

SSAB continues the transformation with a fossil-free mini-mill in Luleå, Sweden

SSAB's Board of Directors have today taken the decision to proceed with the next step in SSAB's transition, building a state-of-the-art fossil-free mini-mill in Luleå, Sweden. When completed SSAB will close the current blast furnace-based production system. This will reduce Sweden's CO₂ emissions with 7% in addition to the 3% from the Oxelösund mill conversion.

The new Luleå mill will have a capacity of 2.5 mton/year and consist of two electric arc furnaces, advanced secondary metallurgy, a direct strip rolling mill to produce SSAB's specialty products, and a cold rolling complex to serve the mobility segment with a broader offering of premium products. The new mill will be supplied with a mix of fossil free sponge iron from the Hybrit demonstration plant in Gällivare and recycled scrap.

"The transformation of Luleå is a major step on our journey to fossil-free steel production. We will remove 7% of Sweden's carbon dioxide emissions, strengthen our competitive position and safeguard jobs with the most cost-effective and sustainable strip production in Europe," says SSAB's President and CEO **Martin Lindqvist**.

The total mini-mill investment is estimated to EUR 4.5 billion including contingencies. By investing in new technologies, SSAB is avoiding investments otherwise required in existing plant and equipment of EUR 2 billion during the next 10 years. The plan is to fund the investment with own cash flows and within SSAB's financial targets.

The investment will result in significant value creation. Compared to the current system the yearly EBITDA improvement is estimated to be more than SEK 5 billion/year at current commodity forecasts. The new mini-mill will have a better cost position with lower fixed costs, higher efficiency, shorter lead times and eliminated CO₂ costs. The mill design includes a production increase of 0.5 mton/year, a mix improvement with 1 mton/year increase of special and premium steel grades.

Startup of the new mill is planned at the end of 2028 with full capacity one year later. Environmental permits are expected at the end of 2024. The investment is an important step in SSAB's strategy to establish a leading position in emission free special and premium steels. To date SSAB has entered 55 partnerships with leading customers for our fossil free and zero steels.

SSAB took a decision 2023 to transform the steel mill in Oxelösund to fossil-free production and the project is proceeding according to plan. The reasons to proceed with Luleå as a second step is driven by financial considerations, as well as the fact that the Raahe mill has more advanced equipment in better condition. As a third step a transformation for Raahe, Finland, is planned. The timing for the project will depend on SSAB's financing and execution capacity, as well as the learnings from the Luleå project.

“Together with our partner LKAB we are making a commitment to eliminate the CO₂ emissions from our value chain and establish the new benchmark technology for a fossil-free future. In the process we are also safeguarding Nordic industrial competitiveness for decades to come, and supporting the thousands of customers that rely on quality steel from our value chain,” concludes Martin Lindqvist.

SSAB invites you to a telephone conference at 10.30am CEST on Tuesday, April 2, 2024. SSAB’s President and CEO Martin Lindqvist will participate in the conference that will be held in English.

Click on the link below and complete the online registration form. You can choose if you want to dial in or click “Call Me” for a call-back.

Link to teleconference: <https://register.vevent.com/register/BI50a8814a2f7749b8857b79891fed3b38>

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SSAB is a Nordic and US-based steel company that builds a stronger, lighter and more sustainable world through value added steel products and services. Working with our partners, SSAB has developed SSAB Fossil-free™ steel and plans to reinvent the value chain from the mine to the end customer, largely eliminating carbon dioxide emissions from our own operations. SSAB Zero™, a largely carbon emission-free steel based on recycled steel, further strengthens SSAB’s leadership position and our comprehensive, sustainable offering independent of the raw material. SSAB has employees in over 50 countries and production facilities in Sweden, Finland and the US. SSAB is listed on Nasdaq Stockholm and has a secondary listing on Nasdaq Helsinki. Join us on our journey! www.ssab.com, [Facebook](#), [Instagram](#), [LinkedIn](#), [X](#) and [YouTube](#).