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Good results for Special Steels and Americas, but weaker market in Europe

April 26, 2023

SSAB

Report for Q1 2023

The first quarter

- Revenue was SEK 31,904 (31,575) million
- Operating result was SEK 4,733 (8,162) million
- Earnings per share were SEK 3.59 (5.84)
- Net cash was SEK 15.6 (5.7) billion
- Launch of SSAB Zero – based on recycled steel and no fossil carbon emissions

Key figures

SEK millions	2023 Q1	2022 Q1	2022 Q4	2022 Full-year
Revenue	31,904	31,575	30,138	128,745
Adjusted EBITDA	5,600	9,198	4,637	32,675
Adjusted operating result	4,733	8,377	3,768	29,283
Operating result	4,733	8,162	-29,501	-4,355
Result for the period	3,701	6,016	-29,992	-10,877
Earnings per share (SEK)	3.59	5.84	-29.13	-10.57
Operating cash flow	3,135	4,918	8,880	22,693
Net debt (+) / Net cash (-)	-15,590	-5,667	-14,287	-14,287
Net debt/equity ratio (%)	-22	-7	-21	-21
Return on capital employed, rolling 12 months (%)	-5	33	-1	-1
Number of employees at end of period	14,634	14,361	14,568	14,568

Comments by the CEO

SSAB's operating result for the first quarter of 2023 was SEK 4,733 (8,162) million. SSAB Special Steels and SSAB Americas continued with strong performance. A weaker European market with lower prices but higher raw material costs, compared to the first quarter of 2022, impacted SSAB Europe, Tibnor and Ruukki Construction, which was also affected by weak construction activity. Compared with the adjusted fourth quarter of 2022, the result increased by SEK 965 million. Demand improved and we increased production with better capacity utilization and higher shipments, which compensated for lower realized prices. SSAB launched a new steel during the quarter, SSAB Zero, with 0.0 kg emissions of carbon dioxide equivalent. SSAB Zero is based on recycled steel, processed and transported with fossil-free energy and is the world's first commercial product of its kind.

SSAB Special Steels' operating result* was SEK 2,094 (2,086) million and the operating margin was 24.4% (26.4%). SSAB Americas operating result was SEK 2,675 (2,991) million and the operating margin was 34.7% (40.1%). SSAB Europe's operating result fell to SEK 0 (3,249) million.

Safety performance continued to improve and Lost Time Injury Frequency (LTIF) decreased to 0.92 (1.60) in the first quarter.

Demand in Europe improved during the quarter compared with the weak market during the second half of last year. We increased production and shipments following the fourth quarter's planned maintenance and steel slab production in Raahe was record high in March. Market prices rose, which affects SSAB after a certain delay. The heavy plate market in North America continues to be strong and market prices stabilized during the quarter. Demand for high-strength steel is good on several markets. There is uncertainty regarding the second half of the year against a background of higher interest rates and high inflation, especially in Europe.

Updated financial targets were published in conjunction with the Capital Markets Day at the end of March. SSAB also launched new growth targets for high-strength steel and other premium products. The plan is that investments in the Nordic production system will enable us to reach the growth targets while reducing production costs, increasing flexibility and largely eliminating all carbon dioxide emissions.

*) Adjusted operating result is applied for comparative information, no items affecting comparability were reported in the first quarter of 2023.

There is strong demand for steel without any carbon footprint and SSAB launched a new steel which reduces customers' indirect emissions. This is the world's first product of its kind, with 0.0 kg emissions of fossil carbon dioxide equivalents per kg of steel. SSAB Zero is based on recycled steel and we estimate total deliveries of around 40,000 tonnes during 2023 to leading customers like Volvo Group.

Outlook for the second quarter of 2023

The European market is assessed to have stabilized following the downturn during the second half of 2022 and demand is expected to be stable during the second quarter of 2023. Demand on the heavy plate market in North America is expected to continue at a good level. Demand for high-strength steel is expected to be good on several markets.

SSAB Special Steels' shipments are assessed to be somewhat higher than in the first quarter of 2023. Prices are assessed to be stable.

SSAB Europe's shipments are assessed to be somewhat higher. Prices are expected to be higher in the second quarter than in the first quarter of 2023.

SSAB Americas' shipments are assessed to be stable, whereas prices are expected to be somewhat higher.

The costs of most raw materials are expected to be in line with, or somewhat lower, than the prior quarter.

Outlook for steel divisions

	Q2 2023 vs. Q1 2023	
	Shipments	Realized prices
SSAB Special Steels	Somewhat higher	Stable
SSAB Europe	Somewhat higher	Higher
SSAB Americas	Stable	Somewhat higher

Definitions: Significantly lower (>10 %), Lower (5-10 %), Somewhat lower (0-5 %), Stable (~0 %), Somewhat higher (0-5 %), Higher (5-10 %), Significantly higher (>10 %)

Major planned maintenance outages 2023

The Group's total maintenance costs for the full-year 2023 are expected to be SEK 1,550 (1,540) million, unchanged compared with the earlier forecast. The timeline has been adjusted and more maintenance will take place during the fourth quarter. The table below shows the expected costs for 2023 and the actual costs during 2022. The figures include the impact of the direct maintenance cost and the cost of lower capacity utilization (underabsorption), but exclude lost margins.

Expected maintenance costs for 2023

	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
SEK millions	Q1	Q1	Q2	Q2	Q3	Q3	Q4	Q4	Full-year	Full-year
SSAB Special Steels	0	0	0	0	150	90	525	400	675	490
SSAB Europe	0	0	0	0	350	205	200	450	550	655
SSAB Americas	0	0	0	0	0	335	325	60	325	395
Total	0	0	0	0	500	630	1,050	910	1,550	1,540

The market during the first quarter

Demand for high-strength steel was good in most markets during the first quarter, with a recovery in Europe compared with the prior quarter. Demand in China continues to be at a relatively low level.

Demand for standard steel in Europe improved compared with the cautious attitude shown by many customers during the second half of 2022. Demand was supported by restocking. Import volumes into Europe continued to be low during the quarter. The capacity that was idled in Europe during 2022 is gradually re-starting while some mills experienced disruptions. In North America, demand for heavy plate was generally good. Inventory levels at North American distributors were still low.

In Europe, market prices for strip leveled off at the end of the first quarter following a positive trend since the end of November 2022. Also, heavy plate prices rose during the first quarter.

In North America, the market price for heavy plate rose somewhat during the first quarter, following a downward trend during the second half of 2022. In China, market prices for strip and heavy plate showed minor upswings during the first quarter.

SSAB Group – First quarter of 2023

Revenue and operating result

Revenue for the first quarter of 2023 was SEK 31,904 (31,575) million, virtually unchanged to last year. Compared with the fourth quarter of 2022, revenue was up 6%.

Adjusted operating result was SEK 4,733 (8,377) million, no items affecting comparability were reported in the first quarter of 2023. The decrease compared to 2022 was explained by a weaker European market that impacted SSAB Europe, Tibnor and Ruukki Construction with lower prices and, at the same time, higher raw material costs. Compared to the fourth quarter of 2022, adjusted operating result was up SEK 965 million.

Revenue and adjusted operating result by business segment

SEK millions	Revenue			Adjusted operating result 1)		
	2023 Q1	2022 Q1	Change	2023 Q1	2022 Q1	Change
SSAB Special Steels	8,573	7,907	666	2,094	2,086	8
SSAB Europe	12,293	12,657	-364	0	3,249	-3,249
SSAB Americas	7,714	7,465	249	2,675	2,991	-316
Tibnor	4,048	4,463	-415	1	414	-412
Ruukki Construction	1,329	1,588	-259	-9	160	-169
Other	-	-	-	-29	-522	493
Group adjustments	-2,053	-2,504	451	-	-	-
Total	31,904	31,575	328	4,733	8,377	-3,644

1) Excluding items affecting comparability SEK 0 (-215) million. From January 1, 2023 onwards, the adjusted operating result of the business segments includes depreciation/ amortization on surplus values on tangible and intangible assets related to the acquisitions of Ipsco and Rautaruukki. Comparative information has been updated accordingly.

Analysis of total change in revenue and adjusted operating result

	Revenue			Adjusted operating result	
	Change vs. Q1 2022 %	Change vs. Q4 2022 %		Change vs. Q1 2022 SEK m	Change vs. Q4 2022 SEK m
Volume	4	16	Price and product mix	-1,645	-1,830
Price	-9	-7	Volume	625	1,035
Product mix	-1	-	Variable costs	-2,115	750
Currency effects	6	-	Fixed costs	-750	335
Other revenue	1	-3	Currency effects	-25	-15
			Capacity utilization	265	690
			Other	-	-
Total	1	6	Total	-3,644	965

Leading sustainability performance

SSAB's objective is to become the world's safest steel company and to achieve zero accidents and work-related injuries and illnesses. The lost time injury frequency resulting in an absence of at least one day (LTIF) was 0.92 (1.60). Total recordable injury frequency (TRIF) was 7.50 (8.90).

Energy intensity and CO_{2e} intensity in production were stable compared to the figures for the first quarter of 2022.

Key sustainability figures – rolling 12 months

	2023 Q1	2022 Q1	2022 Full-year
Safety			
Lost time injury frequency (LTIF) 1)	0.92	1.60	1.06
Total number of injuries (LTI) 2)	26	43	30
Total recordable injury frequency (TRIF)	7.50	8.90	7.70
Environment			
Energy consumption, GWh 3)	9,080	9,264	8,961
Energy intensity, kWh/tonnes crude steel	1,197	1,184	1,229
CO _{2e} -emissions (Scope 1), thousand tonnes	9,741	10,393	9,827
Indirect CO _{2e} -emissions (Scope 2), thousand tonnes	1,135	990	1,180
CO _{2e} -intensity, tonnes of CO _{2e} /tonnes crude steel 4)	1.43	1.45	1.51

1) Lost Time Injury Frequency, number of accidents resulting in an absence of more than one day per million working hours, own employees and contractors.

2) Lost Time Injuries, number of accidents resulting in an absence of more than one day, own employees and contractors.

3) Total energy consumption (electricity, purchased fuels and purchased heat).

4) Includes Scope 1 and Scope 2.

Transformation to fossil-free steel and summary of the Capital Markets Day

At the Capital Markets Day on March 28, SSAB presented its plan to strengthen the company's position going forward to 2030, from last year's policy decision to speed up the transformation to fossil-free steel production. The plan primarily involves building two modern, highly efficient mini-mills in Luleå (Sweden) and Raahe (Finland). The transformation will result in lower production costs and greater flexibility with a higher share of variable costs, which will improve our ability to manage cyclical fluctuations.

The transformation will increase the capacity for further processing, enabling growth of high-strength steels and premium products. The higher shipments of premium products will primarily replace volume of standard products.

SSAB launched a completely new scrap-based steel, SSAB Zero, with 0.0 kg emissions of carbon dioxide equivalents. SSAB Zero is the first commercial product of its kind. The objective is to deliver 40,000 tonnes of SSAB Zero during 2023 and to increase production to around 100,000 tonnes during 2025.

SSAB's revised financial targets (presented on March 28, 2023):

- Profitability – Industry-leading EBITDA margin compared to peers* (unchanged)
- Capital structure – Net gearing ratio between -20% to 20% (net debt to equity) (earlier: the net debt/equity ratio will not normally exceed 35%)
- Dividend – Dividend 40% of profit after tax (earlier: 30-50% of profit after tax)
- Before determining the yearly dividend proposals and capital structure adjustments, management and the Board of Directors will evaluate the capital needs for coming years based on market outlook, capex plans and other considerations

See the ssab.com website for more information on the Capital Markets Day.

* ArcelorMittal, Nucor, Salzgitter, Tata Steel Europe, ThyssenKrupp and US Steel

Raw materials

SSAB sources iron ore primarily from LKAB in Sweden on prices linked to market index. SSAB sources coking coal from Australia, the USA and Canada, usually on annual supply contracts with monthly prices. SSAB's mills in the USA use recycled steel material and source scrap metal on the spot market.

The table below shows SSAB's purchase prices. Lead times and payment terms for iron ore have a combined effect which impacts the result after a delay of around one quarter, while coking coal has a delay of around one and a half quarters. Scrap purchase prices have a delay of around one month.

Change in SSAB's average purchase prices, first quarter of 2023

% change	Q1 2022		Q4 2022	
	USD	SEK	USD	SEK
Iron ore	-14%	-4%	10%	7%
Coking coal	-15%	-6%	12%	8%
Scrap metal	-13%	-3%	24%	21%

Production and shipments

SSAB increased production according to plan during the first quarter in response to higher demand following the planned maintenance outages during the fourth quarter of 2022. Production and shipments during the first quarter of 2022 were affected by an unplanned maintenance outage at SSAB Europe's steel mill in Raahe.

Production and shipments

Thousand tonnes	2023	2022	2022	2022
	Q1	Q1	Q4	Full-year
Crude steel production	2,044	1,751	1,641	7,293
Rolling production	1,899	1,716	1,505	6,727
Steel shipments	1,737	1,664	1,502	6,341

Result for the period and earnings per share

The result for the period attributable to shareholders in the parent company was SEK 3,699 (6,013) million for the first quarter of 2023, equating to SEK 3.59 (5.84) per share. Tax was SEK -1,086 (-1,773) million.

Cash flow, financing and liquidity

Operating cash flow for the first quarter of 2023 amounted to SEK 3,135 (4,918) million, cash flow was positively impacted by reduced working capital, which was counteracted by a lower result. Net cash flow amounted to SEK 2,165 (2,939) million.

Net cash at March 31, 2023 was SEK 15,590 (5,667) million. Cash and cash equivalents were SEK 27,008 (17,348) million and non-utilized credit facilities were SEK 10,372 (8,659) million, which combined corresponds to 29% (24%) of rolling 12 months' revenue. Dividend totaling around SEK 9 billion will be paid out to shareholders during the second quarter.

The term to maturity of the total loan portfolio at March 31, 2023 averaged 5.4 (6.1) years, with an average fixed interest period of 0.8 (1.0) years.

Capital expenditure

Capital expenditure, including acquisitions and divestments of operations, totaled SEK 686 (833) million during the first quarter of 2023. Strategic investments were SEK 296 (339) million. The strategic investments primarily relate to Oxelösund for conversion to fossil-free steelmaking. Total maintenance and strategic expenditure is expected to be around SEK 5 billion for the full-year of 2023 (unchanged). The corresponding capital expenditure in 2022 was SEK 4.1 billion. The increase is mainly related to the ramp up of investments in Oxelösund.

Operating cash flow and net debt

	2023	2022	2022
SEK millions	Q1	Q1	Full-year
EBITDA	5,600	8,996	32,340
Change in working capital	-1,618	-4,404	-8,279
Maintenance capital expenditures	-367	-272	-2,196
Other	-480	599	828
Operating cash flow	3,135	4,918	22,693
Financial items	104	-15	-17
Taxes	-754	-1,354	-5,947
Cash flow from current operations	2,485	3,549	16,729
Strategic expenditures in plants and machinery	-296	-339	-1,952
Acquisitions of shares and operations	-24	-222	-537
Investments/contributions in affiliated companies and joint ventures	-	-49	-79
Cash flow before dividend	2,165	2,939	14,161
Dividend, Parent company's shareholders	-	-	-5,406
Dividend, non-controlling interest	-	-	-7
Net cash flow	2,165	2,939	8,748
Net cash (+) / Net debt (-) at beginning of period	14,287	2,346	2,346
Net cash flow	2,165	2,939	8,748
Other 1)	-862	382	3,194
Net cash (+) / Net debt (-) at the end of period	15,590	5,667	14,287

1) Mainly valuation changes of derivatives and revaluations of other financial assets and liabilities in foreign currencies

Equity

With a result for the period of SEK 3,699 (6,013) million and other comprehensive income (mostly consisting of translation differences) of SEK -406 (1,979) million attributable to the owners of the parent company, the shareholders' equity attributable to the owners of the parent company amounted to SEK 70,417 (81,468) million, equating to SEK 68.38 (79.11) per share.

Business segments – First quarter of 2023

From January 1, 2023 onwards the adjusted operating result of the business segments includes depreciation/amortization on surplus values on tangible and intangible assets related to the acquisitions of Ipsco and Rautaruukki. Comparative information has been updated accordingly.

SSAB Special Steels

First quarter in brief

- Good demand on several markets
- Shipments decreased 8% to 349 (381) thousand tonnes
- Adjusted operating result was SEK 2,094 (2,086) million

Key figures

SEK millions	2023 Q1	2022 Q1	2022 Q4	2022 Full-year
Revenue	8,573	7,907	8,343	33,666
Adjusted EBITDA	2,380	2,350	1,649	9,320
Adjusted operating result	2,094	2,086	1,369	8,217
Operating cash flow	1,940	1,816	2,184	5,044
Number of employees at end of period	4,079	3,972	4,072	4,072

A goodwill impairment of SEK 18,139 million was made in the fourth quarter 2022. The impairment was reported as an item affecting comparability and is not included in the above figures. No items affecting comparability were reported during the first quarter of 2023.

Thousand tonnes	2023 Q1	2022 Q1	2022 Q4	2022 Full-year
Crude steel production	608	630	453	2,309
Rolling production	454	419	358	1,667
Shipments	349	381	305	1,419

Market trend

Several customer segments continued to show good demand during the first quarter. There was a recovery in Europe following a weak fourth quarter in 2022. Material Handling, which includes mining related equipment, is showing stable demand. The Chinese market is still relatively weak.

Development compared to Q1/22

Compared with a year earlier, the European market was somewhat weaker and this was seen in shipments which contracted to 349 (381) thousand tonnes. Revenue was up 8% compared to the first quarter of 2022 and amounted to SEK 8,573 (7,907) million. Higher prices contributed 9 percentage points and positive currency effects 7 percentage points. Lower shipments had a negative impact of 9 percentage points.

Adjusted operating result was SEK 2,094 (2,086) million, which was marginally higher compared to the first quarter of 2022. Higher prices were counteracted by higher costs, primarily for raw material.

Operating cash flow during the first quarter of 2023 was SEK 1,940 (1,186) million. The higher cash flow was primarily due to lower tied-up working capital.

Capital expenditure during the first quarter was SEK 275 (351) million, of which SEK 185 (246) million were strategic investments.

Development compared to Q4/22

Production and shipments increased compared to the fourth quarter of 2022, primarily because the planned maintenance outage in Oxelösund burdened the prior quarter. Revenue increased by 3%. Higher shipments contributed 14 percentage points, which was partly counteracted by lower other revenue of 7 percentage points and lower prices of 4 percentage points.

Adjusted operating result increased by SEK 725 million. Higher shipments and better capacity utilization had a positive contribution. Lower prices had a negative impact.

SSAB Europe

First quarter in brief

- Demand recovered compared to previous quarter
- Shipments increased 8% to 912 (844) thousand tonnes
- Lower prices
- Adjusted operating result decreased to SEK 0 (3,249) million

Key figures

SEK millions	2023 Q1	2022 Q1	2022 Q4	2022 Full-year
Revenue	12,293	12,657	11,065	50,068
Adjusted EBITDA	418	3,650	189	10,171
Adjusted operating result	0	3,249	-229	8,535
Operating cash flow	-1,347	2,243	2,306	6,239
Number of employees at end of period	6,783	6,687	6,682	6,682

A goodwill impairment of SEK 2,209 million was made in the fourth quarter 2022. The impairment was reported as an item affecting comparability and is not included in the above figures. No items affecting comparability were reported during the first quarter of 2023.

Thousand tonnes	2023 Q1	2022 Q1	2022 Q4	2022 Full-year
Crude steel production	1,141	889	905	3,911
Rolling production	1,157	1,065	873	4,040
Shipments	912	844	778	3,174

Production figures include high-strength steel made for SSAB Special Steels. These volumes are not included in SSAB Europe's shipments.

Market trend

Demand in Europe improved compared to the cautious sentiment shown by many customers during the second half of 2022. Demand was supported by restocking. The Automotive customer segment showed strong development as did Heavy Transport. The Construction segment continued to be affected by challenging market conditions.

SSAB Europe restarted production according to plan following the planned maintenance outage in the fourth quarter and reached a stable production level. Slab production in Raahe was record high in March and shipments increased to meet higher demand.

Development compared to Q1/22

Rolling production and shipments were higher than in the same quarter last year, which was affected by an unplanned maintenance outage at one of the blast furnaces in Raahe. Revenue was down 3% and amounted to SEK 12,293 (12,657) million. Lower prices decreased revenue by 19 percentage points. Higher shipments had a positive effect of 8 percentage points and positive currency effects and other revenue each contributed 4 percentage points.

Adjusted operating result for the first quarter of 2023 was SEK 0 (3,249) million, down SEK 3,429 million compared with the same quarter in 2022. Lower prices and higher raw material costs were the main reasons for the downturn. Spot orders taken in the fourth quarter last year to support capacity utilization and these

were delivered in first quarter. At the same time, temporary cost savings and flexibility measures were implemented.

Operating cash flow during the first quarter of 2023 was SEK -1,347 (2,243) million. The decrease was mainly due to the lower result.

Capital expenditure during the first quarter was SEK 236 (164) million, of which SEK 46 (55) million were strategic investments.

Development compared to Q4/22

Production was up compared to the prior quarter, which was burdened by maintenance outages and a focus on reducing finished goods inventories. Revenue increased by 11%. Higher shipments increased revenue by 17 percentage points. Lower prices had a negative impact of 10 percentage points.

Compared to the fourth quarter of 2022, adjusted operating result increased by SEK 229 million to break-even. Lower prices were offset by higher shipments, better capacity utilization and somewhat lower costs.

SSAB Americas

First quarter in brief

- Continued good earnings development
- Shipments increased by 9% to 476 (438) thousand tonnes
- Adjusted operating result was SEK 2,675 (2,991) million
- Stabilized market prices

Key figures

SEK millions	2023 Q1	2022 Q1	2022 Q4	2022 Full-year
Revenue	7,714	7,465	7,554	32,163
Adjusted EBITDA	2,728	3,041	2,782	12,474
Adjusted operating result	2,675	2,991	2,725	12,262
Operating cash flow	2,584	1,717	2,966	12,075
Number of employees at end of period	677	646	657	657

A goodwill impairment of SEK 12,401 million was made in the fourth quarter 2022. The impairment was reported as an item affecting comparability and is not included in the above figures. No items affecting comparability were reported during the first quarter of 2023.

Thousand tonnes	2023 Q1	2022 Q1	2022 Q4	2022 Full-year
Crude steel production	295	232	283	1,073
Rolling production	288	233	273	1,019
Shipments	476	438	418	1,748

Market trend

Demand was good during the first quarter including in the Heavy Transport and Construction Machinery segments and in Steel Service Centers.

Development compared to Q1/22

Production was stable during the first quarter and shipments were higher. The first quarter of 2022 was affected by production disruption. Revenue was up 3% and amounted to SEK 7,714 (7,465) million. Currency effects had a positive impact of 10 percentage points and higher shipments contributed 9 percentage points. Lower prices had a negative impact of 16 percentage points.

Adjusted operating result for the first quarter of 2023 was SEK 2,675 (2,991) million, down SEK 316 million. The decrease was primarily explained by lower prices, which were partly offset by higher shipments and lower scrap prices.

Operating cash flow during the first quarter of 2023 was SEK 2,584 (1,717) million. Compared to the first quarter of 2022, cash flow was impacted positively by lower tied-up working capital, partly counteracted by the lower result.

Capital expenditure during the first quarter was SEK 46 (29) million, of which SEK 3 (4) million were strategic investments.

Development compared to Q4/22

Production and shipments increased compared to the fourth quarter last year, which was somewhat affected by a maintenance outage. Revenue increased by 2%. Higher shipments increased revenue by 14 percentage points. Lower prices had a negative impact of 8 percentage points and currency effects a negative impact of 3 percentage points.

Compared to the fourth quarter of 2022, adjusted operating result decreased by SEK 50 million. Lower prices were largely offset by higher shipments.

Tibnor

First quarter in brief

- Demand recovered compared to previous quarter
- Adjusted operating result decreased to SEK 1 (414) million

Key figures

SEK millions	2023 Q1	2022 Q1	2022 Q4	2022 Full-year
Revenue	4,048	4,463	3,784	16,625
Adjusted EBITDA	50	457	-361	616
Adjusted operating result	1	414	-408	434
Operating cash flow	361	-500	775	-386
Shipments, thousand tonnes	242	251	212	875
Number of employees at end of period	1,099	1,024	1,070	1,070

A goodwill impairment of SEK 542 million was made in the fourth quarter 2022. The impairment was reported as an item affecting comparability and is not included in the above figures. No items affecting comparability were reported during the first quarter of 2023.

Market trend

The first quarter saw a recovery in several customer segments compared to the prior quarter. Demand in the construction industry was still weak, especially in residential construction.

Development compared to Q1/22

Revenue decreased by 9% compared with the first quarter of 2022 and amounted to SEK 4,048 (4,463) million. The market was weaker and lower prices and worse product mix had a combined negative effect of 9 percentage points. Lower shipments impacted with 4 percentage points.

Adjusted operating result for the first quarter of 2023 was down SEK 413 million compared with the same period in 2022 and amounted to SEK 1 (414) million. Lower prices and lower shipments had a negative effect. Tibnor had inventory gains last year but inventory losses impacted the first quarter of 2023. Cost saving measures are being implemented.

Operating cash flow during the first quarter of 2023 was SEK 361 (-500) million. The increase was explained by a release of working capital, partly counteracted by the lower result.

Capital expenditure during the first quarter was SEK 30 (14) million, of which SEK 11 (5) million were strategic investments.

Development compared to Q4/22

Revenue was up 7% compared with the fourth quarter of 2022. Higher shipments had a positive effect of 14 percentage points.

Adjusted operating result increased by SEK 409 million compared with a loss in the fourth quarter of 2022. The improvement was primarily due to lower inventory losses and higher shipments.

Ruukki Construction

First quarter in brief

- Continued weak demand
- Adjusted operating result decreased to SEK -9 (160) million
- Somewhat positive impact from measures to lower cost

Key figures

SEK millions	2023 Q1	2022 Q1	2022 Q4	2022 Full-year
Revenue	1,329	1,588	1,534	6,880
Adjusted EBITDA	41	209	56	734
Adjusted operating result	-9	160	-1	524
Operating cash flow	36	6	500	593
Number of employees at end of period	1,487	1,462	1,498	1,498

No items affecting comparability were reported during the first quarter of 2023.

Market trend

Demand during the first quarter was seasonally weaker compared with the prior quarter and the downturn was more pronounced than normal. Primarily, demand in residential building was weak. Ruukki Construction have implemented structural cost savings and is, among other things, reducing the manning in response to the lower demand.

Development compared to Q1/22

Revenue decreased by 16% and amounted to SEK 1,329 (1,588) million.

The adjusted operating result for the first quarter of 2023 decreased by SEK 169 million to SEK -9 (160) million due to lower revenue and weaker margins. Revenue and margins were at a high level a year earlier.

Operating cash flow during the first quarter was SEK 36 (6) million. The improvement was related to lower tied-up working capital, partly counteracted by the lower result.

Capital expenditure during the first quarter was SEK 70 (42) million, of which SEK 50 (30) million were strategic investments. In addition, at the end of the first quarter of 2023, 70% of the shares, in a Swedish company Designtak i Småland AB were acquired. The transaction price was SEK 26 million and the cash flow impact SEK 24 million. The company had a turnover of SEK 44 million for the full-year 2022.

Development compared to Q4/22

Compared to the fourth quarter of 2022, revenue was down 13% and the adjusted operating result was down SEK 8 million, due to seasonally lower volumes, primarily in Roofing. Measures to lower cost had a positive impact.

Risks and uncertainty factors

The Russian invasion of Ukraine in February 2022 entails, among other things, the risk of disruptions in supply chains and/or higher purchase prices, including energy prices, as well as the risk of a general downturn in the economy. Russia and Ukraine normally export steel, slabs and various raw materials to Europe.

For information regarding other material risks and uncertainty factors, reference is made to the detailed description in the Annual Report 2022.

Events after the end of the reporting period

At the annual general meeting on April 18, 2023, the Board of Directors' proposal for a dividend of SEK 8.70 per share for 2022 was approved and the AGM authorized the Board of Directors to, on one or several occasions up to the next AGM, resolve on acquisitions of own shares of series A and/or B on Nasdaq Stockholm and/or Nasdaq Helsinki. Acquisitions may be made of such amount of shares that the holding of the Company at any time does not exceed 10 percent of the total number of shares in the Company and may only be made at a price per share within the price range between the highest purchase price and lowest selling price applicable from time to time on Nasdaq Stockholm or Nasdaq Helsinki.

Stockholm, April 26, 2023

Martin Lindqvist
President and CEO

Financial reports – The Group

The figures in the tables have been rounded, which might affect aggregates

Consolidated statement of profit and loss

SEK millions	2023 Q1	2022 Q1	2022 Full-year
Revenue	31,904	31,575	128,745
Cost of goods sold	-25,753	-21,837	-127,096
Gross profit	6,151	9,738	1,649
Selling and administrative costs	-1,461	-1,283	-5,565
Other operating income and expenses	41	-298	-465
Affiliated companies, profit/loss after tax	2	4	26
Operating result	4,733	8,162	-4,355
Financial items	54	-373	-286
Result before tax	4,787	7,790	-4,641
Income tax	-1,086	-1,773	-6,235
Result for the period	3,701	6,016	-10,877
Of which attributable to:			
- Parent Company's shareholders	3,699	6,013	-10,886
- Non-controlling interest	2	3	10

In the fourth quarter of 2022, a goodwill impairment of SEK 33, 291 million was made.

Consolidated statement of comprehensive income

SEK millions	2023 Q1	2022 Q1	2022 Full-year
Result for the period	3,701	6,016	-10,877
Other comprehensive income			
<i>Items that may be subsequently reclassified to the profit or loss</i>			
Translation differences for the period	165	1,610	8,681
Translation differences due to hyperinflation after tax	-2	-	25
Cash flow hedges	-761	400	1,033
Income tax on cash flow hedges	152	-81	-207
Net investment hedges in foreign operations	-	-	371
Income tax on net investment hedges in foreign operations	-	-	-77
Total items that may be subsequently reclassified to the profit or loss	-446	1,929	9,826
<i>Items that will not be reclassified to the profit or loss</i>			
Net defined benefit liability re-measurement	51	62	105
Income tax on net defined benefit liability re-measurement	-10	-12	-29
Total items that will not be reclassified to the profit or loss	41	50	77
Total other comprehensive income for the period	-406	1,979	9,903
Total comprehensive income for the period	3,295	7,996	-974
Of which attributable to:			
- Parent Company's shareholders	3,293	7,992	-988
- Non-controlling interest	2	4	14

Consolidated statement of financial position

SEK millions	2023 Mar 31	2022 Mar 31	2022 Dec 31
Assets			
Intangible assets	1,977	32,372	1,416
Tangible fixed assets	26,117	23,257	26,087
Right-of-use assets	2,971	2,409	2,326
Investments in affiliated companies and joint ventures	1,012	972	1,004
Deferred tax receivables	560	498	621
Non-current financial assets	766	536	982
Total non-current assets	33,403	60,045	32,436
Inventories	35,918	27,907	37,907
Accounts receivable	14,189	15,204	12,048
Current tax receivables	836	646	205
Other current receivables	1,492	2,720	2,214
Cash and cash equivalents	27,008	17,348	24,900
Total current assets	79,444	63,825	77,275
Total assets	112,846	123,870	109,711
Equity and liabilities			
Equity for the shareholders in the Parent Company	70,417	81,468	67,124
Non-controlling interest	79	57	66
Total equity	70,495	81,526	67,191
Deferred tax liabilities	3,146	1,667	3,115
Non-current provisions	541	570	550
Non-current interest-bearing liabilities	6,278	8,589	6,291
Non-current lease liabilities	2,408	1,887	1,813
Other non-current liabilities	259	226	204
Total non-current liabilities	12,634	12,939	11,973
Accounts payable	17,420	17,547	19,566
Current tax liabilities	1,537	2,404	805
Current interest-bearing liabilities	1,937	1,256	1,882
Current lease liabilities	750	664	691
Other current liabilities and provisions	8,073	7,536	7,602
Total current liabilities	29,718	29,406	30,547
Total equity and liabilities	112,846	123,870	109,711
Pledged assets	45	970	68
Contingent liabilities	5,083	4,103	5,228

Consolidated statement of changes in equity

SEK millions	Equity attributable to the Parent Company's shareholders					Non-controlling interest	Total equity
	Share capital	Other contributed funds	Reserves	Retained earnings	Total equity		
Total equity, Dec 31, 2021	9,063	23,022	6,095	35,298	73,477	32	73,508
Changes Jan 1 - Mar 31, 2022							
Total comprehensive income for the period			1,928	6,063	7,991	4	7,995
Non-controlling interest through business acquisition						22	22
Total equity, Mar 31, 2022	9,063	23,022	8,023	41,361	81,468	57	81,526
Changes Apr 1 - Dec 31, 2022							
Total comprehensive income for the period			7,868	-16,848	-8,979	10	-8,969
Non-controlling interest through business acquisition						7	7
Result from transaction with owners of non-controlling interests				42	42		42
Dividend, Parent company's shareholders				-5,406	-5,406		-5,406
Dividend, non-controlling interest						-7	-7
Total equity, Dec 31, 2022	9,063	23,022	15,891	19,149	67,124	66	67,191
Changes Jan 1 - Mar 31, 2023							
Total comprehensive income for the period			-444	3,738	3,293	2	3,295
Non-controlling interest through business acquisition						11	11
Total equity, Mar 31, 2023	9,063	23,022	15,447	22,885	70,417	79	70,495

Consolidated statement of cash flows, in summary

SEK millions	2023 Q1	2022 Q1	2022 Full-year
BUSINESS OPERATIONS			
<i>Profit from operating activities</i>			
Operating result	4,733	8,162	-4,355
<i>Reversal of non-cash items:</i>			
-Depreciation, amortization and write-down of fixed assets	867	833	36,695
-Other non-cash items	-50	272	59
Received and paid interest	104	-15	-17
Tax paid	-754	-1,354	-5,947
Change in working capital	-1,618	-4,404	-8,279
Cash flow from operating activities	3,281	3,495	18,156
INVESTING ACTIVITIES			
Investments in intangible and tangible fixed assets	-1,148	-795	-4,948
Sales of plant and machinery	4	475	1,537
Acquisitions, shares and operations	-24	-212	-433
Investments/contributions in affiliated companies and joint ventures	-	-49	-79
Other investing activities	51	37	32
Cash flow from investing activities	-1,116	-546	-3,891
FINANCING ACTIVITIES			
Dividend, Parent company's shareholders	-	-	-5,406
Dividend, non-controlling interest	-	-	-7
Change in loans	23	-177	-2,324
Change in financial investments	6	309	1,229
Other financing	-115	790	5,785
Cash flow from financing activities	-85	921	-723
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of period	24,900	13,796	13,796
Cash flow for the period	2,079	3,870	13,542
Translation differences, cash and cash equivalents	29	-318	-2,439
CASH AND CASH EQUIVALENTS, END OF PERIOD	27,008	17,348	24,900
Contracted, non-utilized overdraft facilities	10,372	8,659	10,258
Disposable cash and cash equivalents (incl. non-utilized overdraft facilities)	37,380	26,007	35,158

Key figures

	2023 Q1	2022 Q1	2022 Full-year
Operating margin (%)	15	26	-3
Earnings per share (SEK)	3.59	5.84	-10.57
Equity per share (SEK)	68.38	79.11	65.18
Net debt/equity ratio (%)	-22	-7	-21
Equity ratio (%)	62	66	61
Return on capital employed, rolling 12 months (%)	-5	33	-1
Return on equity, rolling 12 months (%)	-15	28	-12
Number of shares at end of period (millions)	1,029.8	1,029.8	1,029.8
Number of employees at end of period	14,634	14,361	14,568

Notes to the condensed financial report

Accounting principles

This interim report has been prepared in compliance with IAS 34.

The accounting principles are based on International Financial Reporting Standards as adopted by the EU and ensuing references to Chapter 9 of the Swedish Annual Accounts Act. The accounts of the parent company have been prepared in compliance with RFR 2 and the Swedish Annual Accounts Act.

No material changes in accounting principles have taken place since the Annual Report for 2022.

Valuation of financial assets and liabilities

Debt reported in the balance sheet as long-term interest-bearing liabilities (including the short-term part) amounted to SEK 8,042 million on March 31, 2023 while its fair value was SEK 7,995 million. Since the loans will be held until maturity, they are not reported at fair value.

In 2022, a write-down of SEK 288 million was made on the investment in Voimaosakeyhtiö SF (Fennovoima power plant). The investment was reported at zero at December 31, 2022.

Derivative assets and liabilities

SEK millions	2023 Mar 31	2022 Mar 31	2022 Dec 31
<i>Derivative assets recognized in</i>			
Non-current financial assets	471	313	735
Other current receivables	372	675	839
<i>Derivative liabilities recognized in</i>			
Other non-current liabilities	53	10	-
Other current liabilities and provisions	145	345	342

The fair value valuation of the financial instruments in SSAB is based on data in accordance with level 2, with the exception of electricity derivatives, where the fair value is based on listed market prices, and which are therefore classified on level 1.

Information about the business segments

SSAB is organized into five reportable business segments with a clear profit responsibility. The business segments consist of the three steel divisions: SSAB Special Steels, SSAB Europe and SSAB Americas as well as the fully owned subsidiaries Tibnor and Ruukki Construction. Tibnor and Ruukki Construction are operated as independent subsidiaries. The descriptions of the reportable business segments can be found in the Annual Report 2022.

External revenue by business segment, geographical area and product area

External revenue Q1 2023	Business segments					Total
	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	
SEK millions						
Geographical areas						
Sweden	258	1,753	-	1,458	394	3,863
Finland	182	1,527	-	776	372	2,856
Other Europe	3,228	6,406	76	1,777	559	12,046
USA	1,849	494	6,960	-	1	9,304
Rest of the world	2,855	307	669	4	-	3,834
Total	8,373	10,487	7,704	4,014	1,325	31,904
Product area						
Steel products	8,148	9,735	7,704	-	-	25,588
Trading operations	-	-	-	4,014	-	4,014
Ruukki Construction operations	-	-	-	-	1,325	1,325
Slabs, by-products and scrap	144	740	-	-	-	884
Other	81	12	-	-	-	93
Total	8,373	10,487	7,704	4,014	1,325	31,904

External revenue Q1 2022	Business segments					Total
	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	
SEK millions						
Geographical areas						
Sweden	232	2,631	-	1,601	416	4,880
Finland	99	1,618	-	768	400	2,885
Other Europe	3,304	5,631	27	2,043	768	11,773
USA	1,524	213	6,789	0	1	8,527
Rest of the world	2,511	383	611	5	1	3,510
Total	7,670	10,476	7,426	4,417	1,586	31,575
Product area						
Steel products	7,505	9,689	7,426	-	-	24,621
Trading operations	-	-	-	4,417	-	4,417
Ruukki Construction operations	-	-	-	-	1,586	1,586
Slabs, by-products and scrap	80	744	-	-	-	824
Other	85	43	-	-	-	128
Total	7,670	10,476	7,426	4,417	1,586	31,575

Alternative performance measures

SSAB has applied the guidelines issued by ESMA (European Securities and Markets Authority) on alternative performance measures (APMs). These performance measures are not defined in accordance with IFRS, but provide complementary information to investors and company management about the company's financial position and development. In addition to the definitions below, further definitions can be found in the Annual Report Note A.3.

Adjusted operating result

	2023	2022	2022
SEK millions	Q1	Q1	Full-year
Operating result	4,733	8,162	-4,355
Items affecting comparability	-	215	33,638
Adjusted operating result	4,733	8,377	29,283

EBITDA and adjusted EBITDA

	2023	2022	2022
SEK millions	Q1	Q1	Full-year
Operating result	4,733	8,162	-4,355
Depreciation, amortization and impairment	867	833	36,695
EBITDA	5,600	8,996	32,340
Items affecting comparability	-	203	335
Adjusted EBITDA	5,600	9,198	32,675

Items affecting comparability

	2023	2022	2022
SEK millions	Q1	Q1	Full-year
<u>Operating expenses</u>			
Impairment of goodwill	-	-	-33,291
Write-down of assets in Russia and Ukraine	-	-215	-347
Total effect on operating result	-	-215	-33,638
<u>Financial items</u>			
Write-down investment in Fennovoima (Voimaosakeyhtiö SF)	-	-272	-288
Total effect on result before tax	-	-487	-33,926
Taxes	-	-3	-13
Total effect on result for the period	-	-490	-33,939

Adjusted earnings per share

	2023	2022	2022
SEK millions	Q1	Q1	Full-year
Result for the period to the shareholders of the Parent Company	3,699	6,013	-10,886
Items affecting comparability in the result for the period	-	-490	-33,939
Adjusted result for the period to the shareholders of the Parent Company	3,699	6,503	23,052
Average number of shares during the period (millions)	1,029.8	1,029.8	1,029.8
Adjusted earnings per share (SEK)	3.59	6.32	22.38

Financial information, per quarter

The Group's adjusted result per quarter

SEK millions	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23
Revenue	19,661	23,673	25,220	27,337	31,575	35,516	31,516	30,138	31,904
Operating expenses	-16,820	-18,779	-18,642	-19,534	-22,381	-24,289	-23,922	-25,505	-26,303
Depreciation/amort.	-867	-815	-784	-791	-821	-844	-857	-869	-869
Affiliated companies	19	4	5	-51	4	12	5	4	2
Financial items	-106	-101	-111	-103	-101	-136	-20	259	54
Result before tax	1,887	3,981	5,689	6,859	8,276	10,260	6,722	4,027	4,787

Revenue per quarter and business segment

SEK millions	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23
SSAB Special Steels	5,122	5,845	5,994	6,549	7,907	8,985	8,431	8,343	8,573
SSAB Europe	8,829	10,246	10,789	12,446	12,657	14,357	11,989	11,065	12,293
SSAB Americas	3,644	4,822	6,061	6,153	7,465	8,842	8,302	7,554	7,714
Tibnor	2,656	3,214	3,063	3,443	4,463	4,783	3,594	3,784	4,048
Ruukki Construction	1,122	1,593	1,766	1,518	1,588	2,020	1,739	1,534	1,329
Other	-	-	-	-	-	-	-	-	-
Group adjustments	-1,713	-2,047	-2,453	-2,773	-2,504	-3,472	-2,539	-2,143	-2,053
Total	19,661	23,673	25,220	27,337	31,575	35,516	31,516	30,138	31,904

Adjusted EBITDA, per quarter and business segment

SEK millions	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23
SSAB Special Steels	1,189	1,390	1,210	1,777	2,350	2,648	2,674	1,649	2,380
SSAB Europe	1,139	1,900	2,912	3,690	3,650	4,476	1,856	189	418
SSAB Americas	301	1,126	1,926	2,235	3,041	3,563	3,089	2,782	2,728
Tibnor	252	486	552	390	457	653	-133	-361	50
Ruukki Construction	87	202	270	202	209	263	206	56	41
Other	-108	-206	-288	-540	-508	-361	-92	323	-18
Total	2,860	4,899	6,582	7,753	9,198	11,241	7,599	4,637	5,600

Adjusted operating result per quarter and business segment

SEK millions	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23
SSAB Special Steels	898	1,159	978	1,523	2,086	2,373	2,390	1,369	2,094
SSAB Europe	700	1,454	2,503	3,300	3,249	4,069	1,446	-229	0
SSAB Americas	254	1,083	1,882	2,186	2,991	3,511	3,034	2,725	2,675
Tibnor	212	443	510	347	414	608	-181	-408	1
Ruukki Construction	49	163	228	158	160	209	156	-1	-9
Other	-121	-219	-301	-553	-522	-374	-104	311	-29
Total	1,993	4,083	5,800	6,961	8,377	10,395	6,742	3,768	4,733

From January 1, 2023 onwards the adjusted operating result of the business segments includes depreciation/amortization on surplus values on tangible and intangible assets related to the acquisitions of Ipsco and Rautaruukki. Comparative information has been updated accordingly.

Items affecting comparability in operating result, per quarter and business segment

SEK millions	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23
SSAB Special Steels	-	-	-	-	-141	-5	-149	-18,124	-
SSAB Europe	-	-	-	-	-25	-1	1	-2,201	-
SSAB Americas	-	-	-	-	-	-	-	-12,401	-
Tibnor	-	-	-	-	-	-	-	-542	-
Ruukki Construction	-	-	-	-	-49	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-215	-6	-148	-33,269	-

Items affecting comparability during the fourth quarter of 2022 relate mainly to impairment of goodwill.

Production and shipments

Thousand tonnes	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23
Crude steel production									
-SSAB Special Steels	648	649	469	545	630	634	592	453	608
- SSAB Europe	1,157	1,204	1,080	1,193	889	1,049	1,068	905	1,141
- SSAB Americas	297	315	293	328	232	303	256	283	295
Total	2,103	2,168	1,842	2,066	1,751	1,985	1,916	1,641	2,044
Rolling production									
- SSAB Special Steels	456	466	395	351	419	460	430	358	454
- SSAB Europe	1,207	1,290	1,081	1,163	1,065	1,093	1,010	873	1,157
- SSAB Americas	272	294	291	303	233	282	232	273	288
Total	1,935	2,050	1,766	1,818	1,716	1,835	1,672	1,505	1,899
Steel shipments									
- SSAB Special Steels	376	388	348	350	381	396	336	305	349
- SSAB Europe	980	980	795	832	844	838	713	778	912
- SSAB Americas	480	494	484	413	438	476	416	418	476
Total	1,837	1,861	1,627	1,595	1,664	1,711	1,465	1,502	1,737

Analysis of total change in revenue per business segment

%	Change vs. Q1 2022			Change vs. Q4 2022		
	SSAB Special Steels	SSAB Europe	SSAB Americas	SSAB Special Steels	SSAB Europe	SSAB Americas
Volume	-9	8	9	14	17	14
Price	9	-19	-16	-4	-10	-8
Product mix	-	-	-1	-	1	-
Currency effects	7	4	10	-	1	-3
Other revenue	1	4	1	-7	2	-1
Summa	8	-3	3	3	11	2

Financial reports – The Parent Company

Parent Company's statement of profit and loss, in summary

SEK millions	2023 Q1	2022 Q1	2022 Full-year
Gross profit	-	-	-
Selling and administrative costs	-139	-107	-485
Other operating income/expenses	94	61	274
Operating result	-45	-46	-210
Financial items	24	-23	16,972
Result after financial items	-21	-69	16,762
Appropriations	-	-	-
Result before tax	-21	-69	16,762
Income tax	4	15	-60
Result for the period	-17	-55	16,702

Parent company's statement of comprehensive income, in summary

SEK millions	2023 Q1	2022 Q1	2022 Full-year
Result for the period	-17	-55	16,702
Other comprehensive income			
<i>Items that may be classified to the income statement</i>			
Cash flow hedges	-13	61	116
Income tax attributable to cash flow hedges	3	-13	-24
Other comprehensive income	-10	49	92
Total comprehensive income for the period	-27	-6	16,794

Parent Company's statement of financial position, in summary

SEK millions	2023 Mar 31	2022 Mar 31	2022 Dec 31
Assets			
Fixed assets	71,513	72,927	71,929
Other current assets	9,164	8,574	9,782
Cash and cash equivalents	25,099	15,504	23,026
Total assets	105,776	97,006	104,738
Equity and liabilities			
Restricted equity	9,964	9,964	9,964
Unrestricted equity	65,576	54,210	65,603
Total equity	75,540	64,174	75,567
Non-current liabilities and provisions	4,426	6,764	4,612
Current liabilities and provisions	25,810	26,067	24,559
Total equity and liabilities	105,776	97,006	104,738

This report has been published in Swedish and English. In the event of any differences between the English translation and the Swedish original, the Swedish report shall prevail.

Auditor's review report

Introduction

We have reviewed the condensed interim report for SSAB AB as of 31 March 2023 and for the three months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm,

Ernst & Young AB

Rickard Andersson

Authorised Public Accountant

For further information:

Per Hillström, Head of Investor Relations, Tel +46 70-295 29 12

Viktoria Karsberg, Head of Corporate Identity and Group Communications, Tel +46 72-233 52 88

Half-year report for January-June 2023

The half-year report of 2023 will be published on July 21, 2023.



SSAB AB (publ)

P.O. Box 70, SE-101 21 Stockholm, Sweden

Telephone +46 8-45 45 700. Telefax +46 8-45 45 725

Visiting address: Klarabergsviadukten 70 D6, Stockholm

Email: info@ssab.com

www.ssab.com