairment losses.

Also included are emission allowances, which are recognised as described below.

19.3.1 Emission allowances

LKAB participates in the EU's system for trade in emission allowances, which grants the right to emit carbon dioxide. Allowances are allocated across the European market. The emission allowances are recognised as intangible assets and deferred income on allocation, since the company has not qualified for any allowances at the time of issue. They are measured at cost, which in the case of allocated allowances corresponds to the market price on allocation.

Qualification is at the same rate as actual emissions, when a liability to surrender emission allowances also arises. Costs for emissions and provisions for emission allowances are recognised. At the same time, a corresponding amount is transferred from deferred income to income for emission allowances. Measurement is at the average cost of allocated emission allowances.

When the emissions allowance is reported, the corresponding number of allowances must be surrendered. Thus the intangible non-current asset is exhausted and the provision for discharged emissions is settled. If the obligation to supply emission allowances exceeds the remaining allocation of emission allowances, the excess amount is carried as a liability, measured at the current market value of the number of emission allowances necessary to settle the obligation. For information on amounts see Note 30.

19.4 Subsequent expenditures

Subsequent expenditures on capitalised intangible assets are recognised as assets in the statement of financial position only when they increase the future economic benefits of the specific asset to which they relate. All other expenditures are expensed as incurred.

19.5 Amortisation principles

Amortisation is recognised in profit or loss for the year on a straight-line basis over the estimated useful life of intangible assets. Useful life is reviewed annually. Intangible assets that can be amortised are amortised from the date they are available for use. The estimated useful lives are:

Mining rights	30–50 years
Purchasing contracts	10–15 years
Customer relationships	15 years
Software in own IT environment	5 years

20 Inventories

Inventories are measured at the lower of cost or net realisable value. The cost of inventories is calculated using the first-in, first-out (FIFO) principle and includes expenditures incurred in acquiring the inventory items and bringing them to their existing location and condition. For finished goods and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the course of business less the estimated costs for completion and the estimated costs necessary to make the sale.

21 Impairment

The Group's recognised assets are assessed at the end of each reporting period to determine whether there is any indication of impairment. IAS 36 is applied to the impairment of assets that are not dealt with by any other IFRS standard.

21.1 Impairment of property, plant and equipment, intangible assets and interests in associates and joint ventures

If impairment is indicated, the recoverable amount of the asset is calculated.

The recoverable amount for goodwill is also calculated annually. If it is not possible to ascertain essentially independent cash flows for an individual asset, the assets are grouped at the lowest level at which it is possible to identify essentially independent cash flows (a so-called cash-generating unit).

An impairment loss is recognised when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Impairment losses are charged to profit for the year. Once impairment has been identified for a cash-generating unit, the impairment loss is initially allocated to goodwill, after which other assets in the unit are proportionally impaired.

21.2 Reversal of impairment

An impairment of assets included in the scope of IAS 36 is reversed if there is an indication that the impairment no longer exists and there has been a change in the assumptions underlying the calculation of the recoverable value when the asset was impaired. However, impairment of goodwill is never reversed.

21.3 Impairment of financial assets

Impairment testing of financial assets largely relates to accounts receivable. A simplified method is applied in which the loss allowance is calculated based on lifetime expected credit losses.

22 Capital payments to shareholders

Dividends are recognised as liabilities once they have been approved at the Annual General Meeting.

23 Earnings per share

The calculation of earnings per share is based on consolidated profit for the year attributable to the Parent Company shareholders and on the weighted average number of shares outstanding during the year.

24 Employee benefits

24.1 Defined-contribution pension plans

Defined-contribution pension plans are those for which the company's obligation is limited to the amount that it agrees to pay. In such cases the size of the employee's pension depends on the contributions the company pays to the plan or to an insurance company and the return on capital generated by the contributions. Consequently it is the employee who bears the actuarial risk (that benefits will be lower than expected) and investment risk (that the invested assets will be insufficient to meet expected benefits). The company's obligations for defined-contribution plans are recognised as an expense in profit for the year as they are earned by the employees performing services for the company over a given period.

24.2 Defined-benefit pension plans

The Group's net obligation in respect of defined-benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned through their service in current and prior periods. This benefit is discounted to a present value. The discount rate is the rate at the end of the reporting period on a high-quality corporate bond, including mortgage bonds, with a maturity corresponding to the Group's pension obligations. When there is no viable market for such corporate bonds, the market rate for government bonds with a similar maturity is used instead. The calculation is performed by a qualified actuary using the Projected

Unit Credit Method. The fair value of any plan assets is also calculated at the reporting date.

The Group's net obligation is the present value of the obligation, less the fair value of plan assets adjusted for any asset restrictions.

Net interest expense/income on the defined-benefit obligation/asset is recognised in profit or loss for the year under net financial income/expense. Net interest income is based on the interest that arises when discounting the net obligation; that is, interest on the obligation, plan assets and the effect of any asset restrictions. Other components are recognised in operating profit.

Revaluation effects consist of actuarial gains and losses, the difference between the actual return on plan assets and the amount included in net interest income and any changes in the effects of asset restrictions (excluding interest included in net interest income). Actuarial gains and losses arise either because the actual outcome deviates from previous assumptions or the assumptions change. Revaluation effects are recognised in other comprehensive income.

When the calculation leads to an asset for the Group, the carrying amount of the asset is restricted to the lower of the surplus in the plan or the asset restriction calculated using the discount rate. The asset restriction is the present value of the future economic benefits in the form of reduced future contributions or a cash refund.

In calculating the present value of future reimbursements or payments, any minimum funding requirement is taken into account.

Changes to or reductions in a defined-benefit plan are recognised on the earliest of the following dates: a) when the change in the plan or reduction occurs, or b) when the company recognises related restructuring costs and termination benefits. The changes/reductions are recognised directly in profit or loss for the year.

The special employer's contribution is part of the actuarial assumptions. Special employer's contributions related to the difference between how the pension obligation is determined in a legal entity and in the Group are recognised as part of the net obligation. Provisions and receivables are not calculated to present value. In a legal entity, the part of the special employer's contribution that is calculated based on the Pension Obligations Vesting Act is recognised for simplicity's sake as an accrued expense rather than as part of the net obligation/asset.

24.3 Short-term benefits

Short-term employee benefits are calculated without discounting and recognised as an expense when the related services are received.

A current liability is recognised for the expected cost of profit-sharing and bonus payments when the Group has a present legal or constructive obligation to make such payments as a result of services rendered by employees and the obligation can be estimated reliably.

24.4 Termination benefits

Benefits associated with the termination of employment are expensed at the earlier of the date that the company can no longer withdraw the offer to the employee or the date that the company recognises restructuring costs.

25 Provisions

A provision is recognised in the statement of financial position when there is a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are made at the amount which is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Where the effect of payment timing is important, provisions are determined by discounting the expected future cash flow at a pre-tax rate that reflects current market assessments of the time value of money and, if appropriate, the risks specific to the liability.

25.1 Provisions for urban transformation

See section 28.1.1 below.

25.2 Provisions for remediation

See section 28.1.2 below.

26 Contingent liabilities

A disclosure concerning a contingent liability is made when there is a possible commitment arising from past events whose existence is confirmed only by one or more uncertain future events beyond the company's control, or when there is a commitment that is not recognised as a liability or provision because it is not probable that an outflow of resources will be required or this cannot be measured with sufficient reliability.

27 Parent Company accounting policies

The Parent Company has prepared its annual report according to the Swedish Annual Accounts Act (1995:1554) and the Swedish Corporate Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The Swedish Corporate Reporting Board's recommendations for listed companies are also applied. RFR 2 states that in the annual report for the legal entity, the Parent Company shall apply all IFRS reporting standards and interpretations adopted by the EU as far as possible within the framework of the Annual Accounts Act, Pension Obligations Vesting Act and considering the relationship between accounting and taxation. The recommendation states the exceptions from and additions to IFRS that must be made.

27.1 Differences between Group and Parent Company accounting policies

The differences between Group and Parent Company accounting policies are detailed below. The specified accounting policies for the Parent Company were applied consistently to all periods presented in the Parent Company's financial statements.

27.2 Changed accounting policies in 2025

Unless otherwise stated below, the Parent Company's accounting policies in 2025 changed in accordance with what is stated above for the Group. The amendments have had no impact on the Parent Company's financial statements.

27.3 Upcoming changes in accounting policies

Upcoming changes to RFR 2 are expected to have no material impact on the Parent Company's financial statements on initial application.

27.4 Classification and presentation

The Parent Company uses the terms income statement, balance sheet and cash flow statement for the reports that in the Group are called consolidated income statement, statement of financial position and statement of cash flows respectively. The income statement and balance sheet for the Parent Company are presented in accordance with the Annual Accounts Act, while the corresponding Group reports are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows. The most significant differences from the consolidated statements relate primarily to recognition of financial income and expenses, financial assets and equity, and the fact that provisions are recognised under a separate heading in the balance sheet.

27.5 Subsidiaries and associates

Shares in subsidiaries, associates and jointly controlled entities are recognised in the Parent Company using the cost method. This means that transaction costs are included in the carrying amount of holdings in subsidiaries, associates and jointly controlled entities.

27.6 Expanded investment

Exchange rate differences on monetary items that form part of the Parent Company's net investment in a foreign operation are recognised in profit or loss.

27.7 Financial instruments and hedge accounting

The Parent Company has chosen not to apply IFRS 9 to financial instruments. However, some of the principles of IFRS 9 are still applicable – such as those relating to impairment losses, recognition/derecognition, criteria for applying hedge accounting and the effective interest method for interest income and interest expense.

In the Parent Company non-current financial assets are measured at cost less any impairment losses.

Current financial assets are measured at the lower of cost or market. Interest-bearing securities, shares and alternative investments or commodity derivatives are measured at portfolio level. This means that for instruments in the same portfolio, unrealised gains are offset against unrealised losses. Excess losses are recognised as a reduction in interest income under other interest income and similar items. Excess gains are not recognised. Financial liabilities are measured at amortised cost.

Derivatives used for hedging forecast cash flows to which hedge accounting is applied are not carried in the balance sheet. Changes in the value of derivatives are recognised in the same period as the hedged cash flows.

Derivatives with a negative value that are not part of a securities portfolio or to which hedge accounting is not applied are recognised as financial liabilities (other current liabilities) and measured at the amount most favourable to the company upon settlement or transfer of the obligation at the end of the reporting period.

When currency-hedging receivables in foreign currency relating to iron ore sales using forward contracts, the forward exchange rate is used to measure the hedged receivable. The forward points in the forward foreign exchange contract are recognised in net sales.

27.8 Financial guarantees

The Parent Company's financial guarantees mainly consist of security provided for subsidiaries.

The Parent Company applies one of the reliefs permitted by the Swedish Corporate Reporting Board compared with the rules of IFRS 9 in its recognition of financial guarantee agreements issued on behalf of subsidiaries. The Parent Company recognises financial guarantees as provisions in the balance sheet when the company has a commitment for which payment will probably be required to settle the commitment.

27.9 Anticipated dividends

Anticipated dividends from subsidiaries are recognised in cases where the Parent Company is solely entitled to decide on the size of the dividend and has decided on the size of the dividend before publishing its financial statements.

27.10 Operating segments

The Parent Company does not report segments with the same breakdown and to the same extent as the Group, but instead discloses the breakdown of net sales by the Parent Company's business streams.

27.11 Property, plant and equipment

With reference to RFR 2, IAS 16 (4), estimated future expenditures for dismantling and removing assets and restoring sites or areas where they are located (remediation costs) in legal entities are not capitalised. Instead, the provision for these expenditures is made gradually over the useful life.

27.12 Leased assets

The Parent Company does not apply IFRS 16, in accordance with the exemption in RFR 2. As lessee, lease payments are expensed on a straight-line basis over the term of the lease and therefore right-of-use assets and lease liabilities are not reported in the balance sheet. Leases where the Parent Company is the lessor are reported as operating leases.

27.13 Intangible non-current assets

27.13.1 Research and development

All research and development expenditures are recognised as expenses in the Parent Company income statement.

27.14 Employee benefits – defined-benefit pension plans

Where a pension premium is paid to an insurance company, the Parent Company recognises a defined-benefit plan as a defined-contribution plan.

The Parent Company applies policies other than those described in IAS 19 when estimating defined-benefit plans. The Parent Company complies with the provisions of the Pension Obligations Vesting Act and the regulations issued by Finansinspektionen, Sweden's financial supervisory authority, since this is a prerequisite for tax deductibility. The most significant differences from IAS 19 are how the discount rate is determined, that estimation of the defined-benefit obligation is based on current salary levels without consideration of future salary increases and that all actuarial gains and losses are recognised in the income statement.

Pension obligations secured by transfer of funds to a pension fund are recognised as a provision in the Parent Company only if the fair value of the fund assets is less than the amount of the obligations. No asset is recognised if the fund assets are greater than the obligations. The value of the company's obligations in respect of future pension payments is to be calculated in accordance with the second paragraph above.

27.15 Taxes

In the Parent Company balance sheet, untaxed reserves are recognised without dividing these into equity and deferred tax liabilities, in contrast to the Group. Similarly, the Parent Company does not allocate any part of appropriations to deferred tax in the income statement.

27.16 Group and shareholder contributions

Group contributions are recognised as appropriations.

Shareholder contributions paid are reported by the giver as an increase in Interests in Group companies and in Interests in associates and jointly controlled entities respectively.

28 Significant estimates and assessments

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.

Listed below are the estimates and assessments that are considered most important for an understanding of the financial statements. Conditions for LKAB's operations change gradually, which means that these assessments also change.

28.1 Provisions resulting from mining operations

28.1.1 Provisions for urban transformation

The techniques used in ore mining in underground mines lead to deformations in the form of fissures in the ground where mining is conducted. The deformations are already or will become so extensive that it is necessary to gradually move parts of Kiruna and Malmberget.

Although there are many similarities between conditions in Kiruna and Malmberget, the geological conditions differ. In Kiruna there is a gradual spread of deformations with continuous fissuring, while in Malmberget there is widespread undermining of the ground in the city centre. The deformations are a direct result of mining operations.

LKAB has already had, and will continue to have, significant expenses related to these urban transformations. For instance, LKAB will incur expenses for the acquisition of properties and municipal infrastructure such as electricity, water and sewage systems in the affected areas. The expenditures arise from LKAB's mandatory obligation to compensate damage resulting from its mining activities.

Provisions for the damage caused by the deformations are made for damage already confirmed and damage not yet confirmed but that will occur a year or so later as a result of mining.

LKAB recognises a provision:

1. where there is an agreement or a clear constructive obligation to an external party that defines a commitment relating to future impact areas,
2. as a result of past events,
3. which is expected to result in an outflow of economic resources from the company at settlement, and
4. a reliable estimate of the amount can be made.

For those provisions that relate to commitments outside the existing limits of the impact of mining to date for which compensation is payable, a mine asset relating to future mining is recognised.

The amount of the provision is calculated on the basis of objective valuation methods for each type of asset (residential properties, land, infrastructure etc.) and a present value is assigned.

For Kiruna, provisions are recognised for all assessed commitments within the impact area of the current main haulage level according to the current deformation forecast.

Where Malmberget is concerned, environmental conditions were laid down in a ruling by the Land and Environment Court. The impact area from the mining of several different orebodies has essentially encircled central Malmberget, which means that it is no longer able to function as a normal city centre. Provisions have been made for the entire area that will be phased out in Malmberget according to the current deformation forecast, and costs have been expensed for everything except the provision made in 2024 in respect of Eastern Malmberget.

All damage/compensation claims that are within the area impacted by mining to date are calculated and recognised as an expense in the income statement, in light of the fact that LKAB consumed the economic benefits that the mining generated. The mine component and mine asset relating to future mining are expensed using a production-based method. This means that the cost is calculated on the basis of ore actually extracted relative to the estimated total volume for the current main haulage level. Expensing for the year is usually based on the mine asset/mine component at the start of the year. Significant events may result in the basis being adjusted during the current year, as took place in 2025 as a result of the expanded impact area in Kiruna.

The impact will continue for many years ahead and there will be uncertainty regarding geological consequences, assumptions about market values, demolition and waste disposal costs etc. The uncertainty in the estimates made so far will decrease as the experience gained is taken into account in future estimates.

Provisions for urban transformation at year-end amounted to MSEK 32,422 (13,956).

28.1.2 Provisions for remediation

Obligations for remediation, dismantling and decontamination as a result of mining operations arise mainly as a result of legal environmental requirements.
The Group recognises provisions for remediation costs for all legal and constructive obligations.

Future expenditures for remediation are those resulting from closed operations and ongoing operations. The company collaborates with regulatory authorities to devise long-term plans for remediation of the mining areas. Provisions for ongoing operations are based on these remediation plans. The amount of the provision is calculated based on acreage and an assessment of future expenditures based on present day technology and other circumstances. The provision is assigned a present value. Future expenditures for ongoing operations are capitalised and depreciated over their useful life. For discontinued operations the costs have been expensed.

Provisions are reviewed and updated as needed when the mine assets' estimated useful life, costs, technical conditions, regulations or other conditions change.

The uncertainty in the estimates made so far will decrease as experience gained is taken into account in future estimates.

At year-end, provisions for remediation amounted to MSEK 1,912 (1,734).

28.2 Useful life and depreciation method for property, plant and equipment

Depreciation periods for main haulage levels, facilities and equipment in mines are dependent on future ore extraction and the mine's useful life. It is essential that changes in production and the ore base are reflected in the applied depreciation method and useful life, which is of particular importance when deciding on new main haulage levels. To achieve this, the useful lives and depreciation methods are continuously reassessed. Changes in assessments could have a material impact on consolidated earnings and financial position.

The carrying amount of property, plant and equipment at year-end amounted to MSEK 40,677 (38,048). Depreciation for the year amounted to MSEK 3,149 (2,841).

28.3 Retirement benefits

Several assumptions are important components in the actuarial methods used to calculate pension provisions, which may have a significant impact on the recognised net obligation and annual pension cost. The discount rate and expected return on plan assets are two critical assumptions used in the calculation of pension cost for the year and the present value of pension obligations. These assumptions are assessed annually for each pension plan in each country.

The discount rate enables the measurement of future cash flows to present value on the measurement date. This rate must correspond to the yield on either high-quality corporate bonds including mortgage bonds or, if there is no viable market for such bonds, government bonds. A lower discount rate increases the present value of the pension provision and the annual cost.

To determine the expected return on plan assets, LKAB considers the current and anticipated categories of the assets as well as historical and expected returns on the various categories of assets.

Several factors do not change as often, such as personnel turnover and retirement age. For financial and other reasons, actual outcomes often differ from actuarial assumptions.

At year-end, provisions for pensions amounted to MSEK 513 (765).

28.4 Taxes

Significant assessments are made to determine current tax assets and liabilities as well as deferred tax assets and liabilities. LKAB must assess the likelihood that deferred tax assets will be utilised to offset future taxable profits. Actual outcomes may differ from the estimates, for instance due to changed tax legislation or the outcome of final reviews of tax returns by tax authorities and tax courts.

A deferred net tax liability of MSEK -755 (-1,602) was recognised at year-end.

The corresponding amount for current tax was a net tax liability of MSEK -395 (-1,008).

Note 2 Segment reporting

Segment information

The Group's business is divided into operating segments based on the parts of the business monitored by the Group's chief operating decision maker. This is known as a management approach. Group management follows up on the results of the operations and decides how resources are to be allocated based on the products that the Group produces and sells, and these operations form the Group's operating segments. Each operating segment is headed by a person with day-to-day responsibility for the operations who reports regularly to Group management on the results of the operating segment's performance and the resources needed. The Group's internal reporting is structured so as to allow Group management to follow up on the operating segments' performance and results. An operating segment's results, assets and liabilities include items directly attributable to that segment and items which can be allocated to that segment in a reasonable and reliable way. Intra-group prices between segments are based on the arm's length principle; that is, between parties that are independent of each other, well-informed and with an interest in completing transactions. In the income statement, all items other than net financial income/expense and tax expense have been allocated to operating segments. Assets that have been allocated are property, plant and equipment; other assets have not been allocated. Where liabilities are concerned, lease liabilities and provisions for urban transformation and remediation have been allocated, while other liabilities have not been allocated. All tangible investments are included in the segments' capital expenditures on property, plant and equipment.

The Group comprises the following operating segments:

Iron Ore business area

The Iron Ore business area mines and processes iron ore products in Kiruna, Malmberget and Svappavaara. The business area produces blast furnace pellets and pellets for steelmaking via direct reduction, known as DR pellets. The business area also produces fines. Included in the business area are logistics activities for the iron ore operations.

Special Products business area

The Special Products business area covers LKAB Minerals, LKAB Wassara, LKAB Berg & Betong, LKAB Kimit, LKAB Mekaniska, Bergteamet and LKAB CRM. The business area develops and markets industrial minerals, drilling technology and full-service solutions for the mining and construction industries. .

Other Segments

Other Segments covers group-wide functions such as HR, communication and finance, as well as strategic research and development. Other Segments also covers financial operations, including transactions and gains/losses relating to financial hedging of iron ore prices, foreign currency and purchases of electricity.

Operating segments

Group	Iron Ore business area		Special Products business area		Other Segments		Total		Group-related adjustments and eliminations[1]		Group	
MSEK	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
External income	28,739	29,329	4,059	3,919	526	-102	33,325	33,146	–	–	33,325	33,146
Internal income	854	774	2,301	2,384	114	106	3,269	3,264	-3,269	-3,264	0	0
Total income	**29,593**	**30,103**	**6,360**	**6,303**	**640**	**4**	**36,594**	**36,410**	**-3,269**	**-3,264**	**33,325**	**33,146**
Operating profit/loss	**2,947**	**9,268**	**448**	**504**	**-406**	**-940**	**2,989**	**8,832**	**284**	**-110**	**3,274**	**8,722**
Net financial income/ expense											414	2,229
Profit/loss before tax											**3,688**	**10,951**
Tax											-712	-2,178
Profit/loss for the year											**2,976**	**8,773**
Significant non-cash items												
Depreciation of property, plant and equipment	-2,882	-2,610	-317	-304	-179	-113	-3,378	-3,027	5	4	-3,373	-3,023
Costs for urban transformation provisions	-4,954	-313	–	–	–	–	-4,954	-313	–	–	-4,954	-313
Assets[2]	62,367	46,301	1,666	1,340	5,964	4,777	69,997	52,418	–	–	69,997	52,418
Unallocated assets											53,398	54,442
Total assets											**123,395**	**106,860**
Investments in property, plant and equipment	-4,730	-4,404	-588	-332	-699	-672	-6,017	-5,408	–	–	-6,017	-5,408
Liabilities	34,494	15,806	119	131	126	118	34,739	16,055	–	–	34,739	16,055
Unallocated liabilities											8,619	12,010
Total liabilities											**43,358**	**28,065**

[1] Refers to intra-group transactions and group-related adjustments, for example adjustment of the consolidated pension liability under IAS 19 and internal gains.

[2] Facilities were reclassified from Other Segments to the Iron Ore business area in 2024. Comparative figures have been adjusted to reflect the change.

Note 2 continued

Geographic areas

The vast majority of Group sales are made essentially from Sweden and in the Swedish companies. The Group's products are made almost exclusively in Sweden. Capital expenditures have mainly been made in Sweden.
The carrying amount of assets by country/region is based on where the assets are located, and the income for the Group is recognised based on where the customers are located.

Group	Sweden		Rest of Europe		Middle East & North Africa		Rest of World		Group	
MSEK	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
External income	5,746	6,362	15,583	17,422	8,111	7,639	3,885	1,723	33,325	33,146
Property, plant and equipment	66,909	49,492	3,057	2,881	–	–	31	45	69,997	52,418

Information about major customers

Under IFRS 8, the company must disclose information about major customers. The LKAB Group has three large customers that each account for nearly 10 percent or more of Group sales.
Sales to these customers accounted for 25 (26) percent, 14 (11) percent and 11 (10) percent of sales and are recognised in the Iron Ore business area.

Parent Company	Iron Ore business area		Other Segments		Parent Company total	
MSEK	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Net sales	29,528	30,053	712	28	30,240	30,081

Parent Company	Europe		Middle East & North Africa		Rest of World		Parent Company	
MSEK	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Net sales by geographic market	19,685	21,750	8,083	7,531	2,472	800	30,240	30,081

Note 3 Revenue

Breakdown of revenue from contracts with customers
The breakdown of revenue from contracts with customers into major product and service areas and into main geographic markets is summarised below.
The table also includes a reconciliation between the revenue breakdown and the Group's total external income for operating segments according to Note 2.

Group	Iron Ore business area		Special Products business area		Other Segments		Group	
MSEK	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Product/service area								
Pellets	25,895	26,642	–	–	–	–	25,895	26,642
Fines	2,338	2,148	–	–	–	–	2,338	2,148
Magnetite	–	–	1,717	1,308	–	–	1,717	1,308
Mineral sands	–	–	308	227	–	–	308	227
Other industrial minerals	–	–	1,532	1,707	–	–	1,532	1,707
Mining and construction services	–	–	502	677	–	–	502	677
Other	506	539	–	–	14	24	520	563
Total	**28,739**	**29,329**	**4,059**	**3,919**	**14**	**24**	**32,812**	**33,272**
Region								
Europe	18,184	20,998	2,618	2,888	14	24	20,817	23,910
MENA	8,083	7,531	28	108	–	–	8,111	7,639
Rest of World	2,473	800	1,413	923	–	–	3,885	1,723
Total	**28,739**	**29,329**	**4,059**	**3,919**	**14**	**24**	**32,812**	**33,272**
Revenue from contracts with customers	28,739	29,329	4,059	3,919	14	24	32,812	33,272
Other income – financing activities	–	–	–	–	512	-126	512	-126
Total external income	**28,739**	**29,329**	**4,059**	**3,919**	**526**	**-102**	**33,325**	**33,146**

Contract balances
Disclosures concerning contract liabilities from contracts with customers that are summarised below.

Group		
MSEK	**31 Dec 2025**	**31 Dec 2024**
Contract liability	95	124

The contract liability balance of MSEK 124 that was reported at the beginning of the period was recognised as revenue in 2025.

Note 4 Other operating income

	Group		Parent Company	
MSEK	**2025**	**2024**	**2025**	**2024**
Rental income, properties	334	335	–	–
Gain on sale of non-current assets	9	24	7	20
Exchange gains on receivables/liabilities related to operations	80	58	38	31
Government grants	6	196	5	195
Damages	6	530	1	501
Other	32	36	10	8
Total	**467**	**1,179**	**61**	**755**

Note 5 Other operating expenses

	Group		Parent Company	
MSEK	**2025**	**2024**	**2025**	**2024**
Property costs	360	350	0	1
Loss on sale of non-current assets	1	42	–	40
Exchange losses on receivables/liabilities related to operations	58	74	22	44
Other	0	22	0	–
Total	**419**	**488**	**22**	**85**

Note 6 Employees, employee benefit expenses and remuneration of senior executives

Average number of employees

Parent Company	**2025**	Of which women	Of which men	**2024**	Of which women	Of which men
Sweden	3,335	30%	70%	3,315	30%	70%
Total Parent Company	**3,335**	**30%**	**70%**	**3,315**	**30%**	**70%**
Subsidiaries						
Sweden	867	25%	75%	856	22%	78%
China	17	59%	41%	17	59%	41%
Netherlands	20	30%	70%	21	29%	71%
Norway	223	16%	84%	219	15%	85%
United Kingdom	223	23%	77%	232	23%	77%
Germany	12	42%	58%	12	42%	58%
Other countries	39	29%	71%	35	27%	73%
Total subsidiaries	**1,401**	**24%**	**76%**	**1,392**	**22%**	**78%**
Total Group	**4,736**	**28%**	**72%**	**4,707**	**27%**	**73%**

Gender distribution in executive management

	31 Dec 2025		**31 Dec 2024**	
Parent Company	Percentage women	Percentage men	Percentage women	Percentage men
Board of Directors	42%	58%	42%	58%
Other senior executives	22%	78%	22%	78%

Note 6 continued

Salaries, other remuneration and social security costs of senior executives and other employees respectively in the Parent Company

	2025			2024		
Parent Company **MSEK**	Senior executives (19 individuals)	Other employees	Total	Senior executives (18 individuals)	Other employees	Total
Salaries and other remuneration						
Sweden	35	2,680	2,715	32	2,271	2,303
Total Parent Company	**35**	**2,680**	**2,715**	**32**	**2,271**	**2,303**
Social security costs			1,339			1,297
of which pension costs			*490*			*530*

Incentive programme
During the year the company paid out remuneration from employee incentive programmes for 2024 in an amount of MSEK 37 (200), which corresponds to an average of SEK 6,631 (36,264) per person.

Senior executives
Senior executives refers to Board members, the President and Group management. Salaries and other remuneration for employee representatives on the Board are reported under other employees.

Guidelines for remuneration to the Board of Directors
The remuneration of the Chairman of the Board and Board members is decided at the AGM. The 2025 AGM approved remuneration of SEK 777,000 to the Chairman of the Board and SEK 350,000 to the other Board members elected by the AGM. Serving on the Finance and Audit Committee is remunerated with a fee of SEK 88,000 for the chair and SEK 60,000 for other committee members. Serving on the Urban Transformations Committee is remunerated with a fee of SEK 77,700 for the chair and SEK 53,500 for other committee members. Serving on the Remuneration Committee is remunerated with a fee of SEK 33,000 for the chair and SEK 22,000 for other committee members. Remuneration is not paid any Board member who is employed at the Government Offices, nor to employee representatives.

Guidelines for the remuneration of senior executives
The 2025 AGM adopted guidelines for remuneration of senior executives. The guidelines were prepared in accordance with the remuneration principles in the State Ownership Policy adopted by the government on 20 February 2025. The guidelines are applicable to contracts signed after the 2025 AGM. During 2025 the company complied with the applicable remuneration guidelines adopted by the general meeting. There has been no departure from the guidelines and no deviation from the decision-making process that the guidelines state is to be applied to determine the remuneration.

Matters concerning remuneration and other terms of employment for the President and other senior executives are prepared by a Remuneration Committee appointed by the Board of Directors. Four Board members make up the committee. The committee is chaired by the Chairman of the Board. The Board takes decisions based on committee proposals.

Remuneration of senior executives in Group management
The President and other Group management executives are paid fixed salaries.

President Jan Moström's basic monthly salary in 2025 was SEK 856,815. Retirement age for the President is 65. During 2025 it was announced that Jan Moström will retire in the first half of 2026. The President's pension plan is a defined-contribution plan whereby LKAB makes a yearly provision of 30 percent of the President's current fixed annual salary for a pension plan chosen by the President, which may include the ITP plan. The portion of the premium allowance that is not used to cover premiums for the ITP plan can be used by the President for a complementary pension plan. The retirement age for other senior executives is 65. They have a defined-contribution pension to which LKAB allocates 30 percent of annual fixed salary per year, except for one member of Group management who is employed in the UK and has a different agreement.

The mutual notice period for termination of employment in the case of senior executives with contracts signed prior to the 2017 AGM is six months. Severance pay equivalent to 18 monthly salaries is paid when notice of termination is given by the company. At present, one senior executive is covered by these terms.

For contracts signed since the 2017 AGM a mutual notice period of six months applies. Severance pay equivalent to 12 monthly salaries is paid when notice of termination is given by the company.

For further information, see the table Remuneration and other benefits to members of Group management in 2025.

Remuneration and other benefits to the Board, accrued

	Board fees	
SEK thousand	**2025**	**2024**
Former Chairman of the Board Göran Persson[5]	–	275
Chairman of the Board Anders Borg[1,4]	877	695
Board member Alrik Danielson[3]	430	277
Board member Carina Andersson[3]	403	259
Board member Catrin Fransson[3,4]	424	407
Board member Eva Hamilton[1]	398	383
Board member Kerstin Konradsson[3]	403	385
Board member Lotta Mellström[2]	–	–
Board member Bjarne Moltke Hansen[1]	398	383
Board member Gunilla Saltin[5]	–	115
Board member Per-Olof Wedin[1]	398	383
Total	**3,731**	**3,562**

[1] The fee also includes remuneration for work on the Urban Transformations Committee.
[2] No board fees are paid to representatives of the Government Offices of Sweden.
[3] The fee also includes remuneration for work on the Finance and Audit Committee.
[4] The fee also includes remuneration for work on the Board's Remuneration Committee.

Note 6 continued

[5] Stood down from the Board at the 2024 AGM.

Remuneration and other benefits to members of Group management in 2025

SEK thousand	Basic salary[1]	Other benefits[2]	Pension cost	Total
President Jan Moström	10,439	131	3,136	13,706
Other members of Group management[3]	23,729	1,243	5,823	30,795
Total	**34,168**	**1,374**	**8,959**	**44,501**

[1] Basic salary including holiday pay.
[2] Other benefits include accommodation, car allowance, bicycle allowance, subsistence allowances, life insurance and medical insurance.
[3] Darren Wilson, SVP Special Products Business Area, has remuneration and benefits arranged and taxed according to UK rules. No part of the remuneration is accounted for in Sweden.

The other members of Group management are Niklas Johansson, Darren Wilson, Pia Lindström, Åse Juhlin, Michael Palo, Magnus Karlsson, Per Landström, Peter Hansson and Stefan Hämäläinen.
Åse Julin served as acting from January to May 2025 and Peter Hansson from January to July 2025. Åse Juhlin became a regular member of the Group management team in June 2025 and Magnus Karlsson in August 2025.

Remuneration and other benefits to members of Group management in 2024

SEK thousand	Basic salary[1]	Other benefits[2]	Pension cost	Total
President Jan Moström	10,309	234	3,030	13,573
Other members of Group management[3]	22,031	1,358	5,341	28,730
Total	**32,340**	**1,592**	**8,371**	**42,303**

[1] Basic salary including holiday pay.
[2] Other benefits include accommodation, car allowance, bicycle allowance, subsistence allowances, life insurance and medical insurance.
[3] Darren Wilson, SVP Special Products Business Area, has remuneration and benefits arranged and taxed according to UK rules. No part of the remuneration is accounted for in Sweden.

The other members of Group management are Niklas Johansson, Darren Wilson, Pia Lindström, Stefan Loréhn, Michael Palo, Maria Reinholdsson, Per Landström and Stefan Hämäläinen. Acting positions during the year are not included in the reported amounts as these covered shorter periods.
Per Landström took up his position in February 2024 and Stefan Hämäläinen in August 2024. Maria Reinholdsson left the Group management in November 2024.

Note 7 Auditors' fees and reimbursements

	Group		Parent Company	
MSEK	**2025**	**2024**	**2025**	**2024**
KPMG				
Audit engagements	13	13	6	6
Other auditing	4	1	3	1
Tax consulting	1	1	–	–
Other services	0	0	–	0
Other auditors				
Audit engagements	1	1	0	–

Audit engagements refers to statutory auditing of annual and consolidated financial statements and bookkeeping as well as the Board's and President's administration of the company, along with audits and other reviews performed as agreed upon or contracted.

This includes other tasks that are incumbent on the company's auditor to perform, as well as consultancy or other assistance occasioned by observations during such reviews or the performance of such other tasks.

Note 8 Operating expenses by type

	Group		Parent Company	
MSEK	**2025**	**2024**	**2025**	**2024**
Employee benefit expenses	5,644	5,305	4,103	3,866
Materials etc.	3,704	3,765	4,046	4,085
Energy	2,273	2,600	1,984	2,314
Transport	941	927	2,466	2,291
Provisions for urban transformation	4,954	313	4,954	313
Depreciation, amortisation and impairment	3,373	3,022	2,591	2,315
Other operating expenses	9,629	9,671	7,836	7,588
Total	**30,518**	**25,603**	**27,980**	**22,772**

Note 9 Net financial income/expense

Group

MSEK	2025	2024
Financial income		
Assets at fair value through profit or loss		
Interest-bearing securities – net gain	396	515
Shares and alternative investments – net gain	361	1,154
Dividends on shares at fair value through other comprehensive income	293	541
Other interest income, financial assets at amortised cost	92	130
Return on plan assets, pension plans for employees	134	121
Dividend from associate	–	1
Exchange rate fluctuations including foreign exchange derivatives (net)	–	47
Other financial income	0	40
Total financial income	**1,276**	**2,549**
Financial expense		
Interest expense, financial liabilities at amortised cost		
Interest-bearing liabilities	-21	-68
Provision for remediation costs	-50	-49
Other interest expense	-3	-11
Loans receivable and shares – impairment	–	-2
Interest expense for urban transformation provisions	-383	–
Interest expense, defined-benefit pension obligations	-145	-142
Interest expense, lease liabilities	-15	-15
Exchange rate changes (net)	-225	–
Fees for loan facility	-12	-13
Other financial expense	-8	-20
Total financial expense	**-862**	**-320**
Net financial income/expense	**414**	**2,229**

Exchange rate differences relate mainly to remeasurement of receivables in foreign currency.
Other financial expense refers primarily to transaction costs and to banking and administration expenses.

Parent Company	Income from interests in Group companies		Income from interests in associates	
MSEK	**2025**	**2024**	**2025**	**2024**
Dividend	35	38	–	–
Impairment	–	–	–	-403
Total	**35**	**38**	**–**	**-403**

Parent Company	Income from other securities and receivables held as non-current assets		Other interest income and similar profit/loss items	
MSEK	**2025**	**2024**	**2025**	**2024**
Dividend, shares	293	541	–	–
Interest income, Group companies	88	91	44	41
Interest income, other	–	–	78	116
Return on shares and alternative investments	–	–	1,012	2,976
Other financial income	–	–	0	40
Total	**381**	**632**	**1,134**	**3,173**

	Interest expense and similar profit/loss items	
SEK thousand	**2025**	**2024**
Interest expense, Group companies	-27	-34
Interest expense, interest-bearing liabilities	-21	-68
Interest expense, remediation costs	-38	-37
Interest expense, urban transformation	-383	–
Interest expense, other	-2	-4
Exchange rate fluctuations including foreign exchange derivatives (net)	-118	-14
Fees for loan facility	-12	-13
Other financial expense	-8	-19
Total	**-609**	**-189**

Return on shares and alternative investments includes a return on interest-bearing securities of MSEK 389 (516).
Other financial expense refers primarily to transaction costs and to banking and administration expenses.
Exchange rate differences relate mainly to remeasurement of receivables in foreign currency.

Note 10 Appropriations

Parent Company

MSEK	2025	2024
Difference between recognised depreciation and depreciation according to plan:		
Plant and equipment	–	132
Group contributions received	352	319
Group contributions paid	-5	-43
Total	**347**	**408**

Note 11 Taxes

Recognised in the income statement

Group

MSEK	2025	2024
Current tax expense (-)		
Tax expense for the year	-1,597	-2,379
Adjustment of tax attributable to prior years	-5	5
	-1,602	**-2,374**
Deferred tax expense (-)/tax income (+)		
Deferred tax on temporary differences	890	196
	890	**196**
Total recognised Group tax	**-712**	**-2,178**

Parent Company

MSEK	2025	2024
Current tax expense (-)		
Tax expense for the year	-1,528	-2,255
Adjustment of tax attributable to prior years	1	–
	-1,527	**-2,255**
Deferred tax expense (-)		
Deferred tax on temporary differences	834	-125
	834	**-125**
Total recognised Parent Company tax	**-693**	**-2,380**

Reconciliation of effective tax

Group

MSEK	2025 (%)	2025	2024 (%)	2024
Profit/loss before tax		**3,688**		**10,951**
Tax as per effective tax rate for Parent Company	20.6%	-761	20.6%	-2,256
Non-deductible expenses	0.8%	-31	1.1%	-119
Non-taxable income	-2.7%	99	-2.6%	279
Tax attributable to prior years	0.0%	-1	0.0%	5
Standard interest on tax allocation reserve and investment fund	0.1%	-5	0.1%	-8
Other	0.4%	-13	0.7%	-79
Recognised effective tax	**19.3%**	**-712**	**19.9%**	**-2,178**

Parent Company

MSEK	2025 (%)	2025	2024 (%)	2024
Profit/loss before tax		**3,609**		**11,723**
Tax as per effective tax rate for Parent Company	20.6%	-743	20.6%	-2,415
Non-deductible expenses	0.7%	-27	0.9%	-107
Non-taxable income	-1.9%	69	-2.4%	275
Tax attributable to prior years	0.0%	1	0.0%	0
Standard interest on tax allocation reserve and investment fund	0.1%	-5	0.1%	-8
Other	-0.3%	12	1.1%	-125
Recognised effective tax	**19.2%**	**-693**	**20.3%**	**-2,380**

Note 11 continued

Tax attributable to other comprehensive income

Group

MSEK	2025	2024
Cash flow hedges incl. hedging cost reserve	**-21**	**1**
Remeasurement of defined-benefit pension plans	-32	-43
Total	**-53**	**-42**

Recognised in the statement of financial position and balance sheet

Recognised deferred tax assets and liabilities. Deferred tax assets and liabilities are attributable to the following:

Group	Deferred tax asset		Deferred tax liability		Net	
MSEK	**31 Dec 2025**	**31 Dec 2024**	**31 Dec 2025**	**31 Dec 2024**	**31 Dec 2025**	**31 Dec 2024**
Intangible assets	13	15	-64	-85	-51	-70
Property, plant and equipment	207	235	-2,319	-2,357	-2,112	-2,122
Current investments	–	–	-90	-144	-90	-144
Pension provisions	58	115	-19	-6	39	109
Provisions, urban transformation	1,367	504	–	–	1,367	504
Cash flow hedges	–	–	-21	–	-21	0
Other	155	146	-42	-25	113	121
Tax assets/liabilities	**1,800**	**1,015**	**-2,555**	**-2,617**	**-755**	**-1,602**
Offset	-1,795	-1,013	1,795	1,013	–	–
Tax assets/liabilities, net	**5**	**2**	**-760**	**-1,604**	**-755**	**-1,602**

Parent Company	Deferred tax asset		Deferred tax liability		Net	
MSEK	**31 Dec 2025**	**31 Dec 2024**	**31 Dec 2025**	**31 Dec 2024**	**31 Dec 2025**	**31 Dec 2024**
Property, plant and equipment	151	170	–	–	151	170
Pension provisions	58	65	–	–	58	65
Provisions, urban transformation	1,367	504	–	–	1,367	504
Other	18	21	–	–	18	21
Tax assets/liabilities	**1,594**	**760**	**–**	**–**	**1,594**	**760**

Note 11 continued

Change in deferred tax on temporary differences and loss carryforwards.

Group **MSEK**	Opening balance, 1 Jan 2024	Recognised in profit or loss	Recognised in other comprehen-sive income	Other changes	Closing balance, 31 Dec 2024
Intangible assets	-100	30	–	–	-70
Property, plant and equipment	-2,140	18	–	–	-2,122
Current investments	-413	269	–	–	-144
Pension provisions	176	-24	-43	–	109
Provisions, urban transformation	580	-76	–	–	504
Other provisions	29	-5	–	–	24
Cash flow hedges	-1	–	1	–	0
Other	134	-16	–	-21	97
Total	**-1,735**	**196**	**-42**	**-21**	**-1,602**

Group **MSEK**	Opening balance 1 Jan 2025	Recognised in profit or loss	Recognised in other comprehen-sive income	Other changes	Closing balance 31 Dec 2025
Intangible assets	-70	19	–	–	-51
Property, plant and equipment	-2,122	9	–	–	-2,113
Current investments	-144	54	–	–	-90
Pension provisions	109	-38	-32	–	39
Provisions, urban transformation	504	863	–	–	1,367
Cash flow hedges	0	–	-21	–	-21
Other	121	-17	–	10	114
Total	**-1,602**	**890**	**-53**	**10**	**-755**

Parent Company **MSEK**	Opening balance 1 Jan 2024	Recognised in profit or loss	Closing balance 31 Dec 2024
Property, plant and equipment	188	-18	170
Pension provisions	95	-30	65
Provisions, urban transformation	580	-76	504
Other	23	-2	21
Total	**886**	**-126**	**760**

Parent Company **MSEK**	Opening balance 1 Jan 2025	Recognised in profit or loss	Closing balance 31 Dec 2025
Property, plant and equipment	170	-20	150
Pension provisions	65	-7	58
Provisions, urban transformation	504	863	1,367
Other	21	-3	18
Total	**760**	**833**	**1,593**

Global minimum tax – Pillar Two

The Group is subject to the OECD's Pillar Two Model Rules. Pillar Two legislation has been adopted in Sweden, where LKAB is domiciled, and entered into force on 1 January 2024.

Under the legislation the Group is obliged to pay a top-up tax for the difference between the effective tax rate calculated according to the GloBE rules for each jurisdiction and a minimum tax rate of 15 percent.

The Group has calculated the additional tax at approximately MSEK 2.4 for 2025, which has been reported as a current tax expense.

The Group applies the exception from recognition and disclosure of deferred tax assets and liabilities related to Pillar Two income taxes, as specified in the amendments to IAS 12 issued in May 2023.

Note 12 Earnings per share

The number of shares amounted to 700,000 in both 2025 and 2024. Earnings attributable to Parent Company shareholders are MSEK 2,977 (8,764) and earnings per share are thus SEK 4,253 (12,519). There are no options or potential ordinary shares, so there is no dilution.

Note 13 Intangible assets

All of the Group's intangible assets are acquired.

Group **MSEK**	Goodwill	Licences	Mining rights	Pur-chasing contracts	Customer relation-ships	Other	Total
Cost							
Opening balance 1 Jan 2024	**701**	**–**	**281**	**436**	**473**	**1,304**	**3,194**
Change in emission allowances	–	–	–	–	–	-12	-12
Exchange rate differences	49	–	–	7	8	22	86
Closing balance 31 Dec 2024	**750**	**–**	**281**	**443**	**481**	**1,314**	**3,268**
Opening balance 1 Jan 2025	**750**	**–**	**281**	**443**	**481**	**1,314**	**3,269**
Investments	–	371	–	–	–	–	371
Change in emission allowances	–	–	–	–	–	38	38
Disposals and retirements	-48	–	–	–	–	–	-48
Exchange rate differences	-18	–	–	-10	-11	-31	-70
Closing balance 31 Dec 2025	**684**	**371**	**281**	**433**	**470**	**1,321**	**3,560**
Depreciation							
Opening balance 1 Jan 2024	-18	–	-187	-200	-162	-46	-613
Amortisation for the year	–	–	–	-42	-37	-2	-81
Exchange rate differences	-2	–	0	4	3	1	6
Closing balance 31 Dec 2024	**-20**	**–**	**-187**	**-238**	**-196**	**-47**	**-688**
Opening balance 1 Jan 2025	-20	–	-187	-238	-196	-47	-688
Amortisation for the year	–	–	–	-41	-35	-2	-78
Exchange rate differences	3	–	–	-1	-1	0	1
Closing balance 31 Dec 2025	**-17**	**–**	**-187**	**-280**	**-232**	**-49**	**-765**

Group **MSEK**	Goodwill	Licences	Mining rights	Pur-chasing contracts	Customer relation-ships	Other	Total
Impairment							
Opening balance 1 Jan 2024	-63	–	-93	–	–	–	-156
Exchange rate differences	-1	–	–	–	–	–	-1
Closing balance 31 Dec 2024	**-63**	**–**	**-93**	**–**	**–**	**–**	**-156**
Opening balance 1 Jan 2025	-63	–	-93	–	–	–	-156
Exchange rate differences	2	–	–	–	–	–	2
Closing balance 31 Dec 2025	**-61**	**–**	**-93**	**–**	**–**	**–**	**-154**
Carrying amount							
At 1 Jan 2024	621	–	1	235	311	1,257	2,425
At 31 Dec 2024	**667**	**–**	**1**	**204**	**285**	**1,266**	**2,423**
At 1 Jan 2025	667	–	1	204	285	1,266	2,423
At 31 Dec 2025	**605**	**371**	**1**	**154**	**238**	**1,272**	**2,641**

Group **MSEK**	**2025**	**2024**
Cost of goods sold	-78	-81

Note 13 continued

Parent Company **MSEK**	Mining rights	Licences	Other	Total
Cost				
Opening balance 1 Jan 2024	161	_	1,222	1,383
Change in emission allowances	–	–	-13	-13
Closing balance 31 Dec 2024	**161**	**_**	**1,209**	**1,370**
Opening balance 1 Jan 2025	161	–	1,209	1,370
Change in emission allowances	–	371	39	410
Closing balance 31 Dec 2025	**161**	**371**	**1,248**	**1,780**
Depreciation				
Opening balance 1 Jan 2024	-161	–	–	-161
Closing balance 31 Dec 2024	**-161**	**–**	**–**	**-161**
Opening balance 1 Jan 2025	-161	–	–	-161
Closing balance 31 Dec 2025	**-161**	**–**	**–**	**-161**
Carrying amount				
At 1 Jan 2024	–	–	1,222	1,222
At 31 Dec 2024	**–**	**–**	**1,209**	**1,209**
At 1 Jan 2025	–	–	1,209	1,209
At 31 Dec 2025	**–**	**371**	**1,248**	**1,619**

Goodwill specification

MSEK	**31 Dec 2025**	**31 Dec 2024**
LKAB Minerals Ltd	524	584
Bergteamet AB	53	54
Units without significant goodwill value, combined	28	29
Total	**605**	**667**

Impairment testing of cash-generating units containing goodwill

Impairment testing is performed once a year, or on an ongoing basis during the year if there is any indication of impairment, and is based on estimated value in use.

This value is based on cash flow forecasts taking the annual budget and five-year strategic plan for each cash-generating unit as a starting point, as determined by the management of the Special Products business area. The cash flow forecasts beyond the planning horizon include the assumption of perpetual 1–2 percent growth. The expected cash flows were calculated to present value using an individual discount rate in line with the market (WACC). Important assumptions in the business plans are expected growth in the market and assessment of future margins.

The value in use of the LKAB Minerals Ltd cash-generating unit exceeds the carrying amount by MSEK 575 or 36 percent, and consequently there is judged to be no impairment loss. The discount rate before tax is 9.3 percent with perpetual growth of 1 percent.

The value in use of the cash-generating unit would equal the carrying amount if the perpetual growth rate were to change from 1 percent to -3.6 percent or the discount rate from 9.3 percent to 12.4 percent.

Note 14 Property, plant and equipment for operations

Group **MSEK**	Buildings and land	Under-ground installa-tions	Plant and machinery	Equipment, tools, fixtures and fittings	Construc-tion in progress	Total
Cost						
Opening balance 1 Jan 2024	**15,849**	**8,925**	**49,700**	**8,263**	**10,294**	**93,032**
Acquisitions	125	–	158	96	5,030	5,409
Remeasurement of asset, remediation	-7	–	–	–	–	-7
Reclassifications	264	203	5,166	-3,609	-2,052	-28
Remeasurement relating to high inflation	14	–	36	3	7	60
Disposals and retirements	-18	–	-323	-123	-102	-566
Exchange rate differences	-28	0	25	2	-7	-8
Closing balance 31 Dec 2024	**16,199**	**9,128**	**54,762**	**4,632**	**13,170**	**97,891**
Opening balance 1 Jan 2025	16,199	9,128	54,762	4,632	13,170	97,891
Acquisitions	126	–	115	122	5,622	5,985
Remeasurement of asset, remediation	22	–	–	–	–	22
Reclassifications	2,099	85	2,128	664	-4,976	–
Remeasurement relating to high inflation	3	–	1	–	1	5
Disposals and retirements	0	–	-120	-18	-81	-219
Exchange rate differences	-190	–	-179	-11	-44	-424
Closing balance 31 Dec 2025	**18,259**	**9,213**	**56,707**	**5,389**	**13,692**	**103,260**

Note 14 continued

Group **MSEK**	Buildings and land	Under-ground installa-tions	Plant and machinery	Equipment, tools, fixtures and fittings	Construc-tion in progress	Total
Depreciation						
Opening balance 1 Jan 2024	-6,807	-6,179	-30,521	-5,866	–	-49,373
Depreciation for the year	-495	-296	-1,795	-255	–	-2,841
Reclassifications	6	–	-3,041	3,063	–	28
Remeasurement relating to high infla-tion	-3	–	-23	-2	–	-28
Disposals and retirements	21	–	178	121	–	320
Exchange rate differences	12	–	-17	-1	–	-6
Closing balance 31 Dec 2024	**-7,266**	**-6,475**	**-35,219**	**-2,940**	**–**	**-51,900**
Opening balance 1 Jan 2025	-7,266	-6,475	-35,219	-2,940	–	-51,900
Depreciation for the year	-619	-251	-1,992	-287	–	-3,149
Reclassifications	–	–	0	0	–	0
Remeasurement relating to high infla-tion	-1	–	-6	0	–	-7
Disposals and retirements	0	–	108	16	–	124
Exchange rate differences	79	–	138	7	–	224
Closing balance 31 Dec 2025	**-7,807**	**-6,726**	**-36,971**	**-3,204**	**–**	**-54,708**
Impairment						
Opening balance 1 Jan 2024	-1,840	-828	-5,027	-641	-17	-8,353
Reclassifications	0	–	0	1	1	0
Disposals and retirements	–	–	57	1	–	58
Closing balance 31 Dec 2024	**-1,840**	**-828**	**-4,970**	**-639**	**-16**	**-8,293**
Opening balance 1 Jan 2025	-1,840	-828	-4,970	-639	-16	-8,293
Disposals and retirements	–	–	9	–	–	9
Closing balance 31 Dec 2025	**-1,840**	**-828**	**-4,961**	**-639**	**-16**	**-8,284**

Group **MSEK**	Buildings and land	Under-ground installa-tions	Plant and machinery	Equipment, tools, fixtures and fittings	Construc-tion in progress	Total
Carrying amount						
At 1 Jan 2024	7,203	1,918	14,153	1,755	10,277	35,305
At 31 Dec 2024	**7,094**	**1,825**	**14,574**	**1,052**	**13,154**	**37,698**
At 1 Jan 2025	7,094	1,825	14,574	1,052	13,154	37,698
At 31 Dec 2025	**8,613**	**1,660**	**14,775**	**1,545**	**13,675**	**40,268**

Group

MSEK	**2025**	**2024**
Owned assets including favourable leases from business combinations	40,268	37,698
Leased assets	409	350
Total	**40,677**	**38,048**

Capitalised remediation costs amount to MSEK 1,127 (1,104), while accumulated depreciation and impairment losses amount to MSEK -920 (-897).

Of the net amount of MSEK 207 (208), MSEK 128 (125) is recognised as Buildings and land and MSEK 79 (82) as Plant and machinery.

Depreciation and impairment are included in the following lines of the income statement:

Group

MSEK	**2025**	**2024**
Cost of goods sold	-3,099	-2,801
Selling expenses	-1	-3
Administrative expenses	-7	-4
Research and development	-16	-9
Other operating expenses	-26	-24
Total	**-3,149**	**-2,841**

Disclosures concerning government grants in the Group

During the year government grants amounting to MSEK 34 (26) were received, which reduced the acquisition cost of the assets.

Note 14 continued

Parent Company **MSEK**	Buildings and land	Under-ground installations	Plant and machinery	Equipment, tools, fixtures and fittings	Construc-tion in progress	Total
Cost						
Opening balance 1 Jan 2024	**10,873**	**8,926**	**46,251**	**1,754**	**9,980**	**77,784**
Acquisitions	111	–	–	–	4,694	4,805
Reclassifications	220	202	1,311	57	-1,790	–
Disposals and retirements	–	–	-205	-15	-349	-569
Closing balance 31 Dec 2024	**11,204**	**9,128**	**47,357**	**1,796**	**12,535**	**82,020**
Opening balance 1 Jan 2025	**11,204**	**9,128**	**47,357**	**1,796**	**12,535**	**82,020**
Acquisitions	118	–	–	–	4,633	4,751
Reclassifications	1,941	85	2,083	601	-4,709	1
Disposals and retirements	–	–	-104	-4	-189	-297
Closing balance 31 Dec 2025	**13,263**	**9,213**	**49,336**	**2,393**	**12,270**	**86,476**
Depreciation						
Opening balance 1 Jan 2024	-4,599	-6,179	-28,225	-1,287	–	-40,290
Depreciation for the year	-397	-296	-1,535	-87	–	-2,315
Reclassifications	34	0	-35	-1	–	-1
Disposals and retirements	–	–	65	14	–	79
Closing balance 31 Dec 2024	**-4,962**	**-6,475**	**-29,730**	**-1,361**	**–**	**-42,527**
Opening balance 1 Jan 2025	-4,962	-6,475	-29,730	-1,361	–	-42,527
Depreciation for the year	-509	-251	-1,674	-157	–	-2,591
Disposals and retirements	–	–	92	4	–	96
Closing balance 31 Dec 2025	**-5,471**	**-6,726**	**-31,312**	**-1,514**	**–**	**-45,022**

Parent Company **MSEK**	Buildings and land	Under-ground installations	Plant and machinery	Equipment, tools, fixtures and fittings	Construc-tion in progress	Total
Impairment						
Opening balance 1 Jan 2024	-1,408	-828	-4,891	-155	-19	-7,301
Reclassifications	0	0	0	1	0	1
Disposals and retirements	0	0	57	1	1	59
Closing balance 31 Dec 2024	**-1,407**	**-828**	**-4,834**	**-154**	**-19**	**-7,240**
Opening balance 1 Jan 2025	-1,407	-828	-4,834	-154	-19	-7,240
Disposals and retirements	–	–	8	0	–	8
Closing balance 31 Dec 2025	**-1,407**	**-828**	**-4,826**	**-154**	**-19**	**-7,232**
Carrying amount						
At 1 Jan 2024	4,866	1,919	13,136	312	9,960	30,193
At 31 Dec 2024	**4,835**	**1,825**	**12,794**	**282**	**12,516**	**32,253**
At 1 Jan 2025	4,835	1,825	12,794	282	12,516	32,253
At 31 Dec 2025	**6,385**	**1,659**	**13,199**	**726**	**12,250**	**34,222**

Disclosures concerning government grants in the Parent Company
During the year government grants amounting to MSEK 34 (26) were received, which reduced the acquisition cost of the assets.

Depreciation and impairment are included in the following lines of the income statement:

Parent Company

MSEK	**2025**	**2024**
Cost of goods sold	-2,575	-2,306
Administrative expenses	-3	-2
Research and development	-13	-7
Total	**-2,591**	**-2,315**

Note 15 Property, plant and equipment for urban transformation

Group and Parent Company **MSEK**	Buildings and land	Construction in progress	Total
Opening balance 1 Jan 2024	13,001	1,801	14,802
Capitalisation	3,848	519	4,367
Investment grants	–	-86	-86
Adjustments, replacement properties	–	-336	-336
Closing balance 31 Dec 2024	**16,849**	**1,898**	**18,747**
Opening balance 1 Jan 2025	16,849	1,898	18,747
Capitalisation	19,467	256	19,723
Adjustments, replacement properties	–	-70	-70
Closing balance 31 Dec 2025	**36,316**	**2,084**	**38,400**
Expensing			
Opening balance 1 Jan 2024	-3,740	–	-3,740
Expensing of mine asset and mine component	-253	–	-253
Closing balance 31 Dec 2024	**-3,993**	**–**	**-3,993**
Opening balance 1 Jan 2025	-3,993	–	-3,993
Expensing of mine asset and mine component	-4,703	–	-4,703
Closing balance 31 Dec 2025	**-8,696**	**–**	**-8,696**

Group and Parent Company **MSEK**	Buildings and land	Construction in progress	Total
Impairment			
Opening balance 1 Jan 2024	-384	–	-384
Closing balance 31 Dec 2024	**-384**	**–**	**-384**
Opening balance 1 Jan 2025	-384	–	-384
Closing balance 31 Dec 2025	**-384**	**–**	**-384**
Carrying amount			
At 1 Jan 2024	8,877	1,801	10,678
At 31 Dec 2024	**12,472**	**1,898**	**14,370**
At 1 Jan 2025	12,472	1,898	14,370
At 31 Dec 2025	**27,236**	**2,084**	**29,320**

Expensing is included in the following lines of the income statement:

Group and Parent Company **MSEK**	**2025**	**2024**
Cost of goods sold	-4,703	253
Total	**-4,703**	**253**

The balance sheet item includes the following assets:

Group and Parent Company **MSEK**	**31 Dec 2025**	**31 Dec 2024**
Mine asset	27,024	12,250
Replacement properties	2,084	1,898
Other property acquisitions	212	222
Total	**29,320**	**14,370**

Regarding reporting of replacement properties refer to Note 1 section 18.8.3. See also Note 31 for an overall picture of items associated with urban transformation.

Note 16 Interests in associates and joint ventures

Group

Joint ventures

Summary financial information for holdings in joint ventures is detailed below. The Group has a stake in the Swedish unlisted joint venture Hybrit Development AB, which is mainly engaged in research and development of methods for making iron and steel. The Group has rights to the net assets of the company and reports its holding according to the equity method.

Hybrit Development AB

MSEK	31 Dec 2025	31 Dec 2024
Share of assets	432	170
Share of liabilities	-91	-17
Carrying amount (share of net assets)	**341**	**153**
Group's share of profit/loss after tax	188	-39
Total comprehensive income	**188**	**-39**

The share of assets has been adjusted by income attributable to LKAB.

Associates

Summary financial information relating to holdings in associates is detailed below, reported according to the equity method. The Group has holdings in REEtec AB and Duroc Rail AB.

REEtec Holding AS

MSEK	31 Dec 2025	31 Dec 2024
Share of assets	447	560
Share of liabilities	-4	-41
Carrying amount (share of net assets)	**443**	**519**
Group's share of profit/loss after tax	-33	-13
Translation difference recognised in other comprehensive income	-62	–
Total comprehensive income	**-95**	**-13**

The share of assets includes consolidated goodwill of MSEK 153.

Duroc Rail AB

MSEK	31 Dec 2025	31 Dec 2024
Share of assets	122	100
Share of liabilities	-40	-14
Carrying amount (share of net assets)	**82**	**86**
Group's share of profit/loss after tax	-4	7
Total comprehensive income	**-4**	**7**

The share of assets includes consolidated goodwill of MSEK 51.

The Group has a holding in the company Norrskenet AB that is recognised at cost including impairment.

MSEK	31 Dec 2025	31 Dec 2024
Carrying amount	19	19
Group's share of profit/loss after tax	–	–
Total comprehensive income	**19**	**–**

Note 17 Holdings in joint operations

Group

The Group has a 50 percent co-ownership in the company Likya Minerals and its subsidiary Likya Minerals Export, whose main products are minerals with flame retardant properties (UltraCarb). Likya operates out of Turkey.

Likya is a separate company but co-ownership is still considered to be a joint operation. This assessment is based on the fact that the co-owners have a commitment to buy all the services that Likya provides, thereby financing Likya's entire operations, in order to settle its liabilities.

67 (68) percent of Likya's sales relate to companies within the LKAB Group.

Note 18 Parent Company's interests in associates and jointly controlled entities

Parent Company	Associates		Jointly controlled entities	
MSEK	**31 Dec 2025**	**31 Dec 2024**	**31 Dec 2025**	**31 Dec 2024**
Accumulated cost				
Opening balance	669	511	557	557
Acquisitions	–	83	–	–
Capital contributions	18	75	–	–
Closing balance	**687**	**669**	**557**	**557**
Accumulated impairment				
Opening balance	-25	-25	-404	–
Impairment for the year	–	–	–	-404
Closing balance	**-25**	**-25**	**-404**	**-404**
Carrying amount	**662**	**644**	**153**	**153**

Specification of Parent Company's directly owned interests in associates and jointly controlled entities:

Company / reg. no. / domicile	Number of shares	% of votes and capital	Carrying amount
2025			
Associates			
Norrskenet AB / 556537-7065 / Gällivare	2,500	33.3%	20
REEtec Holding AS / 928177157 / Oslo	12,054,554	34.4%	559
Duroc Rail AB / 556562-8442 / Luleå	4,900	49%	83
Jointly controlled entities			
Hybrit Development AB / 559121-9760 / Stockholm	500,000	33.3%	153
Total			**815**

Company / reg. no. / domicile	Number of shares	% of votes and capital	Carrying amount
2024			
Associates			
Norrskenet AB / 556537-7065 / Gällivare	2,500	33.3%	20
REEtec Holding AS / 928177157 / Oslo	11,045,406	34.4%	541
Duroc Rail AB / 556562-8442 / Luleå	4,900	49%	83
Jointly controlled entities			
Hybrit Development AB / 559121-9760 / Stockholm	500,000	33.3%	153
Total			**797**

Note 19 Receivables from Group companies and associates

Parent Company		
MSEK	**31 Dec 2025**	**31 Dec 2024**
Accumulated cost		
Opening balance	2,360	2,275
Lending	2	173
Repayments	-117	-90
Change in exchange rates	-139	2
Closing balance	**2,106**	**2,360**

Note 20 Financial investments

Group

MSEK	31 Dec 2025	31 Dec 2024
Financial investments held as non-current assets		
Shares and interests at fair value through other comprehensive income	7,578	4,807
Shares and interests at fair value through profit or loss	7	7
Financial assets for funded pension obligations	400	423
Total	**7,985**	**5,237**
Financial investments held as current assets		
Interest-bearing securities at fair value through profit or loss – held for trading	23,362	22,759
Shares and alternative investments at fair value through profit or loss	2,460	3,076
Other derivatives	–	-12
Total	**25,822**	**25,823**

Note 21 Other non-current securities

Parent Company

MSEK	31 Dec 2025	31 Dec 2024
Accumulated cost		
Opening balance	3,227	3,227
Closing balance	**3,227**	**3,227**

Parent Company

MSEK	31 Dec 2025		31 Dec 2024	
Specification of other non-current securities	Fair value	Carrying amount	Fair value	Carrying amount
SSAB	7,578	3,220	4,806	3,220
Other holdings	7	7	7	7
Total	**7,585**	**3,227**	**4,813**	**3,227**

Note 22 Non-current receivables and other receivables

Group

MSEK	31 Dec 2025	31 Dec 2024
Non-current receivables		
Other	2	2
Total	**2**	**2**
Other receivables classed as current assets		
Receivables, credit institutions	842	1,921
Recoverable VAT	482	321
Derivatives	168	20
Tax account	908	283
Advance payments to suppliers	58	28
Other	73	78
Total	**2,530**	**2,709**

Parent Company

MSEK	31 Dec 2025	31 Dec 2024
Non-current receivables		

Note 22 continued

Parent Company

MSEK	31 Dec 2025	31 Dec 2024
Company-owned endowment insurance	74	70
Other	2	2
Total	**76**	**72**
Other receivables (current)		
Receivables, credit institutions	842	1,921
Recoverable VAT	436	296
PRI balance	28	27
Tax account	876	266
Receivables, collateral for derivatives	–	33
Advance payments to suppliers	–	23
Other	17	1
Total	**2,199**	**2,567**

Parent Company

MSEK	31 Dec 2025	31 Dec 2024
Non-current receivables		
Accumulated cost		
Opening balance	72	86
Change in value of endowment insurance	4	-14
Closing balance	**76**	**72**

Note 23 Inventories

Group

MSEK	31 Dec 2025	31 Dec 2024
Raw materials and consumables	5,317	5,694
Work in progress	13	14
Finished goods and goods for resale	2,393	2,485
Total	**7,723**	**8,193**

Parent Company

MSEK	31 Dec 2025	31 Dec 2024
Raw materials and consumables	4,484	4,861
Finished goods	2,226	2,268
Total	**6,710**	**7,129**

Note 24 Accounts receivable

Accounts receivable are recognised after taking into consideration expected credit losses. Credit losses that have arisen in the Group amount to MSEK 0 (3). Regarding credit risk in accounts receivable see Note 34 Financial risks and risk management.

Note 25 Prepaid expenses and accrued income

	Group		Parent Company	
MSEK	**31 Dec 2025**	**31 Dec 2024**	**31 Dec 2025**	**31 Dec 2024**
Prepaid insurance premiums	39	35	31	30
Other prepaid expenses	535	609	519	592
Other accrued income	46	163	32	110
Total	**620**	**807**	**582**	**732**

Note 26 Equity

Specification of equity reserves

MSEK	**31 Dec 2025**	**31 Dec 2024**
Translation reserve		
Opening balance	-85	-195
Translation differences for the year	-304	110
Closing balance	**-389**	**-85**
Fair value reserve		
Opening balance	1,587	5,100
Changes in fair value	2,771	-3,513
Closing balance	**4,358**	**1,587**
Hedging reserve including hedging cost reserve		
Opening balance	-2	2
Cash flow hedges and hedging costs		
Changes in fair value	101	-3
Changes in fair value reclassified to profit for the year	3	-2
Tax attributable to remeasurements for the year	-21	1
Closing balance	**81**	**-2**

MSEK	**31 Dec 2025**	**31 Dec 2024**
Total reserves		
Opening balance	1,500	4,907
Change in reserves for the year:		
Translation reserve	-304	110
Fair value reserve	2,771	-3,513
Hedging reserve	83	-4
Closing balance	**4,050**	**1,500**

Share capital
As at 31 December 2025, the registered share capital comprised 700,000 (700,000) ordinary shares. The share capital consists of only one type of share and all shares have equal rights. The shares are 100 percent owned by the Swedish state. The shareholder is entitled to a dividend in accordance with the Group's dividend policy. Each share entitles the holder to one vote at general meetings of shareholders. The quota value is SEK 1,000 per share.

Translation reserve
The translation reserve covers all exchange rate differences that arise in translating the financial statements of foreign entities whose financial statements were prepared in currencies other than the Group's reporting currency. The Parent Company and Group present their financial statements in SEK.

Also included in the translation reserve are exchange rate differences that arise when translating monetary non-current receivables and liabilities of foreign operations for which settlement is not planned. These form part of the company's net investment in the foreign operation.

Fair value reserve
The fair value reserve includes the accumulated net change in the fair value of equity instruments measured at fair value through other comprehensive income until such time as the assets are derecognised from the statement of financial position.

Hedging reserve
The hedge reserve includes the effective portion of the accumulated net change in the fair value of cash flow hedging instruments attributable to hedging transactions that have not yet occurred.

Hedging cost reserve
The hedging cost reserve reflects gains or losses attributable to the forward element of forward contracts. It is recognised initially in other comprehensive income and is reported in the same way as gains or losses in the hedging reserve.

Note 26 continued

Dividend
The Board proposes to the AGM that a dividend is paid to the owner as shown below. The AGM will be held on 23 April 2026.

MSEK	2025	2024
Ordinary dividend, SEK 2,143 per share	1,500	4,400
	1,500	**4,400**

Parent Company
Restricted equity
Statutory reserve
The purpose of the statutory reserve is to save a portion of net profit that is not used to cover losses brought forward.

Non-restricted equity
Profit/loss brought forward
Profit/loss brought forward comprises retained earnings and profit/loss after deducting any dividend paid during the year.

Note 27 Interest-bearing liabilities

Group

MSEK	31 Dec 2025	31 Dec 2024
Non-current liabilities		
Bank loans	2	4
Lease liabilities	298	278
Total	**300**	**282**
Current liabilities		
Issued corporate bonds	–	1,999
Current portion of lease liabilities	107	87
Total	**107**	**2,086**

Terms and payback periods

			31 Dec 2025		31 Dec 2024	
MSEK	Maturity	Interest rate %	Nominal value	Carrying amount	Nominal value	Carrying amount
Bonds – fixed interest	2025	–	–	–	1,450	1,449
Bonds – variable interest	2025	–	–	–	550	550
Bank loans	2027	7.5	2	2	4	4
Lease liabilities			405	405	365	365
Total interest-bearing liabilities			**407**	**407**	**2,369**	**2,368**

For more information about the company's exposure to interest rate risk see Note 34. The note also contains information on the maturity profile of lease liabilities.

Note 28 Non-current liabilities

Parent Company

MSEK	31 Dec 2025	31 Dec 2024
Non-current liabilities		
Total	**–**	**–**
Current liabilities		
Issued corporate bonds	–	2,000
Total	**–**	**2,000**

Note 29 Pensions

Defined-benefit pension plans

Group

MSEK	31 Dec 2025	31 Dec 2024
Present value of unfunded obligations	431	480
Present value of wholly or partially funded obligations	3,002	3,133
Total present value of obligations	**3,433**	**3,613**
Fair value of plan assets	-3,320	-3,271
Net amount in statement of financial position	**113**	**342**
The net amount is recognised in the following items in the statement of financial position:		
Financial investments	-400	-423
Provisions for pensions, non-current liabilities	513	765
Net amount in statement of financial position	**113**	**342**

Defined-benefit pension plans

A significant portion of LKAB's pension plans for employees in Sweden are defined-benefit plans, which means that LKAB guarantees pensions based on a percentage of salary. Pension commitments in Sweden are secured by the company via accrued provisions, of which most are secured through credit insurance from FPG (Försäkringsbolaget PRI Pensionsgaranti). In 2013 an internal company pension fund was started for vested defined-benefit pension plans. Promises of future retirement before the age of 65 are to a certain degree contingent upon working underground and are secured by the company via accrued provisions without credit insurance.

In 2023 transitional provisions entered into force for a Swedish defined-benefit plan that had been closed to new entrants. The accounting effect impacted last year's profit by a cost of MSEK 25, in which the MSEK 44 reversal of the liability was offset by one-time premiums from Collectum of MSEK 69 in order to transition to an insurance solution. The IAS 19 calculation for 2024 did not include the premiums from Collectum. This meant that the IAS 19 result showed a cost that was MSEK 69 lower for 2024. However, the costs were included in the relevant companies and are included in the 2024 amount for Employee benefit expenses in Note 8 Operating expenses by type. Commitments for retirement pensions and survivors' pensions for salaried employees in Sweden are secured through insurance policies from Alecta. According to a statement from the Swedish Corporate Reporting Board, UFR 10, this is a defined-benefit plan that involves several employers. The company has not had access to such information as is necessary for recognising this commitment as a defined-benefit plan. The ITP2 pension plan insured via Alecta is therefore recognised as a defined-contribution plan. The premium for the defined-benefit retirement and survivors' pension is individually calculated and depends on factors such as salary, previously earned pension and expected remaining years of service. Alecta's surplus can be distributed to the policyholders and/or the insured parties. At the end of 2025 Alecta's surplus in the form of its collective funding ratio was provisionally 168 (162) percent, which is within the normal range of 125–170 percent stated in Alecta's consolidation policy for these insurance policies.

The premium to Alecta is determined by assumptions about interest rates, life expectancy, operating expenses and yield tax, and is calculated so that constant payment of premiums until the retirement date is sufficient that the entire target benefit, which is based on the insured's current pensionable salary, will be accrued.

There are no established rules for how deficits that may arise are to be handled, but losses will primarily be covered by Alecta's collective funding capital and thus will not lead to increased expenses through higher contractual premiums. There are also no rules for how any surplus or deficit should be distributed when plans are terminated or a company withdraws from the plan.

In Norway, the UK and Germany LKAB has defined-benefit pension plans as a complement to local social insurance. In the UK pensions are secured via a company-managed pension fund and in Germany via internal accrued provisions combined with credit insurance. In Norway pensions are secured via a combination of a company-managed pension fund, internal accrued provisions and credit insurance. Since 2020 the Norwegian defined-benefit pension plans have been closed to new entrants in favour of defined-contribution pension plans.

Changes in the present value of obligations for defined-benefit plans:

Group

MSEK	31 Dec 2025	31 Dec 2024
Obligation for defined-benefit plans as at 1 Jan	3,613	3,859
Benefits paid	-198	-196
Current service cost	71	80
Past service cost	0	-44
Interest expense	129	128
Remeasurements:		
Actuarial gains and losses for changed demographic assumptions	-3	–
Actuarial gains and losses for changed financial assumptions	-103	-122
Actuarial gains and losses for experience-based adjustments	51	-40
Special employer's contributions, financial items, remeasurements and service costs	-19	-41
Settlement of defined-benefit plan	–	-44
Exchange rate differences	-108	33
Obligation for defined-benefit plans as at 31 Dec	**3,433**	**3,613**

Note 29 continued

The present value of the obligations for the Swedish, Norwegian and UK companies, which make up 98 percent, breaks down as follows:

Group	Sweden		Norway		UK	
%	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Active members	50	51	28	27	18	18
Paid-up policy holders	15	14	19	19	27	27
Retirees	35	35	53	54	55	55

Change in fair value of assets managed:

Group

MSEK	**31 Dec 2025**	**31 Dec 2024**
Fair value of plan assets at 1 Jan	3,271	3,120
Contributions	27	34
Benefits paid	-72	-68
Interest income recognised in profit or loss	120	108
Return on plan assets excluding interest income	79	43
Exchange rate differences	-105	34
Fair value of plan assets at 31 Dec	**3,320**	**3,271**

Plan assets consist of the following:

Group

MSEK	**31 Dec 2025**	**31 Dec 2024**
Shares	914	927
Interest-bearing assets including bonds	1,738	1,650
Alternative investments	668	694
Total	**3,320**	**3,271**

Costs recognised in profit or loss for the year:

Group

MSEK	**31 Dec 2025**	**31 Dec 2024**
Current service cost	71	80
Past service cost	0	-44
Settlement of defined-benefit plan	–	-45
Interest expense on obligation	129	128
Return on plan assets	-120	-108
Total net cost in profit or loss for the year	**80**	**11**

The above income statement items are reported excluding allocation of special employer's contributions for the Group.

The costs are recognised on the following lines in the income statement:

Group

MSEK	**2025**	**2024**
Cost of goods sold	64	-8
Administrative expenses	4	–
Research and development expenses	3	–
Financial income	-120	-108
Financial expense	129	127
Total	**80**	**11**

The above income statement items are reported excluding allocation of special employer's contributions for the Group.

Costs recognised in other comprehensive income:

Group

MSEK	**2025**	**2024**
Remeasurements:		
Actuarial gains (-) and losses (+)	-54	-163
Difference between actual return and return according to discount rate on plan assets	-79	-43
Exchange rate differences	-4	–
Net recognised in other comprehensive income	**-137**	**-206**

The above income statement item is reported excluding allocation of special employer's contributions for the Group.

Note 29 continued

Assumptions for defined-benefit obligations: the most significant actuarial assumptions at the end of the reporting period, assessed for each country but expressed as weighted averages, are given below.

Group

%	2025	2024
Discount rate as at 31 Dec	4.1	3.8
Return on plan assets as at 31 Dec	4.0	3.8
Future salary increase	2.8	2.8
Employee turnover	3.5	3.5
Future pension increase	2.5	2.5

Assumptions concerning future mortality are based on the standard DUS 23. The average life expectancy of an individual retiring at age 65 is 22 years for men and 24 years for women.

The actual return on plan assets for 2025 was 6.1 (4.6) percent.

Sensitivity analysis

The following table presents possible changes in actuarial assumptions at year-end, other assumptions being unchanged, and how these would affect the defined-benefit obligation. The calculation of the change in pension commitments includes the Swedish, Norwegian and UK commitments, which represent 98 percent of Group commitments.

Group

MSEK	Increase in assumptions	Decrease in assumptions
+ (increase)/– (decrease) in pension liability		
Discount rate (0.5 percentage point change)	-191	212
Expected mortality (1-year change)	93	-103
Future salary increase (0.5 percentage point change)	98	-89
Future pension increase (0.5 percentage point change)	146	-135

At 31 December 2025 the weighted average duration of the obligation was 13 (13) years.

Historical information

MSEK	2025	2024	2023	2022	2021
Present value of defined-benefit obligations	3,433	3,613	3,859	3,604	4,327
Fair value of plan assets	-3,320	-3,271	-3,120	-3,042	-3,331
Net obligations	113	342	739	562	996

The Group estimates that payments into funded and unfunded defined-benefit plans in 2026 will amount to MSEK 146 and that payments in 2026 into the defined-benefit plans that are recognised as defined-contribution plans will amount to MSEK 59.

Net liability recognised in balance sheet

Parent Company

MSEK	31 Dec 2025	31 Dec 2024
+ Present value of obligation (calculated according to Swedish principles) for wholly or partially funded pension plans	1,505	1,433
- Fair value at end of period for segregated assets (in pension funds and the like)	-1,702	-1,602
= Surplus in pension fund or the like (-)/net obligation (+)	**-197**	**-169**
+ Present value of obligations (calculated according to Swedish principles) for unfunded pension plans	207	248
= Net recognised for pension obligations	**207**	**248**

Changes in net liability

Parent Company

MSEK	31 Dec 2025	31 Dec 2024
Net liability at start of year for pension provisions	248	376
+ Cost of company-managed pension scheme excluding taxes as recognised in the income statement	2	34
- Pension payments	-43	-97
- Effects from acquired/divested operations	–	-65
Net liability at year-end for pension commitments	**207**	**248**

Note 29 continued

Fair value of assets in trust by main category

Parent Company

MSEK	31 Dec 2025	31 Dec 2024
Shares	460	464
Interest-bearing assets including bonds	786	663
Alternative investments	456	475
Total	**1,702**	**1,602**

Costs relating to pensions

Parent Company

MSEK	2025	2024
Company-managed pension schemes		
Cost	57	34
Cost of company-managed pension schemes	**57**	**34**
Pension through insurance policy		
Insurance premiums	280	308
Subtotal	**337**	**342**
Special employer's contribution on pension costs	94	123
Cost of credit insurance, administrative expenses, other	3	3
Recognised net cost attributable to pensions	**434**	**468**

Net pension cost is recognised on the following lines of the income statement:

Parent Company

MSEK	2025	2024
Cost of goods sold	388	417
Selling expenses	3	5
Administrative expenses	22	23
Research and development expenses	21	23
Total	**434**	**468**

Assumptions for defined-benefit obligations. The most significant actuarial assumptions at the end of the reporting period (expressed as weighted averages).

Parent Company

%	2025	2024
Discount rate as at 31 Dec	2.85	2.85

Defined-contribution pension plans

In Sweden, the Group has defined-contribution pension plans for employees that are fully paid by the companies.

Outside of Sweden there are defined-contribution plans that are financed partly by the subsidiaries and partly by employee contributions.

Payments into these plans are made regularly in accordance with the terms of each plan.

	Group		Parent Company	
MSEK	2025	2024	2025	2024
Costs for defined-contribution pension plans	372	401	280	308

Last year a settlement was completed for the Swedish defined-benefit plan LKAB-F. The net cost according to the IAS 19 calculation was MSEK 25 and is included in the amount for defined-contribution pension plans in 2024 as shown above.

Note 30 Provisions

Group

MSEK	31 Dec 2025	31 Dec 2024
Provisions		
Urban transformation	32,422	13,956
Carbon emission allowances	490	539
Remediation costs	1,912	1,734
Other	3	4
Total	**34,827**	**16,233**

Parent Company

MSEK	31 Dec 2025	31 Dec 2024
Provisions		
Urban transformation	32,422	13,956
Carbon emission allowances	490	539
Remediation costs	1,478	1,313
Total	**34,390**	**15,808**

Note 30 continued

Group **MSEK**	Urban trans-formation	Emission allowances	Remediation costs	Other provisions	Total
Opening balance 1 Jan 2024	11,608	626	1,701	2	13,937
Provisions for the year	3,089	–	1	2	3,092
Remeasurement of prior year provisions	819	–	-7	0	812
Utilised provisions	-1,560	–	-11	–	-1,571
Interest adjustment for the year, liabilities	–	–	49	–	49
Emissions for the year	–	539	–	–	539
Adjustment of prior year emissions	–	-621	–	–	-621
Sales of emission allowances	–	-5	–	–	-5
Currency remeasurement	–	–	1	–	1
Closing balance 31 Dec 2024	**13,956**	**539**	**1,734**	**4**	**16,233**
Less: expenditures for replacement properties	-1,898	–	–	–	-1,898
Closing balance 31 Dec 2024 (net)	**12,058**	**539**	**1,734**	**4**	**14,335**
Of which to be paid out within 1 year	*2,683*	*539*	*129*	*0*	*3,351*
Of which to be paid out in 2–8 years	*8,782*	–	*416*	*2*	*9,200*
Of which to be paid out after 8 years	*593*	–	*1,189*	*2*	*1,784*
Opening balance 1 Jan 2025	13,956	539	1,734	4	16,233
Provisions for the year	20,245	–	109	1	20,355
Remeasurement of prior year provisions	-528	–	22	-1	-507
Utilised provisions	-1,634	–	-2	–	-1,636
Interest adjustment for the year, liabilities	383	–	50	–	433
Emissions for the year	–	490	–	–	490
Adjustment of prior year emissions	–	-539	–	–	-539
Currency remeasurement	–	–	-1	-1	-2
Closing balance 31 Dec 2025	**32,422**	**490**	**1,912**	**3**	**34,827**
Less: expenditures for replacement properties	-2,084	–	–	–	-2,084
Closing balance 31 Dec 2025 (net)	**30,338**	**490**	**1,912**	**3**	**32,743**
Of which to be paid out within 1 year	*2,906*	*490*	*189*	*1*	*3,586*
Of which to be paid out in 2–8 years	*24,000*	–	*523*	*1*	*24,524*
Of which to be paid out after 8 years	*3,432*	–	*1,200*	*1*	*4,633*

Expenditures for replacement properties refers to expenses incurred which are reported as property, plant and equipment – see Note 15.

The provisions and the property, plant and equipment asset are offset when the replacement property is handed over. For an overall picture of items related to urban transformation refer to Note 31.

Parent Company **MSEK**	Urban trans-formation	Emission allowances	Remediation costs	Total
Opening balance 1 Jan 2024	11,608	626	1,268	13,502
Provisions for the year	3,089	–	19	3,108
Remeasurement of prior year provisions	819	–	–	819
Utilised provisions	-1,560	–	-11	-1,571
Interest adjustment for the year, liabilities	–	–	37	37
Emissions for the year	–	539	–	539
Adjustment of prior year emissions	–	-621	–	-621
Sales of emission allowances	–	-5	–	-5
Closing balance 31 Dec 2024	**13,956**	**539**	**1,313**	**15,808**
Less: expenditures for replacement properties	-1,898	–	–	-1,898
Closing balance 31 Dec 2024 (net)	**12,058**	**539**	**1,313**	**13,910**
Of which to be paid out within 1 year	*2,683*	*539*	*99*	*3,321*
Of which to be paid out in 2–8 years	*8,782*	–	*307*	*9,089*
Of which to be paid out after 8 years	*593*	–	*907*	*1,500*
Opening balance 1 Jan 2025	13,956	539	1,313	15,808
Provisions for the year	20,245	–	127	20,372
Remeasurement of prior year provisions	-528	–	–	-528
Utilised provisions	-1,634	–	0	-1,634
Interest adjustment for the year, liabilities	383	–	38	421
Emissions for the year	–	490	–	490
Adjustment of prior year emissions	–	-539	–	-539
Closing balance 31 Dec 2025	**32,422**	**490**	**1,478**	**34,390**
Less: expenditures for replacement properties	-2,084	–	–	-2,084
Closing balance 31 Dec 2025 (net)	**30,338**	**490**	**1,478**	**32,306**
Of which to be paid out within 1 year	*2,906*	*490*	*147*	*3,543*
Of which to be paid out in 2–8 years	*24,000*	–	*406*	*24,406*
Of which to be paid out after 8 years	*3,432*	–	*925*	*4,357*

Note 31 Urban transformation

Net cost of urban transformation
The company's net cost consists of the following components:

Group and Parent Company

MSEK	2025	2024
Costs for urban transformation, current period	-4,703	-253
Effect of changed estimates and assumptions	-251	-60
Total	**-4,954**	**-313**

The net cost of urban transformation is recognised on the following line of the income statement:

Group and Parent Company

MSEK	2025	2024
Cost of goods sold	-4,954	-313
Total	**-4,954**	**-313**

Provisions for urban transformation
In the Parent Company the long-term portion is reported as a provision in accordance with the Swedish Annual Accounts Act. Provisions are recognised on the following lines of the balance sheet:

Group and Parent Company

MSEK	31 Dec 2025	31 Dec 2024
Current liabilities	2,906	2,683
Non-current liabilities	29,516	11,273
Total	**32,422**	**13,956**

LKAB's accounting policies for provisions state that a provision for urban transformation is reported where there is an agreement or a clear constructive obligation that defines a commitment relating to future impact areas.

Provisions are recognised for all estimated remaining commitments in respect of the impact areas for the main haulage levels decided on. The parts of the provision that relate to commitments for areas that have not been impacted by mining to date are reported as a mine asset relating to future mining. The mine asset is expensed using a production-based method; see description in Note 1 section 18.8.

Since 2006 LKAB has paid out a total of MSEK 37,108 in respect of the urban transformation, of which MSEK 18,845 relates to previous years' provisions.

The recognised provision for urban transformation does not include LKAB's own need to replace properties affected by the urban transformation.

To finance future urban transformation payouts, funds are allocated in accordance with the Finance Policy approved by the Board from time to time. The purpose of such asset management is to ensure LKAB's ability to pay and that the return on allocated funds will cover inflation over time.

Property, plant and equipment for urban transformation
The balance sheet item includes the following assets:

Group and Parent Company

MSEK	31 Dec 2025	31 Dec 2024
Mine asset	27,024	12,250
Replacement properties	2,084	1,898
Other property acquisitions	212	222
Total	**29,320**	**14,370**

Replacement properties refers to expenditures for the construction of replacement properties for those property owners who have chosen this option. Commitments for replacement properties are recognised as a provision until handover of the replacement property. At this point, the provision is offset against expenditures for the replacement property.

Note 32 Accrued expenses and deferred income

	Group		Parent Company	
MSEK	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Payroll and employee benefit expenses	1,008	855	750	626
Accrued trade payables	375	504	310	409
Prepaid emission allowances	757	711	757	711
Grants, Swedish Energy Agency	778	669	778	669
Electricity	78	56	66	43
Prepaid rental income	60	53	–	–
Other	118	75	45	22
Total	**3,174**	**2,923**	**2,706**	**2,480**

Note 33 Valuation of financial assets and liabilities at fair value and categorisation

Classification and fair value and level of measurement hierarchy
Below is a summary of the fair values of the Group's financial assets and liabilities, broken down by measurement category.
Disclosures are also provided about the fair value level to which the respective financial assets and liabilities belong.

		Carrying amount						Fair value			
Group 31 Dec 2025 **MSEK**	Note	Fair value – hedging instruments	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Other liabilities	Total	Level 1	Level 2	Level 3[1]	Total
Financial assets measured at fair value											
Shares, financial assets	20	–	7	7,578	–	–	7,585	7,578	–	7	7,585
Shares and alternative investments, short-term holdings	20	–	2,460	–	–	–	2,460	–	2,286	174	2,460
Interest-bearing, short-term holdings	20	–	23,362	–	–	–	23,362	–	23,362	–	23,362
Derivatives for hedging	22	168	–	–	–	–	168	–	168	–	168
Total		**168**	**25,829**	**7,578**	**–**	**–**	**33,575**				
Financial assets not measured at fair value											
Non-current receivables	22	–	–	–	2	–	2	–	–	–	–
Accounts receivable		–	–	–	2,874	–	2,874	–	–	–	–
Other receivables	22	–	–	–	2,530	–	2,530	–	–	–	–
Accrued income	25	–	–	–	46	–	46	–	–	–	–
Cash and bank balances (cash and cash equivalents)	41	–	–	–	2,310	–	2,310	–	–	–	–
Total		**–**	**–**	**–**	**7,762**	**–**	**7,762**				
Financial liabilities not measured at fair value											
Bank loans	27	–	–	–	–	2	2	–	–	–	–
Trade payables		–	–	–	–	2,863	2,863	–	–	–	–
Other liabilities		–	–	–	–	219	219	–	–	–	–
Accrued expenses	32	–	–	–	–	3,174	3,174	–	–	–	–
Total		**–**	**–**	**–**	**–**	**6,258**	**6,258**				

[1] During the year investments classified as level 3 decreased by MSEK 809, of which MSEK 1 relates to investments, MSEK 743 relates to divestments and MSEK 67 relates to the change in value of the remaining holdings.

Group 31 Dec 2024 **MSEK**	Note	Carrying amount						Fair value			
		Fair value – hedging instruments	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Other liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value											
Shares, financial assets	20	–	7	4,807	–	–	4,814	4,807	–	7	4,814
Shares and alternative investments, short-term holdings	20	–	3,064	–	–	–	3,064	–	2,081	983	3,064
Interest-bearing, short-term holdings	20	–	22,759	–	–	–	22,759	–	22,759	–	22,759
Derivatives for hedging	22	–	–	–	–	–	–	–	–	–	–
Other derivatives	20	15	–	–	–	–	15	–	15	–	15
Total		**15**	**25,830**	**4,807**	**–**	**–**	**30,652**				
Financial assets not measured at fair value											
Non-current receivables	22	–	–	–	2	–	2	–	–	–	–
Accounts receivable		–	–	–	3,653	–	3,653	–	–	–	–
Other receivables	22	–	–	–	2,709	–	2,709	–	–	–	–
Accrued income	25	–	–	–	163	–	163	–	–	–	–
Cash and bank balances (cash and cash equivalents)	41	–	–	–	4,816	–	4,816	–	–	–	–
Total		**–**	**–**	**–**	**11,343**	**–**	**11,343**				
Financial liabilities not measured at fair value											
Issued bond loans	27	–	–	–	–	2,000	2,000	–	–	–	–
Other bond financing	27	–	–	–	–	–	–	–	–	–	–
Bank loans	27	–	–	–	–	4	4	–	–	–	–
Trade payables		–	–	–	–	2,724	2,724	–	–	–	–
Other liabilities		–	–	–	–	248	248	–	–	–	–
Accrued expenses	32	–	–	–	–	2,923	2,923	–	–	–	–
Total		**–**	**–**	**–**	**–**	**7,899**	**7,899**				

Note 33 continued

Disclosures concerning financial assets and liabilities measured at fair value 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. Interest-bearing instruments are measured 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.

For shares and non-current financial assets recognised at fair value through profit or loss the cost is considered to be an appropriate estimate of fair value.

For commercial paper issued and repurchase agreement liabilities the carrying amount is a reasonable approximation of fair value because of the short time to maturity.

The fair value of interest-bearing non-current liabilities has been calculated based on the interest rate that applied on the closing date for remaining terms.

The carrying amount of accounts receivable, other receivables, accrued income, cash and cash equivalents, trade payables, other liabilities and accrued expenses is a reasonable approximation of their fair value.

Parent Company

Measurement categories for assets and liabilities follow the measurement categories for the Group's financial instruments as described above.

Presented below are the assets and liabilities for which the carrying amount differs from their fair value.

	31 Dec 2025		31 Dec 2024	
Parent Company MSEK	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at amortised cost				
Shares, financial assets	3,227	7,585	3,227	4,814
Current investments	25,377	25,822	25,872	26,571
Total	**28,604**	**33,407**	**29,099**	**31,385**
Financial liabilities at amortised cost				
Issued bond loans	–	–	-2,000	-2,000
Total	**–**	**–**	**-2,000**	**-2,000**

Note 34 Financial risks and risk management

Framework for financial risk management

In its operations the Group is exposed to a number of different financial risks that may impact the Group's earnings, cash flow and value. LKAB's Finance Policy regulates the management of the Group's financial risk and provides a framework for financing activities. Reporting takes place on an ongoing basis to the Board's Finance and Audit Committee, which is responsible for ongoing monitoring of compliance with the Finance Policy and with approved investment guidelines.

The Group's financing activities and financial risk management are centralised in the Group Finance function.

The Group's aim is that financing activities will at all times support the business plan adopted and ensure that financial risks are identified, quantified and managed.

The current Finance Policy was established in February 2025.

Cash flow risk in SEK

The Group's biggest financial risk is cash flow risk in SEK, which is mainly linked to fluctuations in the global iron ore price and exchange rates between USD and SEK. Together these factors could have a major negative impact on the company's income statement, balance sheet and cash flow. Another significant cash flow risk is energy price risk.

The Finance Policy provides guidelines for identifying and reporting the Group's total risk exposure as regards cash flow risk. Risk reporting is based on the cash flow forecast in the current business plan.

The Finance Policy also sets out frameworks for hedging activities. According to the Finance Policy, forecast and established currency exposure arising from iron ore sales should be hedged for the coming three months.

When carrying out hedging, the hedging strategy and effectiveness of the strategy are to be documented and the requirements of hedge accounting must be met; see also Note 1 Significant accounting policies, section 17 Derivatives and hedge accounting. See the Administration Report for a sensitivity analysis of cash flow risk.

Price risk for iron ore products

Price volatility in the global iron ore market impacts LKAB's earnings and cash flows. The price of LKAB's products is affected both by the global price of iron ore and by the quality premiums added to high-quality iron ore products. Iron ore is priced daily, while the premiums are a combined result of market price and negotiations with LKAB's customers.

In 2025 deliveries to the spot price market were occasionally hedged in respect of the iron ore price.

Note 34 continued

Currency risk in iron ore sales

Currency risk exposure stems mainly from Group sales of iron ore where market pricing is in USD. The currency risk consists partly of the risk of fluctuations in the value of accounts receivable and partly of the currency risk in expected and contracted payment flows. These risks are known as transaction exposure.

The fair value of the forward contracts as at 31 December 2025 amounted to MSEK 168 (-6), of which MSEK 66 (-3) relates to currency hedging of accounts receivable recognised in profit for the current year. Transaction exposure in USD relating to sales of ore amounted to MUSD 3,021 (2,766) in 2025.

Exchange rate differences relating to iron ore sales are included in net sales in the total amount of MSEK 20 (-4), of which MSEK 550 (-174) relates to hedges.

Energy price risk

Changes in energy prices form part of the Group's cash flow risk in SEK. The Group's energy costs correspond to 7 (10) percent of operating expenses. No financial hedging took place in 2025 to reduce this exposure.

Other currency risks

Currency risks also arise in the translation of foreign subsidiaries' assets and liabilities to the Parent Company's functional currency, known as translation exposure. LKAB does not normally hedge its translation exposure. Foreign net assets in the Group break down into the following currencies.

Maximum translation exposure

In local currency, million	2025	2024
EUR	12	13
GBP	168	161
USD	18	15
DKK	260	253
NOK	1,399	1,336
CNY	40	38
HKD	52	130
TRL	33	45

Price or currency exposure may also arise for other companies in the Group through purchases and sales in foreign currencies. The Finance Policy contains rules on the subsidiaries' reporting of currency risks to the LKAB Treasury Centre, which is responsible for the Group's overall management of currency exposure.

The Group also has currency risks in respect of current investments in foreign currency. Under the Finance Policy, currency derivatives may be used in the management of financial asset portfolios provided the currency exposure remains within specified limits.

Exchange rate differences for other currency risks are included in operating profit at MSEK 21 (-16) and in net financial income/expense at MSEK -225 (47).

Interest rate risk and share price risk

Interest rate risk refers to the risk of how the return on interest-bearing assets or interest expense on interest-bearing liabilities is impacted by a change in the interest rate. The level of interest rate risk is affected by changes in interest rates, maturities and by the amount of interest rate-sensitive capital. LKAB is mainly exposed to interest rate risk in respect of financial current assets as well as cash and cash equivalents.

Share price risk refers to the risk of a reduction in value due to changes in prices on the stock market.

LKAB's financial current assets and its cash and cash equivalents are divided into a liquidity portfolio and an asset management portfolio.

For interest-bearing current investments the Finance Policy governs the maximum average duration in each asset portfolio. The frameworks are set in relation to each portfolio's commitments or purpose and in relation to a range of risk measures and restrictions. At 31 December 2025 interest-bearing investments amounted to MSEK 23,362 (23,507). The remaining term was 1,298 (1,538) days.

For shares and alternative investments the Finance Policy contains a number of guidelines and restrictions, including what current investments are permitted and the percentage of portfolio value.

Credit risk

Credit risk is the risk that a customer or counterparty in a financial instrument is unable to fulfil its commitments, thereby causing the Group a financial loss, and arises mainly from the Group's accounts receivable, derivatives and current investments.

Maximum credit risk exposure

MSEK	2025	2024
Derivatives	168	15
Interest-bearing instruments, short-term holding	23,362	22,759
Interest-bearing instruments, short-term holding (portion of cash and cash equivalents)	–	748
Accounts receivable and other current receivables	5,404	4,663
Accrued income	–	163
Total	**28,934**	**28,348**

No impairment of financial assets is recognised in profit or loss for the year; see comments under each section below.

Note 34 continued

Credit risks in financial activities

The financial activities of the Group entail exposure to credit risks. These are primarily counterparty risks in conjunction with receivables from banks and other counterparties involved in the purchase of financial investments. The Finance Policy contains special counterparty rules stating the maximum credit exposure for various counterparties and for each designated asset portfolio. The Master Netting Agreement from the International Swaps and Derivatives Association (ISDA) is used for all counterparties in derivatives transactions.

The Group has no assets that have fallen due or have been impaired that resulted in credit losses. LKAB has not experienced any credit losses in current investments over the past five years.

Credit risk in accounts receivable

Commercial credit exposure arises in the ordinary course of LKAB's business primarily in the form of customer credit. Commercial credit risks are related to the customer's or counterparty's solvency; that is, their credit standing, the amount of credit granted and the credit period.

The Group's credit risk exposure is affected mainly by each customer's individual characteristics, but factors relating to the industry and the country where the customers operate are also taken into consideration. Information on concentration of revenue is given in Note 3.

The Group's Finance Policy contains a regulatory framework for credit rating that defines the criteria for evaluating new and existing customers from a credit risk perspective. The framework includes approval processes, credit limits and monitoring procedures. Monitoring is carried out on a quarterly basis by the Board's Audit Committee.

Based on historical customer losses and forward-looking information, LKAB assesses that no impairment of accounts receivable is necessary as at the closing date. The majority of the Group's customers have done business with the Group for many years and none of these customers' accounts had been written down or deemed to be credit-impaired as at the closing date.

The average collection period on accounts receivable was 34 days (34) in 2025.

Offsetting and similar contracts

Counterparty risk in derivative contracts is reduced through netting agreements; that is, netting of positive and negative values in all derivative contracts with one and the same counterparty. For exchange-traded derivatives there are clearing agreements that include netting. For all other counterparties in derivative transactions the Group enters into derivatives contracts under the ISDA Master Netting Agreement, supplemented by an agreement on collateral for net exposures (Credit Support Annex, CSA).

These agreements give the Group a legal right to offset recognised amounts both in the ordinary course of business and in the case of a serious credit event. The items are also settled net in operating activities. Netting is applied to payments of obligations that are due at the same time, in the same currency, with the same counterparty and for the same type of instrument. Only the excess amount per instrument and currency is paid by the party that owes the most.

The table below presents disclosures about financial instruments that are covered by a legally binding framework agreement on netting or a similar agreement, along with details of any collateral provided.

				Related amounts that are not offset		
Group, 2025 **MSEK**	Financial assets/ liabilities, gross	Offset amounts	Net amount in statement of financial position	Financial instruments that are not offset	Collateral provided	Net amount
Financial assets						
Derivatives	168	–	168	–	–	168
Financial liabilities						
Derivatives	–	–	–	–	–	–
Total	**168**	**–**	**168**	**–**	**–**	**168**

				Related amounts that are not offset		
Group, 2024 **MSEK**	Financial assets/ liabilities, gross	Offset amounts	Net amount in statement of financial position	Financial instruments that are not offset	Collateral provided	Net amount
Financial assets						
Derivatives	21	0	21	–	–	21
Financial liabilities						
Derivatives	-6	0	-6	–	–	-6
Total	**15**	**0**	**15**	**–**	**–**	**15**

Financing risk

Financing risk is the risk that the Group cannot meet its commitments due to lack of liquidity or the inability to raise external loans for operating activities.

The Group's Finance Policy defines the financing needs.

Undrawn credit facilities amount to MSEK 5,000 at the closing date.

Capital market programmes

LKAB has an MTN programme denominated in SEK for long-term borrowing on the domestic capital market. The size of the programme amounts to MSEK 7,000 (7,000) and total borrowing within the programme amounts to MSEK – (2,000). The remaining term for the borrowing is – (69) days.

LKAB also has a Swedish commercial paper programme. The size of this programme amounts to MSEK 5,000 (5,000) and total borrowing under this programme amounts to MSEK – (–). All credit facilities are subject to 100 percent retention of title.

Note 34 continued

Maturity profile of financial assets – undiscounted cash flows

	2025						2024					
MSEK	<1 month	1–3 months	3 months –1 year	1–5 years	>5 years	Total	<1 month	1–3 months	3 months –1 year	1–5 years	>5 years	Total
Interest-bearing securities	–	134	557	19,435	3,236	23,362	425	3,130	5,520	12,315	2,117	23,507
Derivatives	52	116	–	–	–	168	21	–	–	–	–	21
Accounts receivable	2,040	420	–	–	–	2,460	2,348	695	–	–	–	3,043
Total	**2,092**	**670**	**557**	**19,435**	**3,236**	**25,990**	**2,794**	**3,825**	**5,520**	**12,315**	**2,117**	**26,571**

The Group's maturity profile for trade payables, other liabilities and accrued expenses is considered to be similar to that of the Parent Company in all material respects. The above information is taken from the Parent Company.

Maturity profile of financial liabilities – undiscounted cash flows

	2025						2024					
MSEK	<1 month	1–3 months	3 months –1 year	1–5 years	>5 years	Total	<1 month	1–3 months	3 months –1 year	1–5 years	>5 years	Total
Bond loans	–	–	–	–	–	–	–	2,000	–	–	–	2,000
Bank loans	–	–	–	–	–	–	–	–	–	4	–	4
Derivatives	–	–	–	–	–	–	4	2	–	–	–	6
Lease liabilities	10	23	89	254	107	483	9	19	72	196	151	447
Trade payables	1,528	698	82	–	–	2,308	2,137	–	–	–	–	2,137
Other liabilities and accrued expenses	564	–	415	–	–	979	75	6	615	–	–	696
Total	**2,102**	**721**	**586**	**254**	**107**	**3,770**	**2,225**	**2,027**	**687**	**200**	**151**	**5,290**

The Group's maturity profile for accounts receivable is considered to be similar to that of the Parent Company in all material respects. The information above refers to the Parent Company.

Asset management

LKAB's financial risk management is regulated in the Group's governing documents. The Board establishes the Finance Policy annually. The Board's Finance and Audit Committee is responsible for ongoing monitoring of compliance with the Finance Policy and with investment guidelines passed. LKAB defines its managed assets as equity in the Group. Assets under management amounted to SEK 80.0 (78.6) billion at the end of the reporting period.

The owner's financial target for LKAB's capital structure is a net debt/equity ratio of less than 60 percent. The net debt/equity ratio is defined as the net of interest-bearing liabilities and provisions as well as interest-bearing assets, divided by equity. The net debt/equity ratio was 8.4 (-15.5) percent at the end of the reporting period.

The owner's profitability target for the Group is a return on equity in excess of 9 percent. For 2025 the return was 3.7 (11) percent.

The Group's dividend policy states that the ordinary dividend to the owner is to be 40–60 percent of profit for the year. The proposed dividend of MSEK 1,500 represents 50 percent of the Group's profit.

Note 35 Leases

Lessee
The Group's property, plant and equipment consists of both owned and leased assets.

Group

MSEK	Note	2025	2024
Right-of-use assets	14	409	350
Total		**409**	**350**

Significant assets leased are tugboats, production premises and land, office premises and IT equipment.

Right-of-use assets

Group

MSEK	Buildings and land	Plant and machinery	Equipment, tools, fixtures and fittings	Total
Depreciation during the year	97	12	41	150
Additions to right-of-use assets during the year	139	12	55	206
Closing balance, 31 Dec 2025	280	15	114	409

Group

MSEK	Buildings and land	Plant and machinery	Equipment, tools, fixtures and fittings	Total
Depreciation during the year	53	8	40	101
Additions to right-of-use assets during the year	115	16	23	154
Closing balance, 31 Dec 2024	225	13	112	350

Additions to right-of-use assets include the cost for rights of use acquired during the year, additional amounts following review of the lease term and exchange rate changes.

Lease liabilities

Group

MSEK	2025	2024
Current	107	86
Non-current	298	278
Lease liabilities included in the statement of financial position	**405**	**364**

For a maturity analysis of lease liabilities see Note 34 Financial risks and risk management.

Amounts recognised in profit or loss

Group

MSEK	2025	2024
Depreciation of right-of-use assets	150	101
Interest on lease liabilities	17	15
Costs of short-term leases	117	68
Costs of low-value leases	249	121
Total	**533**	**305**

Non-cancellable lease payments

Parent Company

MSEK	2025	2024
Within one year	42	19
Between one and five years	39	7
Longer than five years	3	4
Total	**84**	**30**

Operating lease payments expensed

MSEK	2025	2024
Minimum lease payments	237	114

Note 35 continued

Amounts recognised in the statement of cash flows
Group

MSEK	2025	2024
Total cash outflow attributable to leases	501	309

The above cash outflow includes both amounts for leases recognised as lease liabilities and amounts paid for short-term and low-value leases.

Lessor
Lease income from leases where the Group is the lessor is as follows.

Operating leases

	Group		Parent Company	
MSEK	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Lease income	372	362	90	68

Operating leases
The Group leases out properties; mainly residential properties. The leases are classified as operating leases because the leases do not transfer the significant risks and benefits associated with ownership of the underlying asset.

Presented below is a maturity analysis of lease payments showing the undiscounted lease payments that will be received after the closing date.

	Group		Parent Company	
MSEK	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Within one year	169	155	25	30
Between one and two years	81	56	–	–
Between two and three years	74	51	–	–
Between three and four years	60	47	–	–
Between four and five years	57	42	–	–
Later than five years	735	540	65	–
Total undiscounted lease payments	**1,176**	**891**	**90**	**30**

Note 36 Investment commitments

At year-end the Group had contractual commitments to acquire property, plant and equipment. The commitments are forecast at MSEK 9,944 (4,121), of which MSEK 5,038 (2,778) is expected to be settled in the following financial year. The commitments relate mainly to assured future production capacity within the Iron Ore business area and to the construction of new homes associated with the urban transformations in Kiruna and Malmberget/Gällivare. The Parent Company's commitments are forecast at MSEK 9,475 (3,306), of which MSEK 4,638 (2,036) is expected to be settled in the following financial year.

Note 37 Pledged assets and contingent liabilities

	Group		Parent Company	
MSEK	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Assets pledged for own liabilities and provisions				
Floating charges	112	112	–	–
Company-owned endowment insurance	74	70	74	70
Cash deposits	122	120	122	120
Collateral provided, derivatives	–	176	–	176
Total	**308**	**478**	**196**	**366**
Contingent liabilities				
Guarantees, FPG/PRI	25	24	25	24
Guarantees, GP plan	3	3	3	3
Guarantees, Swedish Tax Agency	63	63	63	63
Guarantees, Vattenfall	158	157	158	157
Guarantees, other	–	21	–	21
Surety given for subsidiaries	–	–	131	150
Other surety	3	2	3	2
Collateral, remediation	126	135	225	247
Loan commitments to associates	123	–	123	–
Total	**501**	**405**	**731**	**667**

Company-owned endowment insurance is intended to cover pension commitments for the President, former President and members of Group management under the old defined-benefit pension scheme.

Deposits of cash and cash equivalents are intended to cover future expenditures for remediation measures and other restoration measures at mines after mining activities cease.

Guarantees for PRI Pensionstjänst and Gruvplanen pensions corresponded to 2 percent of commitments on the closing date.

Note 38 Related parties

Relationships with related parties

The Group is under the controlling influence of the Swedish state. The Parent Company has a related party relationship with its subsidiaries; see Note 39 Group companies. In addition, the Parent Company has a related party relationship with the jointly controlled company Hybrit Development AB, the associated company Duroc Rail AB, with Vattenfall AB and its group companies, and with the Swedish Transport Administration (Trafikverket).

In addition to the related party transactions for the Parent Company, the Group also has related party transactions with the associated company Duroc Rail AB via the subsidiary LKAB Malmtrafik AB; purchases of goods/services amounted to MSEK 60 (49) and liabilities as at 31 December amounted to MSEK 9 (2).

Summary of related party transactions

Parent Company **MSEK**	Year	Sales of goods/ services to related parties	Interest and dividends (net)	Purchases of goods/ services from related parties	Related party receivables at 31 December	Related party liabilities at 31 December
Subsidiaries	2025	1,038	140	4,611	3,141	1,394
Subsidiaries	2024	920	137	4,561	3,142	1,151
Jointly controlled entities	2025	5	–	554	1	465
Jointly controlled entities	2024	4	–	115	0	28
Other related parties	2025	–	–	359	–	31
Other related parties	2024	–	–	572	–	14

Transactions with related parties are priced on market terms.
For remuneration paid to the Board of Directors and senior executives, see Note 6.

Note 39 Group companies

Parent Company

MSEK	**31 Dec 2025**	**31 Dec 2024**
Accumulated cost		
Opening balance	4,032	3,632
Capital contributions	425	400
Closing balance	**4,457**	**4,032**
Accumulated impairment		
Opening balance	-711	-711
Closing balance	-711	-711
Carrying amount	**3,746**	**3,321**

Note 39 continued

Specification of the Parent Company's and Group's holdings of shares in Group companies. The following table does not include dormant Group companies.

Subsidiary/registration number/domicile	Number of shares	Share in % 2025	Share in % 2024	31 Dec 2025 Carrying amount	31 Dec 2024 Carrying amount
Swedish subsidiaries					
LKAB Fastigheter AB / 556009-8849 / Kiruna	5,000	100	100	95	95
LKAB Wassara AB / 556331-8566 / Stockholm	20,000	100	100	32	32
LKAB Berg & Betong AB / 556074-8237 / Kiruna	24,000	100	100	197	197
LKAB Nät AB / 556059-9796 / Kiruna	10	100	100	2	2
LKAB Minerals AB / 556223-1786 / Luleå	1,600,000	100	100	916	916
LKAB Malmtrafik AB / 556031-4808 / Kiruna	208,000	100	100	257	257
LKAB CRM AB / 559252-4879 / Luleå	25,000	100	100	825	400
Bergteamet AB / 556524-0081 / Boliden	750	75	75	150	150
LKAB Centrumhotellet AB / 559108-5724 / Kiruna	500	100	100	499	499
Foreign subsidiaries					
LKAB Norge AS / 918 400 184/ Narvik, Norway	300,000	100	100	763	763
LKAB Trading (Shanghai) Co., Ltd. / 91310000577478375G / Shanghai, China		100	100	10	10
Indirect holdings via the subsidiary LKAB Minerals AB					
LKAB Minerals B.V. / 24236591 / Breda, Netherlands		100	100	–	–
LKAB Minerals Inc / 02-0551509 / Cincinnati, USA		100	100	–	–
LKAB Minerals GmbH / HRB 16692 / Essen, Germany		100	100	–	–
LKAB Minerals Asia Pacific Ltd / 876455 / Hong Kong SAR, China		100	100	–	–
LKAB Minerals OY / 1934671-4 / Helsinki, Finland		100	100	–	–
LKAB Minerals AS / A/S277716 / Nuuk, Greenland		100	100	–	–
LKAB Minerals Tianjin Minerals Co / 70051551-5 / Dongli District Tianjin, China		100	100	–	–
LKAB Holdings Ltd (LKAB Minerals Limited) / 04621769 / Derby, UK		100	100	–	–
LKAB Minerals Ltd (Francis Flower (Northern) Ltd) / 03799817 / Derby, UK		100	100	–	–
Indirect holdings via the subsidiary LKAB Berg & Betong AB					
LKAB Mekaniska AB / 556013-3059 / Kiruna		100	100	–	–
LKAB Kimit AB / 556190-6115 / Kiruna		100	100	–	–
Indirect holdings via the subsidiary LKAB Malmtrafik AB					
LKAB Malmtrafikk AS / 974 644 991 / Narvik, Norway		100	100	–	
Total Parent Company				**3,746**	**3,321**

Note 40 Untaxed reserves

Parent Company

MSEK	31 Dec 2025	31 Dec 2024
Accumulated depreciation in excess of plan:		
Plant and equipment		
Opening balance	10,145	10,277
Dissolution/depreciation in excess of plan for the year	–	-132
Closing balance	**10,145**	**10,145**
Carrying amount	**10,145**	**10,145**

Note 41 Specifications for statement of cash flows

Cash and cash equivalents – Group

MSEK	31 Dec 2025	31 Dec 2024
The following components are included in cash and cash equivalents:		
Cash and bank balances	2,310	4,068
Current investments, equated with cash and cash equivalents[1]	–	748
In statement of financial position and statement of cash flows	**2,310**	**4,816**

Cash and cash equivalents – Parent Company

MSEK	31 Dec 2025	31 Dec 2024
The following components are included in cash and cash equivalents:		
Cash and bank balances	1,867	3,696
Current investments, equated with cash and cash equivalents[1)]	–	748
According to balance sheet and statement of cash flows	**1,867**	**4,444**

[1)] Cash and cash equivalents include current investments (interest-bearing securities) that were classified as cash and cash equivalents based on the following:
- They have an insignificant risk of fluctuations in value
- They can be easily converted to cash
- They have a maximum maturity of three months from date of acquisition

Interest paid and dividend received

	Group		Parent Company	
MSEK	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Dividend received	293	541	328	579
Interest received	92	130	210	245
Interest paid	-24	-94	-50	-106
Total	**361**	**577**	**488**	**718**

Adjustments for items not included in cash flow

	Group		Parent Company	
MSEK	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Depreciation	3,373	3,023	2,591	2,315
Impairment of shares and participations in associates	–	–	–	404
Exchange rate differences	41	7	173	-27
Return on current investments	-758	-1,669	-1,012	-2,976
Gain on sale/retirement of property, plant and equipment	9	98	9	96
Change in other receivables/liabilities, derivatives	-29	32	–	-14
Provisions for pensions	-81	-190	-40	-143
Provisions for urban transformation	5,337	313	5,337	313
Share of profit in associated companies	-151	45	–	–
Other provisions	182	50	165	56
Other non-cash items	6	-34	-12	-24
Total	**7,929**	**1,675**	**7,211**	**0**

Note 41 continued

Reconciliation of liabilities from financing activities

Group **MSEK**	**31 Dec 2024**	Cash flows	Non-cash changes	**31 Dec 2025**
Bond loans	2,000	-2,000	–	–
Lease liabilities	363	41	–	404
Bank loans	4	-2	–	2
Liabilities from financing activities	**2,367**	**-1,961**	**–**	**406**

Parent Company **MSEK**	**31 Dec 2024**	Cash flows	Non-cash changes	**31 Dec 2025**
Bond loans	2,000	-2,000	–	–
Liabilities from financing activities	**2,000**	**-2,000**	**–**	**–**

Note 42 Key ratios – disclosures

Alternative performance measures
The company also presents certain non-IFRS financial performance measures and key ratios in the annual report. The management considers this supplementary information to be important if readers of the report are to obtain an understanding of the company's financial position and performance.

Definitions

Return on equity	Profit after tax as a percentage of average shareholders' equity.
Underlying operating profit/loss	Operating profit/loss excluding costs for urban transformation provisions and impairment of intangible assets and of property, plant and equipment.
Operating cash flow	Cash flow from operating activities and investing activities, excluding current investments. A reconciliation of operating cash flow is given in the financial statements on page 140.
Net financial indebtedness	Interest-bearing liabilities less interest-bearing assets.
Net debt/equity ratio	Net financial indebtedness divided by equity.

Net financial indebtedness

MSEK	**31 Dec 2025**	**31 Dec 2024**
Loans payable	406	2,368
Provisions for pensions	513	765
Provisions, urban transformation	32,422	13,956
Provisions, remediation	1,912	1,734
Less:		
Cash and cash equivalents	-2,310	-4,816
Current investments	-25,822	-25,823
Financial investments	-400	-424
Net financial indebtedness	**6,721**	**-12,240**

Note 42 continued

Net debt/equity ratio

MSEK	31 Dec 2025	31 Dec 2024
Net financial indebtedness	6,721	-12,240
Equity	80,037	78,795
Net debt/equity ratio, %	**8.4**	**-15.5**

Return on equity

MSEK	31 Dec 2025	31 Dec 2024
Profit/loss after tax	2,976	8,773
Average equity	79,416	79,828
Return on equity, %	**3.7**	**11.0**

Note 43 Events after the closing date

The ongoing conflict in the Middle East, which escalated during the first quarter of 2026, has had a significant impact on, among other things, global supply chains. Approximately one quarter of our products are sold to customers in the Middle East and North Africa, and the current closure of the Strait of Hormuz together with disruptions to shipping traffic through the Suez Canal have, within a short period of time, affected our customers' logistics and transport capabilities. This is expected to have a negative impact on LKAB's delivery volumes during 2026.

During the first quarter of 2026, geomechanical challenges were identified at the Kiruna mine, which are assessed to have a negative impact on production volumes during the year. A more detailed analysis is ongoing to clarify the extent of the issue and appropriate mitigation measures.

Note 44 Proposed appropriation of earnings

The Board and the President propose that the MSEK 64,083 in unappropriated earnings, of which MSEK 2,916 represents profit for the year, be allocated as follows:

MSEK	
Dividend, 700,000 shares at SEK 2,143 per share	1,500
Carried forward	62,583
Total	**64,083**

The Board's statement to the 2026 Annual General Meeting of Luossavaara-Kiirunavaara AB, as required under Chapter 18 section 4 of the Swedish Companies Act, regarding the dividend proposed for the 2025 financial year.

Operations

The company's operations are capital-intensive. Compared with other iron ore companies, which nearly all mine ore in open-pit mines, the company has a greater need for capital since underground mining requires more extensive investment. The business is highly volume-, price- and currency-dependant. LKAB's strategy involves a major transformation of the company's business and could entail a high level of investment for a long period to come. LKAB also has major commitments relating to urban transformation necessitated by the mining, in Kiruna and Malmberget. The company requires good financial strength over time to secure the company's commitments and strategy. In accordance with its Finance Policy, the company has set aside provisions to secure its liquidity needs, the urban transformation, pensions and to enable the transformation.

Financial position of the company and the Group

The financial position of the company and the Group as at 31 December 2025 is set out in the Annual Report for the 2025 financial year, where the accounting policies applied to assets, provisions and liabilities are also stated. The Group's equity includes accumulated unrealised gains in the amount of MSEK 4,050, of which MSEK 2,550 relates to changes in value during the year.

Consolidation requirements and liquidity

LKAB has a dividend policy stating that the dividend to the owner in the long term is to constitute 40 to 60 percent of the consolidated earnings after tax, adjusted to the average earnings level over a business cycle and taking into account investment plans, consolidation requirements and the Group's liquidity and position in general. The proposed ordinary dividend of MSEK 1,500 amounts to 50 percent of consolidated earnings after tax.

The proposed distribution of earnings does not impact the company's ability to meet existing and foreseen payment obligations on time. The company's liquidity ratio is considered to be clearly sufficient for the requirements that the liquidity forecasts imply, with good readiness to cope with variations in ongoing payment obligations.

Dividend justification

The Board has considered other known circumstances that could be of significance for the company's and the Group's financial position and that have not been taken into account within what is stated above.

In this consideration no circumstances have emerged that might make the proposed dividend appear unwarranted.

Dividend for the 2025 financial year

The Board proposes that a dividend is paid for the 2025 financial year in the amount of MSEK 1,500 in accordance with LKAB's dividend policy.

The Board's attestation

The Board of Directors and the President attest that the Annual Report was prepared in accordance with generally accepted accounting principles in Sweden and that the consolidated financial statements were prepared in accordance with international financial reporting standards as referred to in Regulation 1606/2002/EC of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The Annual Report and the consolidated financial statements give a fair presentation of the Parent Company's and the Group's financial position and earnings. The Administration Report for the Parent Company and the Group provides a fair review of developments in the Parent Company's and the Group's operations, financial position and earnings and describes significant risks and uncertainties faced by the Parent Company and the companies included in the Group. The content of the Annual Report was finalised on 26 March 2026.

Proposed appropriation of earnings
The Board and the President propose that the MSEK 64,083 in unappropriated earnings, of which MSEK 2,916 represents profit for the year, be allocated as follows:

Distributed to the company's owner	MSEK 1,500
Carried forward	MSEK 62,583
Total	**MSEK 64,083**

Luleå, 26 March 2026

Anders Borg
Chairman of the Board

Carina Andersson
Board member

Alrik Danielson
Board member

Catrin Fransson
Board member

Eva Hamilton
Board member

Bjarne Moltke Hansen
Board member

Kerstin Konradsson
Board member

Lotta Mellström
Board member

Per-Olof Wedin
Board member

Anders Elenius
Employee representative

Tomas Larsson
Employee representative

Stefan Tallfjärd
Employee representative

Jan Moström
President and CEO

As stated above, the Annual Report, consolidated financial statements and the statutory Sustainability Report were approved for publication by the Board of Directors on 26 March 2026. The consolidated income statement, statement of comprehensive income and statement of financial position and the Parent Company's income statement and balance sheet are subject to approval at the Annual General Meeting on 23 April 2026.

Our auditor's report on the Annual Report and the consolidated financial statements was submitted on 26 March 2026 and our assurance report of the sustainability statement was submitted on 26 March 2026.

KPMG AB

Joakim Thilstedt
Authorized Public Accountant

Auditor's Report

To the general meeting of the shareholders of Luossavaara-Kiirunavaara AB (publ), corp. id 556001-5835

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Luossavaara-Kiirunavaara AB (publ) for the year 2025, except for the corporate governance statement on pages 126–135 and the sustainability report on pages 50–121. The annual accounts and consolidated accounts of the company are included on pages 32–48, 50–121 and 126–194 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 126-135 and sustainability report on pages 50-121. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the statement of comprehensive income and statement of financial position for the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Provisions for urban transformation

See disclosures 30 and 31 and accounting principles on pages 152–153 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

The group and the parent company, together LKAB, have significant obligations due to deformations in the ground caused by the mining operations. As at 31 December 2025, provisions for urban transformation in the amount of MSEK 32,422 have been recognised. The deformations in the ground are already so extensive, or will become so, that it is necessary to move parts of Kiruna and Malmberget. LKAB has a legal obligation to compensate for damage resulting from its mining activities and therefore recognises provisions for urban transformation in Kiruna and Malmberget as the obligations arise. Provisions for these obligations are dependent on the extent of the ground deformations, estimates of damage and compensation claims from affected parties, future inflation and discount rates. The assumptions used as the basis for the provisions are complex and difficult to estimate. Changes in the estimates and assumptions could have a significant impact on LKAB's earnings and financial position.

Response in the audit

We have examined LKAB's framework for the approval and payment of compensation to affected parties. We have evaluated the adherence to the framework through sample testing. Furthermore, we have inspected LKAB's procedures to identify obligations and assess the extent of the obligations including the assumptions made.

We have examined the reasonableness of LKAB's accounting policies, calculations and assumptions for recognition of urban transformation provisions. We have specifically reviewed the effects of the expanded impact area during 2025. Additionally we have reviewed the disclosures that have been included in the annual accounts and the consolidated accounts.

Property, plant and equipment

See disclosures 14 and 15 and accounting principles on pages 148-149 and 152-153 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

As at 31 December 2025 the group and the parent company have recognised property, plant and equipment in the amount of MSEK 69,997 and MSEK 63,542 respectively. Depreciation periods for main haulage levels, facilities

and equipment in mines are dependent on future ore extraction and the useful economic lives of the mines. It is essential that changes in production and the ore base are reflected in the applied depreciation method and useful economic life. Changes to the assumptions regarding useful economic lives could have a material impact on LKAB's earnings and financial position.

Response in the audit

We have gained an understanding of the planned mining and ore base and evaluated LKAB's principles and procedures for depreciation of miningrelated property, plant and equipment.

We have evaluated LKAB's procedures for following up construction in progress and have verified through audit sampling reported capital expenditure against actual supplier invoices and other expenditure. We have specifically reviewed capitalized expenses for urban transformation. We have assessed whether the accounting treatment is in line with the applicable accounting framework.

We have assessed the depreciation periods and methods applied by LKABfor plant and equipment in the mines.

We have also evaluated the disclosures on property, plant and equipment that have been included in the annual accounts and the consolidated accounts.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–31, 48–121, 124–125 and 199–209. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Luossavaara-Kiirunavaara AB for the year 2025 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 126–135 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s standard RevR 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Luossavaara-Kiirunavaara AB by the general meeting of the shareholders on the 24th of April 2025. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2019.

Stockholm den 26 mars 2026
KPMG AB

Joakim Thilstedt
Auktoriserad revisor

Mineral Resources and Mineral Reserves

This year's update of the Mineral Resources and Mineral Reserves continues to show good results from the ongoing exploration activities and technical studies. LKAB continually updates the geological interpretations for each asset and maintains international best practise during the exploration activities, for geological data collection and Resource and Reserve modelling. Summary Technical Reports for LKAB mineral assets are made available through the company's website.

Mineral Resources and Mineral Reserves are the basis of a mining company's operations and require successful and continuous exploration and application of mining processes. The costs of mining and the ore price are important factors that affect the level of Mineral Resources and Mineral Reserves being reported. The exploration initiatives over the past year, in addition to the updated geological models, have resulted in a further increase of about 16 percent to the Mineral Resources (Exclusive of Reserves). Total Mineral Resources now equate to 6.4 billion tonnes at 45.3 percent Fe, Exclusive of Reserves. Total Mineral Reserves tonnage is reduced through depletion by mining with an slight overall decrease in Fe grade arising from optimised mine planning processes.

Alongside the growth in iron and phosphorus Resources, LKAB continues to report increased rare earth element Resources in the Malmberget deposits in Gällivare and the deposits in Kiruna, which include the Per Geijer deposit.

Intensive exploration and technical studies

LKAB has continued its approach to exploration over the last 12 months, with drilling at all deposits targeting extensions to the mineralisation and to areas where an improved geological understanding is required.

2025 activities focussed on "Continual Improvement" of the modelling workflow implemented in the previous reporting periods. Detailed technical studies continue to develop the most appropriate geological interpretations possible, that in turn improve the quality of the Mineral Resource Estimations.

LKAB has completed Mineral Resource optimisation studies for all deposits. The optimisation process uses LKAB's costs and optimistic long-term price assumptions to determine those parts of the deposits that have Reasonable Prospects for Eventual Economic Extraction (RPEEE), with only those parts of the Resources that demonstrate a positive revenue being reported as part of the final Mineral Resource Statements. The optimisation process is a standard technique for reporting Mineral Resources within the mining industry and continues to demonstrate LKAB's commitment to best practise. All optimisation assumptions are reviewed annually and amended where required.

Inclusive of Reserves, these exploration activities in 2025 have resulted in a 0.4 percent decrease in reported Resource tonnes at Kiruna, a 32 percent increase in reported Resource tonnes at Malmberget, an 8 percent increase in reported Resource tonnes at Per Geijer, a 1 percent increase in reported Resource tonnes at Gruvberget and a 3 percent decrease in reported Resource tonnes at Leveäniemi.

The Per Geijer deposit is now reporting more than 1.3 billion tonnes of Mineral Resources and is estimated to contain some 2.2 million tonnes of in-situ rare earth oxides at an Inferred confidence level. All exploration drilling from surface has now been completed at Per Geijer, with future exploration activities to be from an exploration drift that is in development to connect the Kiruna and Per Geijer deposits.

During 2026, LKAB will continue to drill and to develop the modelling and resource estimation processes to ensure maximum value from the exploration activities. Technical studies will also continue, including the optimisation of mining techniques to deliver safe extraction of iron ore at greater depths and pilot studies to support fossil-free iron production at Malmberget.

Definitions

About The Classification
Mineral Resources and Mineral Reserves are estimated separately and are divided into different categories. LKAB's Mineral Resources are reported Exclusive of Mineral Reserves. Mineral Reserves are those portions of Mineral Resources which, after the application of the modifying factors, result in an estimated tonnage and grade or quality, that in the opinion of the Competent Person making the estimates can be the basis of a viable project. When Mineral Resources are converted to Mineral Reserves, those quantities are subtracted from the Mineral Resources. The Mineral Resource statement presented here has been classified following the definitions and guidelines of The PERC Reporting Standard (2021) from which the following definitions have been taken.

Inferred Mineral Resource
An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

Indicated Mineral Resource
An Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.

Measured Mineral Resource
A Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of modifying factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proved Mineral Reserve or to a Probable Mineral Reserve.

Must Take Material
For the underground operations, LKAB include "Must Take" material within the final Mineral Resource Statements. This is lower Fe grade material, commonly associated with the hanging wall / footwall contacts that is likely to be extracted during mining due to the methods employed. Inclusion of the lower grade material along the orebody margins is therefore considered appropriate. It is also noted that material currently modelled as internal and external waste is also considered as "Must Take" due to the mining method, and as such is included in the final Mineral Resource Statement.

Probable Mineral Reserve
A Probable Mineral Reserve is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the modifying factors applying to a Probable Mineral Reserve is lower than that applying to a Proved Mineral Reserve.

Proved Mineral Reserve
A Proved Mineral Reserve is the economically mineable part of a Measured Mineral Resource. A Proved Mineral Reserve implies a high degree of confidence in the modifying factors.

ESG considerations
Environmental, Social and Governance (ESG) Considerations: LKAB strive to maintain very high ESG standards and throughout the 2025 reporting period have continued to align group ESG policies to the PERC reporting code. This allows the reporting of our Mineral Resources and Mineral Reserves to be in a transparent manner with an evaluation of ESG context and factors to ensure extraction can be reasonably justified at the time of reporting. Work continues to deliver urban transformation as part of the current mine plan, together with obtaining and maintaining environmental permits from regulatory bodies and a social licence to operate from host communities and neighbours who may potentially be affected by future operations. The company's participation in the collaborative project for fossil-free iron and steel production is a key goal for achieving sustainability in future operations.

Iron Mineral Resources (Mineral Reserves excluded)
as at 31 December 2025 (including sorting plants)

	Quantity, Mt		Percent, Fe	
	2025	**2024**	**2025**	**2024**
Kiruna magnetite[1)]				
Measured	806	806	60.2	60.4
Indicated	77	91	52.5	55.7
Inferred	134	103	52.3	53.6
Total	**1,017**	**1,000**	**58.6**	**59.3**
Kiruna				
Must Take	113	92	7.4	7.6
Malmberget magnetite				
Measured	1,009	867	48.3	51.5
Indicated	506	372	48.3	52.5
Inferred	646	371	46.7	48.1
Total	**2,161**	**1,610**	**47.8**	**51.0**
Malmberget mixed				
Measured	40	39	42.9	42.4
Indicated	21	9	46.7	44.9
Inferred	31	43	45.7	45.9
Total	**92**	**91**	**44.7**	**44.3**
Malmberget hematite				
Measured	15	15	55.2	55.8
Indicated	6	3	51.3	55.3
Inferred	9	5	52.7	57.6
Total	**29**	**23**	**53.7**	**56.1**
Malmberget				
Must Take	438	220	9.2	9.6

[1)] Including Konsuln.

	Quantity, Mt		Percent, Fe	
	2025	**2024**	**2025**	**2024**
Leveäniemi magnetite				
Measured	129	128	44.6	44.0
Indicated	4	5	28.2	38.0
Inferred	9	10	20.5	18.7
Total	**142**	**142**	**42.6**	**42.1**
Leveäniemi mixed				
Measured	2	2	59.4	58.9
Indicated	0.2	0.1	50.6	49.7
Inferred	0.2	0.1	17.8	17.6
Total	**3**	**2**	**55.5**	**57.5**
Leveäniemi hematite				
Measured	–	–	–	–
Indicated	–	–	–	–
Inferred	–	–	–	–
Total	**–**	**–**	**–**	**–**
Leveäniemi				
Must Take	–	–	–	–

Iron Mineral Resources (projects with no Mineral Reserves)
per 31 december 2025

	Quantity, Mt		Percent, Fe	
	2025	**2024**	**2025**	**2024**
Gruvberget magnetite				
Measured	165	179	41.7	43.3
Indicated	228	139	47.8	47.2
Inferred	63	166	44.6	46.4
Total	**456**	**484**	**45.1**	**45.5**
Gruvberget mixed				
Measured	35	38	46.6	47.2
Indicated	96	55	55.0	52.7
Inferred	36	59	54.4	54.4
Total	**167**	**153**	**53.1**	**52.0**
Gruvberget hematite				
Measured	65	77	55.1	55.2
Indicated	137	79	58.4	58.5
Inferred	37	72	56.2	55.0
Total	**239**	**228**	**57.2**	**56.3**
Gruvberget				
Must Take	34	23	10.3	8.5

Iron Mineral Resources (projects with no Mineral Reserves)
per 31 december 2025

	Quantity, Mt		Percent, Fe	
	2025	**2024**	**2025**	**2024**
Mertainen magnetite				
Measured	47	47	36.0	36.0
Indicated	58	58	34.4	34.4
Inferred	44	44	32.6	32.6
Total	**149**	**149**	**34.4**	**34.4**
Mertainen				
Must Take	–	–	–	–
Per Geijer magnetite				
Measured	–	–	–	–
Indicated	449	392	46.1	47.2
Inferred	478	474	48.8	48.4
Total	**927**	**866**	**47.5**	**47.9**
Per Geijer mixed				
Measured	–	–	–	–
Indicated	118	96	39.3	39.1
Inferred	71	74	39.1	37.7
Total	**189**	**169**	**39.2**	**38.5**
Per Geijer hematite				
Measured	–	–	–	–
Indicated	94	74	50.4	47.8
Inferred	73	89	53.4	47.8
Total	**167**	**163**	**51.7**	**47.8**
Per Geijer				
Must Take	61	51	7.1	7.2

Iron Mineral Reserves
as at 31 December 2025 (including sorting plants)

	Quantity, Mt		Percent, Fe	
	2025	**2024**	**2025**	**2024**
Kiruna				
Proved	209	245	46.3	46.6
Probable	335	340	45.0	46.8
Total	**544**	**585**	**45.5**	**46.7**
Malmberget magnetite				
Proved	305	319	42.8	42.7
Probable	0,5	3	34.2	36.8
Total	**305,5**	**322**	**42.8**	**42.7**
Malmberget hematite				
Proved	16	15	43.7	45.1
Probable	0	1	46.0	49.1
Total	**16**	**16**	**43.7**	**45.4**
Leveäniemi				
Proved	76	82	45.7	45.9
Probable	3	3	36.0	37.5
Total	**79**	**85**	**45.4**	**45.6**

UK operations
Operations are located at Dimmock Cote Quarry and Bracken Quarry in the UK and for the third time, LKAB is reporting Mineral Resources and Mineral Reserves from its UK operations under the PERC Standard.

Limestone Mineral Resources (Mineral Reserves excluded)
as at 31 December 2025

	Limestone	
Bracken Quarry, Lund, UK	**2025**	**2024**
	Kt	Kt
Measured	0	0
Indicated	0	0
Inferred	789	789
Total	**789**	**789**

Limestone Mineral Reserves
as at 31 December 2025

			Limestone	
	2025	**2024**	**2025**	**2024**
	Kt[1)]	Kt[1)]	Kt[2)]	Kt[2)]
Proved	–	–	–	–
Probable	602	612	471	471
Total	**602**	**612**	**471**	**471**

[1)] Included in planning permission.
[2)] Outside of planning consent.

Iron Mineral Resources and Mineral Reserves in 2025

Kiruna

Inclusive of Mineral Reserves, Mineral Resources at Kiruna have remained static (0.4% decrease) with recent exploration at satellite deposits offsetting a 40 million tonne decrease at the main orebody that is the focus of mining activities. The Neptunus, Hvalrossen, Konsuln and Sigrid-Victor deposits show a combined increase of 34 million tonnes due to an update of the geological model and to drilling completed. However, in total, the combined Kiruna Mineral Resources increased by 3 percent in 2025 to 1,129 million tonnes, Exclusive of Reserves. This includes an increase in Must Take material being reported from 129 million tonnes in 2024 to 141 million tonnes in 2025.

Mineral Reserves are assessed with updated optimisation processes and extraction factors, review of mine production performance, and depletion of Mineral Reserves due to mining. Kiruna Mineral Reserves tonnage reduced by 7 percent to 544 million tonnes and grade reduced from 46.7 percent Fe to 45.5 percent Fe due to ongoing application of more accurate geological interpretation and optimisation of design processes to delineate and exclude waste from the mine plan. Overall, this resulted in a 9 percent decrease in contained Fe metal. The life of Mineral Reserves extends to 2047.

Malmberget

Continued exploration of the Fabian, Western Field and Printzsköld-Alliansen deposits has extended the known mineralisation. Additionally, LKAB re-analysed 35 drillholes within the current Reserve limits of the Printzsköld-Alliansen deposit, providing new data on material, below 40 percent Fe that was not previously analysed. The results extended the mineralisation limits of Printzsköld-Alliansen providing opportunity to extend Mineral Reserves in future assessments. Furthermore, a strong focus on modelling the internal waste rocks has commenced. Cross-cutting intrusives, predominantly granites, have been modelled across the Malmberget project. This is an important step, that will continue throughout 2026, also helping to define different mineralogical packages of Rare Earth Elements bearing minerals within the mineralisation and internal waste.

In total, the Malmberget Mineral Resources, Exclusive of Reserves, increased from 1.9 billion tonnes to about 2.7 billion tonnes in 2025. Updates to the geological model, changes to the Reserve Stopes, modifications to the optimisation assumptions and an increase in Must Take material have contributed to the increase in Mineral Resources being reported.

Mining depletion has reduced Proved and Probable Mineral Reserves by 17 million tonnes to 322 million tonnes and grade remains unchanged at 42.8 percent Fe. Ongoing mine planning and optimisation processes during 2026 will incorporate additional Mineral Resources identified during 2025.

Svappavaara

Leveäniemi

Mineral Resources remained stable at Leveäniemi at 145 million tonnes, Exclusive of Reserves. Additional drilling resulted in modifications to the model with an increased focus on internal waste modelling.

Mineral Reserves decreased for the year by 6,5 million tonnes to 79 million tonnes at 45,4 percent Fe, due to depletion from mining.

Gruvberget

In total, the Gruvberget Mineral Resources increased from 887 million tonnes to 895 million tonnes in 2025 due to infill drilling and extensions to the mineralisation.

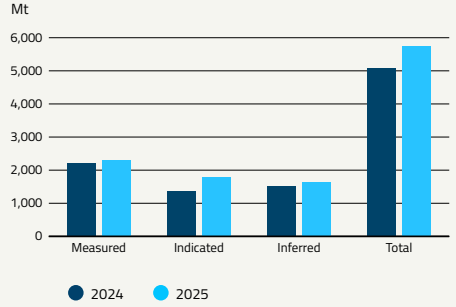
Mertainen

No updates were completed on the Mertainen deposit during 2025.

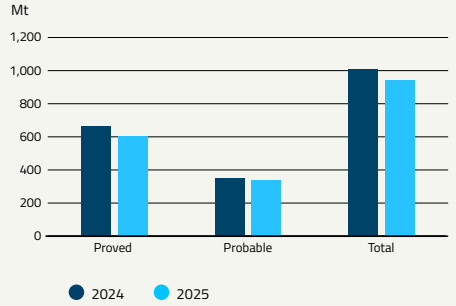
Per Geijer

Ongoing exploration at the Per Geijer deposit resulted in extensions to the current mineralisation, which remains open in several directions. In total, the Per Geijer Mineral Resources increased from 1,249 million tonnes to 1,344 million tonnes in 2025, an increase of 8 percent, including Must Take material. Indicated Mineral Resources increased by 99 million tonnes and Inferred Mineral Resources decreased by 15 million tonnes. All surface drilling exploration has now been completed at Per Geijer with future exploration activities to be from an exploration drift that is in development to connect the Kiruna and Per Geijer deposits. The current model will continue to be evaluated in 2026 as part of LKAB's continual improvement policy.

Iron Mineral Resources as at 31 December 2025[1)]



Iron Mineral Reserves as at 31 December 2025



[1)] Does not include "Must Take" material.

Phosphorous and rare earth element Mineral Resources in 2025

LKAB plan to create a sustainable business from LKAB mine tailings and offer Phosphoric Acid, Phosphate-fertilizer products and by-products containing rare earth elements (REE) and gypsum. The initiative is part of an ongoing LKAB study for extracting critical minerals from the by-products of the mining and processing of iron ore.

LKAB's mine tailings are a by-product of processing the iron ore mined; they are essentially a secondary raw material from which an apatite mineral concentrate rich in phosphorus (P) can be recovered. The iron ore has demonstrated RPEEE as required by international Mineral Resource reporting codes. This equally demonstrates the continued production of apatite tailings in which rare earth oxides (REO) are also found.

The project is planned to be implemented through a flotation process of fresh tailings to produce an apatite concentrate. This will be followed by additional hydrochemical processes to produce Phosphorous products, MREO (Mixed rare earth oxides) concentrate and gypsum. These by-products are under detailed technical evaluation as a revenue generator from the existing tailings stream currently produced. Key drivers in this initiative are sustainability, resource efficiency, circularity, and the drive to fossil fuel-free manufacturing methods.

Current studies are focussed on the Malmberget future tailings although the Kiruna, Svappavaara and Per Geijer future tailings will also be considered as potential apatite sources during further studies. Metallurgical testwork continues across the deposits, with the Per Geijer project showing similar properties to those observed when compared to the Malmberget operations.

As part of the project and to accelerate future technical studies, the P and REO have been estimated into the Mineral Resource models.

To date, estimation of phosphorous within the Resource models follows the same strategy and uses the same data quantity as the iron estimate. As such, the classification of the phosphorous Resources is aligned with the iron classification. No Mineral Reserves are currently being reported for phosphorous or contained apatite.

Rare earth data collection commenced as part of the standard assay suite in 2017 and as such, rare earth data have a more limited spatial extent throughout the Malmberget and Kiruna deposits. Studies at Malmberget have continued throughout 2025. Per Geijer geological modelling, being based on recent drill data only, has an equal count of Fe, P and REE analyses. However, the limited data at Malmberget (and Kiruna) and the early-stage metallurgical test work being undertaken, has restricted the classification of the rare earth elements to the Inferred Mineral Resource category.

Following further exploration at Per Geijer and updates to the geological model, the Per Geijer deposit is now estimated to contain some 2.2 million tonnes of in-situ rare earth oxides as an Inferred Mineral Resource.

Phosphorous Mineral Resources (inclusive of Reserves)
as at 31 December 2025

	Quantity, Mt		Procent, P	
	2025	**2024**	**2025**	**2024**
Kiruna[1]				
Measured	1,271	1,306	0.32	0.34
Indicated	77	91	0.45	0.28
Inferred	134	103	1.10	1.00
Must Take	141	129	0.06	0.06
Total	**1,622**	**1,629**	**0.37**	**0.36**
Malmberget				
Measured	1,304	1,210	0.60	0.61
Indicated	539	385	0.62	0.57
Inferred	686	419	0.55	0.69
Must Take	464	250	0.10	0.02
Total	**2,994**	**2,264**	**0.51**	**0.55**
Svappavaara				
Measured	479	515	0.57	0.58
Indicated	465	279	0.79	0.72
Inferred	146	307	0.72	0.80
Must Take	34	23	0.09	0.03
Total	**1,124**	**1,123**	**0.67**	**0.66**
Per Geijer				
Measured	–	–	–	–
Indicated	661	562	2.60	2.62
Inferred	622	637	1.56	1.79
Must Take	61	51	0.66	0.55
Total	**1,344**	**1,250**	**2.03**	**2.11**

REE Mineral Resources (inclusive of Reserves)
as at 31 December 2025

	Quantity, Mt		Procent, TREO[2]	
	2025	**2024**	**2025**	**2024**
Kiruna[1]				
Measured	–	–	–	–
Indicated	–	–	–	–
Inferred	1,481	1,500	0.02	0.019
Must Take	141	129	0.003	0.003
Total	**1,622**	**1,629**	**0.02**	**0.018**
Malmberget				
Measured	–	–	–	–
Indicated	–	–	–	–
Inferred	2,530	2,014	0.023	0.024
Must Take	464	250	0.004	0.001
Total	**2,994**	**2,264**	**0.02**	**0.022**
Per Geijer				
Measured	–	–	–	–
Indicated	–	–	–	–
Inferred	1,283	1,199	0.171	0.18
Must Take	61	51	0.033	0.028
Total	**1,344**	**1,250**	**0.16**	**0.174**

[1] Including Konsuln.
[2] Content in percent of all rare earth elements in oxide form.

Basis for estimates

LKAB reports its Mineral Resources and Mineral Reserves in accordance with the PERC Reporting Standard (2021). Estimation of Mineral Resources and Mineral Reserves requires judgment to interpret available geological data and subsequently to select an appropriate mining method and then to establish an extraction schedule. The estimation process requires assumptions about future commodity prices and demand, exchange rates, production costs, transport costs, close-down and restoration costs, recovery rates and discount rates and, in some instances, the renewal of mining licenses. There are many uncertainties in the estimation process and assumptions that are valid at the time of estimation may change significantly when new information becomes available. New geological or economic data, or unforeseen operational issues may change the estimates of Mineral Resources and Mineral Reserves. Estimates are made based on the following underlying factors:

Metal prices

Mineral Resources and Mineral Reserves provide a basis for the company's long-term planning. Mineral Resource and Mineral Reserve estimates are reported within optimised open pits and / or underground optimised mineable stopes at all projects. Mineral Resource and Mineral Reserve estimates are reported considering a long-term price of 80 USD/tonne of iron ore (62 percent Fe) over the coming business cycle.

Depth of working below surface

In the estimation of Mineral Resources, the optimisation process used assumes an increased mining cost (double the base case) to all material below the current Mineral Reserve base elevation at Kiruna and Malmberget, approximately 1.1 km below the natural topography. At Per Geijer and Gruvberget, where underground Mineral Resources are also being declared, the increased mining cost is also applied below this elevation. This approach is considered by the Competent Person to represent 'reasonable prospects for eventual economic extraction'.

Dilution

Dilution is referred to as the waste material that is being mined along with the ore during mining operations. This material varies in percentage, depending on various mining and geological factors. LKAB systematically monitors the quantity of waste rock mixed with mined ore and this data is included in all estimates of Mineral Reserves. At Mertainen, a 20 percent Fe cut-off has also been applied due to low-grade material located within the optimised open pit.

Recovery

Depending on the mining method employed, orebody geometry and other technical and geological factors, some percentage of the ore cannot be recovered. The percentage of recoverable mineable Mineral Reserves is defined as ore recovery. This factor has been taken into consideration in the estimates of Mineral Reserves.

Risks and uncertainties

Not achieving environmental permits remains a future threat to mining at LKAB. Seismic behaviour of rock, associated with mining at deeper levels, can disrupt mining operations by restricting production rates and Mineral Reserves as experienced at the Kiruna mine in 2020. Future challenges associated with mining at depth also pose a risk to the declaration of the company's Mineral Resources. LKAB's participation in the collaborative project for fossil-free iron and steel production creates opportunities to access new emerging markets for fossil-free iron and to introduce new sustainable production practices. Technical studies undertaken have shown the reasonable prospect for eventual economic extraction of phosphate and rare earth oxides as by-products of iron ore tailings. This ongoing testwork is at an early stage of development and the final process route to eventual product(s) has not yet been confirmed. Future additional Mineral Reserves depend on the outcome of technical studies currently underway to assess the potential for mining below existing Mineral Reserves at Kiruna, Malmberget and Leveäniemi as well as at Per Geijer and Gruvberget.

Standards, codes and recommendations

The Mineral Resource and Mineral Reserve estimates have an effective date of 31 December 2025 and have been classified and reported in accordance with the PERC Reporting Standard 2021.

Competent Persons

The Mineral Resource estimates were prepared under the supervision of Howard Baker FAusIMM(CP), Managing Director and Resource Geologist, Baker Geological Services Ltd (BGS) who is a "Competent Person" as defined in the PERC Reporting Standard 2021. Mr Baker has reviewed and approved the scientific and technical information in this report and has confirmed that: "At the effective date of the Public Report, to the best of my knowledge, information and belief, the Public Report contains all scientific and technical information required to be disclosed in order to make the Public Report not misleading".

The Mineral Reserves estimates were prepared under the supervision of Tim McGurk CEng FIMMM QMR, Corporate Consultant (Mining Engineering) with SRK Consulting (UK) Ltd who is a "Competent Person" as defined in the PERC Reporting Standard 2021. Mr McGurk has reviewed and approved the scientific and technical information in this report and has confirmed that: "At the effective date of the Public Report, to the best of my knowledge, information and belief, the Public Report contains all scientific and technical information required to be disclosed in order to make the Public Report not misleading".

The above text was compiled by Mr Howard Baker and Mr Tim McGurk. The Mineral Resource and Mineral Reserve statements in this report have been reviewed and approved by Howard Baker (BGS) and Tim McGurk, Corporate Consultant of SRK Consulting (UK) Limited.

March 2026

Tim McGurk C.Eng, FIMMM QMR. Competent Person	Howard Baker, FAusIMM(CP). Competent Person

Pan-European Reserves & Resources Reporting Committee (PERC) Reporting Standard

LKAB compiles its Mineral Resources and Mineral Reserves annually. LKAB's reporting method follows the PERC Reporting Standard 2021 aimed at a balanced assessment of the status of LKAB's mines and deposits. The 2021 edition of the PERC Reporting Standard is aligned with the November 2019 version of the CRIRSCO International Reporting Template (Committee for Mineral Reserves International Reporting Standards). This report covers the reporting period from 1 January 2025 to 31 December 2025.

Terminology and definitions

General glossary

Barren rock: rock that is not ore; synonymous with waste rock.

Blast furnace pellets: iron ore pellets that are reduced to crude iron in a steelworks blast furnace.

Concentrating: beneficiation of finely ground ore by separation into a concentrate of iron ore powder with very high purity, known as slurry.

Corruption: incidents where an employee uses their position in the company for personal gain.

Crude ore: see crushed ore.

Crude iron: molten iron from a blast furnace that is subsequently refined in a steelworks.

Crushed ore: designates iron ore from the mines before it has been upgraded.

Direct reduction (DR) pellets: iron ore pellets designed for using natural gas to reduce the oxygen in the iron ore to produce DRI, which is used to produce steel in an electric arc furnace.

Direct Reduced Iron (DRI): input material for steelmaking in electric arc furnaces; also known as sponge iron.

ESRS: European Sustainability Reporting Standards. These standards have replaced GRI within the EU/EEA.

Exploration: systematic searching for natural raw materials such as minerals and rocks. Exploration may take the form of geophysical surveys, geochemical investigation or geological surveys.

Fossil-free steel: steel produced using reducing agents and energy from fossil-free sources.

Fossil-free steel production: steel produced from renewable energy sources and iron ore reduced to crude iron using fossil-free reducing agents, such as hydrogen.

Ground deformation: the mining gives rise to ground deformation – in other words, ground movements.

Hematite: mineral, iron ore (Fe_2O_3), named from the Greek for "blood stone". Has no magnetic properties.

Huntite: mineral with various uses, including as a halogen-free flame-retardant additive in plastics and cables.

Industrial minerals: collective term for rocks, minerals or other naturally occurring materials that are of economic value, excluding metals, energy minerals and gemstones.

Iron ore: ore with a high content of the element iron. A mineralisation is described as ore if it is profitable to mine it. The minerals magnetite and hematite are examples of iron ore.

Magnetite: mineral, ferrimagnetic iron ore (Fe_3O_4), also known as lodestone, which in upgraded form is used for iron and steel production. Other applications for magnetite include water purification, noise and vibration damping and as ballast in high-density concrete.

Main haulage level: haulage level in an underground mine from which ore is transported to surface level via skip hoists.

Mine City Park: the areas being phased out in favour of mining and transformed into park areas in Kiruna. More parks will be added as the urban transformation continues.

Open-pit mining: an ore deposit that is situated close to the surface and is mined in the open air.

Ore: economic term for a mineral that is deemed profitable to mine.

Ore base: the percentage difference between the mined crude ore and the theoretical quantity of ore.

Orebody: underground mining of ore is largely about finding orebodies and building drifts – which involves blasting tunnels/passageways in the rock – in order to be able to mine the ore along these orebodies.

Pellet premium: mark-up factor on the iron ore price for producers of upgraded iron ore products.

Pelletising: process whereby slurry is mixed with additives and binder, rolled into balls and sintered in a pelletising plant.

Remediation: clean-up, restoration and/or ecological offsetting of mining areas that have reached end-of-life.

Seismic event: rock tremor, earthquake.

Sintering: fusing of fine-grained ore (fines) into lumps (sinter) at a high temperature.

Sorting: rough sorting, crushing and screening to separate waste rock and increase the iron concentration of the ore.

Sponge iron: sponge iron is produced by removing the oxygen from the iron ore at low temperatures using carbon dioxide and hydrogen made from natural gas.

Sub-level caving: the method of mining that LKAB employs in its underground mines. It means that the ore is mined level by level and that waste rock loosens and fills the space where the ore was. As a result, no cavities are left underground, while the ground above slowly sinks.

Swedish orefields: describes a geographical area in the northern Swedish county of Norrbotten that includes Kiruna, Gällivare and Svappavaara.

Waste rock: collective economic term for the rock that is not ore.

Zoning plan: a zoning plan shows how a defined area in a municipality may be built on and how land and water areas may be used.

Units and abbreviations

g:	gram
GWh:	gigawatt hour
kg:	kilogram
kt:	kilotonne
kWh:	kilowatt hour
m^3:	cubic metre
mg:	milligram
mg/mN^3 dry:	milligrams per standard cubic metre dry gas
SEK bn:	billion Swedish kronor
MSEK:	million Swedish kronor
Mt:	million tonnes
ppm:	parts per million
TJ:	terajoule
TWh:	terawatt hour

Annual General Meeting and financial calendar

Annual General Meeting

Date
LKAB's Annual General Meeting will be held in Luleå on Thursday 23 April 2026.

Attendance
The Annual General Meeting is open to the public.

Notice of general meeting
The notice of the Annual General Meeting, financial information and other information can be found at lkab.com.

The printed version of LKAB's Annual and Sustainability Report 2025 will be available on 23 April 2026 and can be ordered via info@lkab.com.

Financial information

Interim reports

23 April 2026, Interim Report Q1 2026

13 August 2026, Interim Report Q2 2026

28 October 2026, Interim Report Q3 2026

February 2027, Interim Report Q4 2026 together with Year End Report

Contact

Please direct any questions regarding LKAB's financial information to Magnus Karlsson, Chief Financial Officer.

Please direct any questions regarding the sustainability report to Pia Lindström, SVP Environment and Sustainability.

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