
Boliden - Metals for generations to come

Q4 Interim & Year-end Report 2020

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2021-02-12

Q4 2020

Q4 2020 – Strong earnings and cash flow in the quarter

KEY HIGHLIGHTS

- Overall stable production
- Successful exploration

FINANCIAL PERFORMANCE

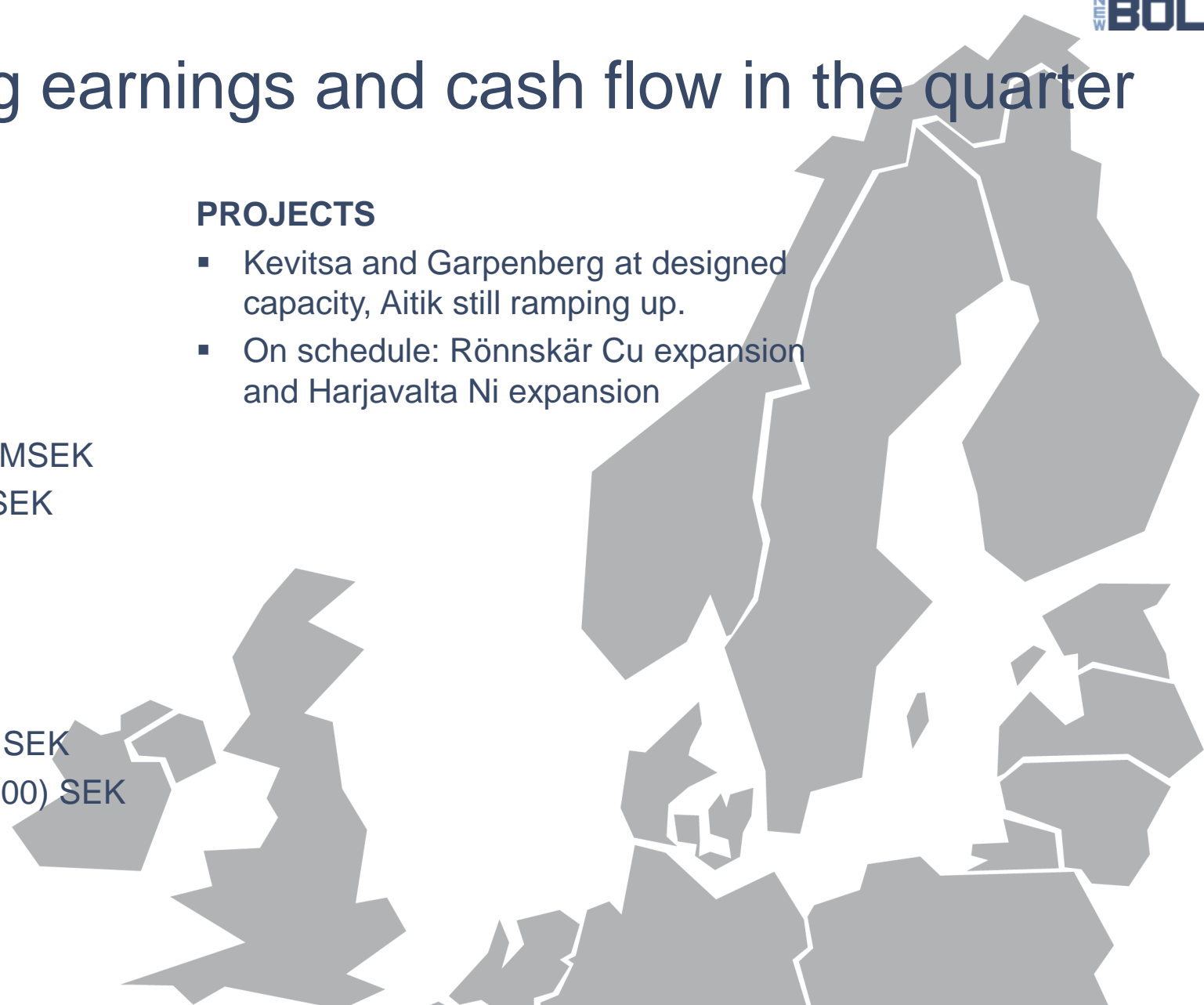
- EBIT excl. PIR* 3,043 (1,721) MSEK
- Free cash flow 2,750 (822) MSEK
- Volume and price positive
- Currency negative

DIVIDEND PROPOSAL

- Ordinary dividend 8.25 (7.00) SEK
- Redemption of shares 6.00 (0.00) SEK

PROJECTS

- Kevitsa and Garpenberg at designed capacity, Aitik still ramping up.
- On schedule: Rönnskär Cu expansion and Harjavalta Ni expansion

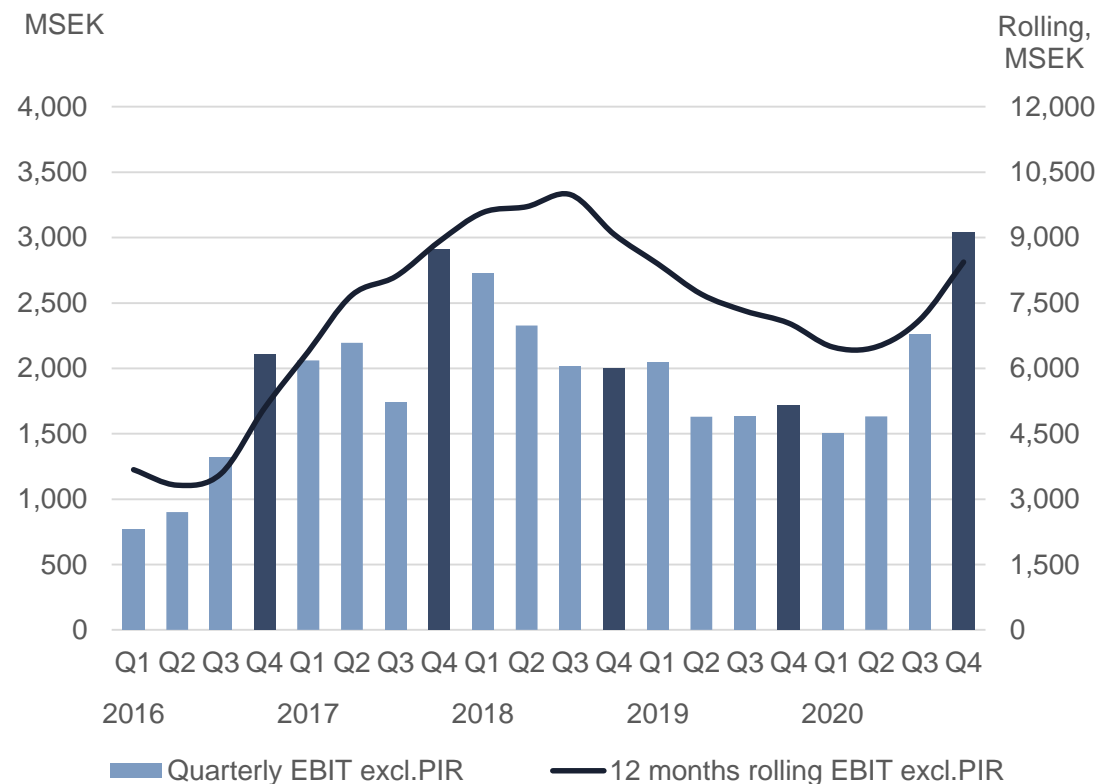


*PIR (Process Inventory Revaluation)

Q4 EBIT* development

- Group 3,043 (1,721) MSEK
- Mines 1,858 (890) MSEK
- Smelters 1,109 (759) MSEK

Group
EBIT excl. PIR



* Group and Smelters EBIT excluding PIR (Process Inventory Revaluation)

ESG is key in our purpose, vision and values

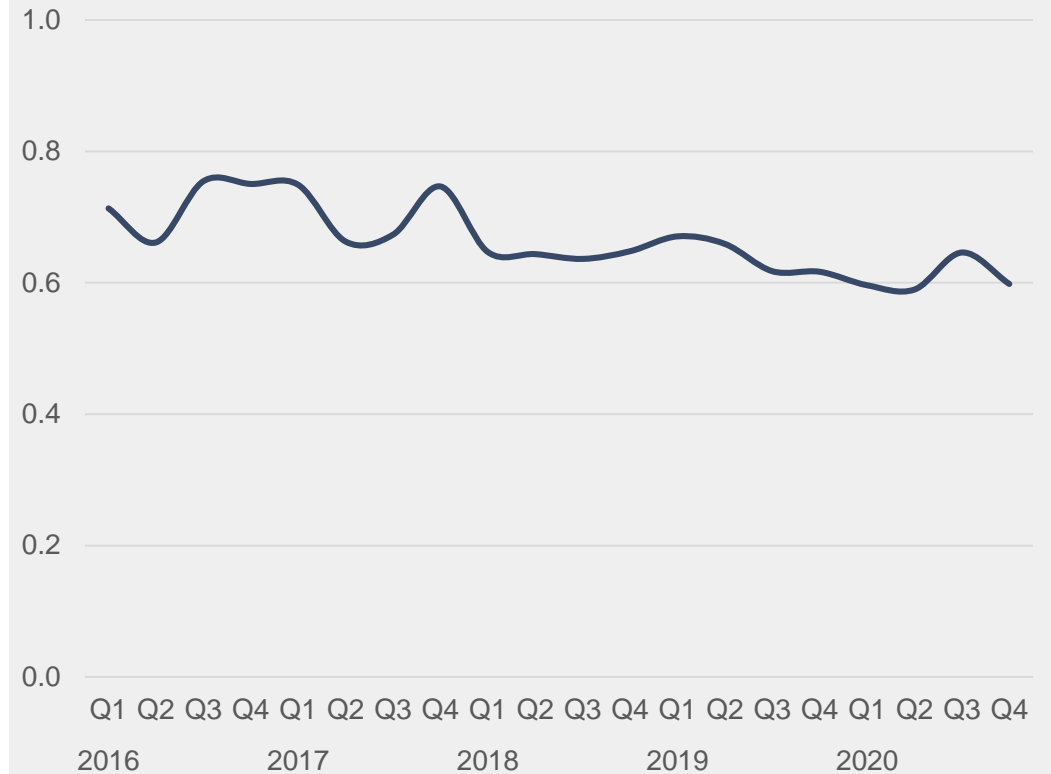
Q4 2020

- Accidents (LTI)* 4.3 (6.6)
- Sick leave 5.4 % (4.4)
- Carbon dioxide intensity of 0.60 (0.62)

*Lost Time Injury, i.e. an injury due to a sudden unforeseen incident at work that causes absence from work one day or more, per million hours worked.



CO₂ Intensity



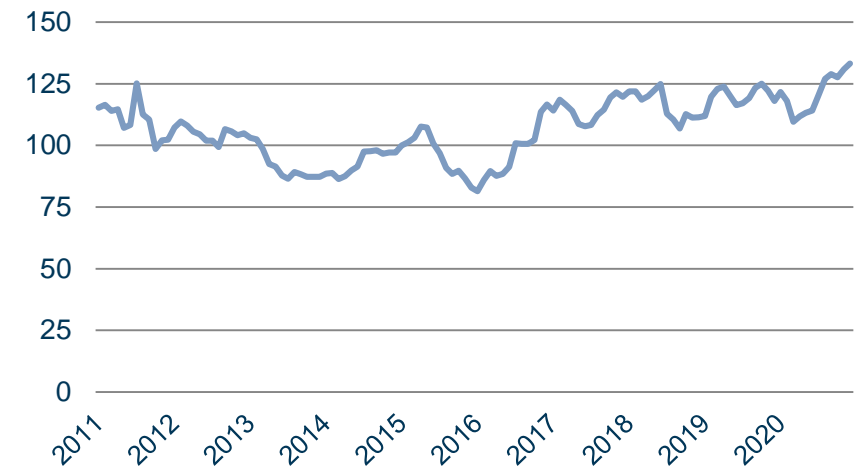
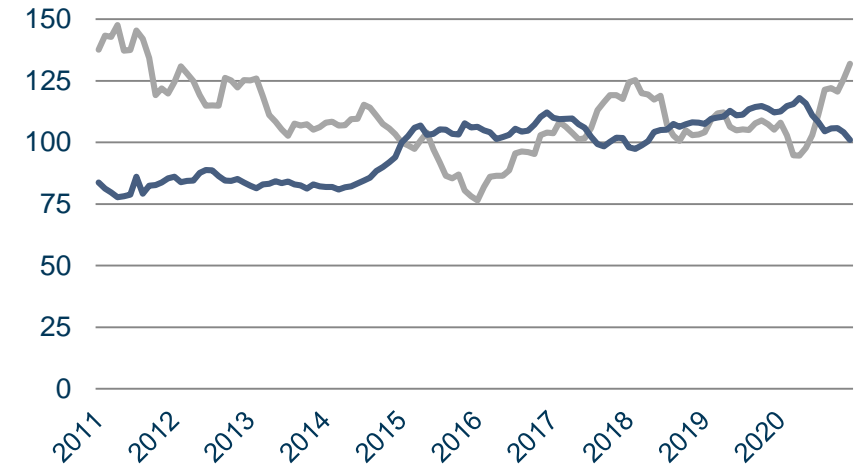
Boliden's weighted index on historic highs

- Strong increase in base metals
 - Cu reached 8-year high
- High precious metal prices
- Weaker USD

Boliden price index*



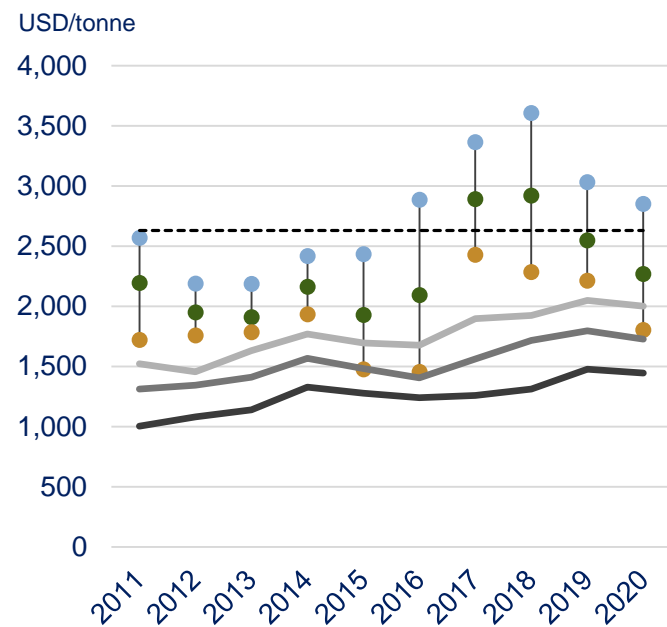
— Metal price/ TC index (USD) — Currency index — Boliden weighted index



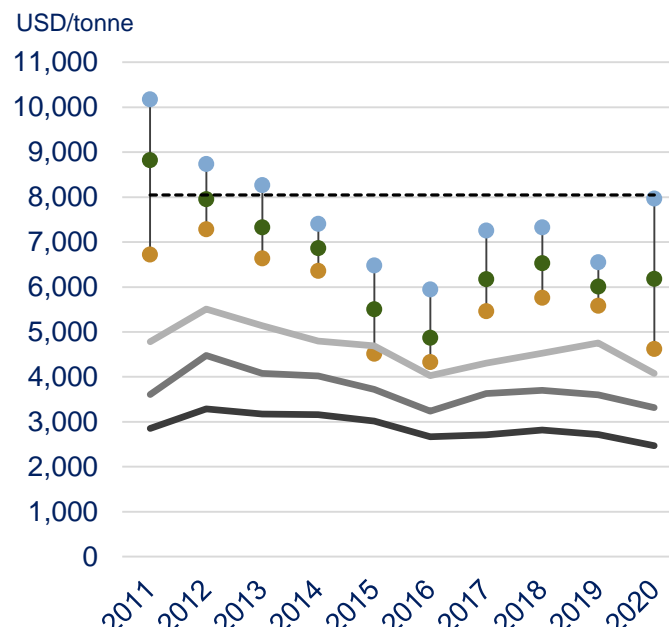
*Index 100 = 1 January 2015

Zn, Cu and Ni prices relative to cash cost

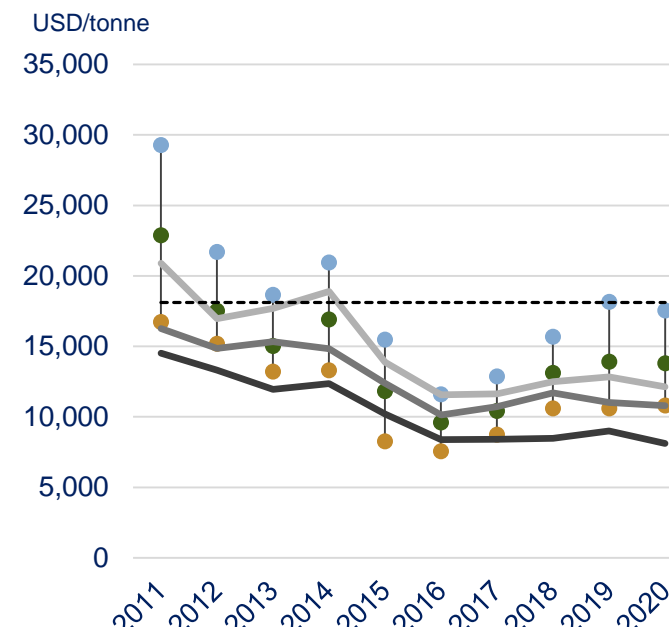
Zinc



Copper



Nickel



● Average price ● Max price ● Min price — 90th perc
 — 75th perc — 50th perc - - - - Spot price

Source: Wood Mackenzie 2020 Composite C2 cash cost* data, Refinitiv Datastream February 8, 2021 price data

* Composite costing, C1 cash cost: normal C1 mines for mines with net revenue from one metal > 65% total net revenue, pro-rata for other mines

Mines – Q4 production

Kevitsa

- Record production
- Milled volume 2.6 (2.0) Mtonnes and improved grades

Garpenberg

- Stable production
- Milled volume 0.74 (0.72) Mtonnes
- Zn grade 3.8 (3.7) %, Ag grade 123 (124) g/tonne

Aitik

- Production challenges and increased sick-leave
- Milled volume 10.5 (10.5) Mtonnes
- Cu grade 0.25 (0.22) %

Boliden Area

- Strong production in Renström and Kankberg
- Production challenges in Kristineberg
- Strong Au production

Tara

- Production challenges

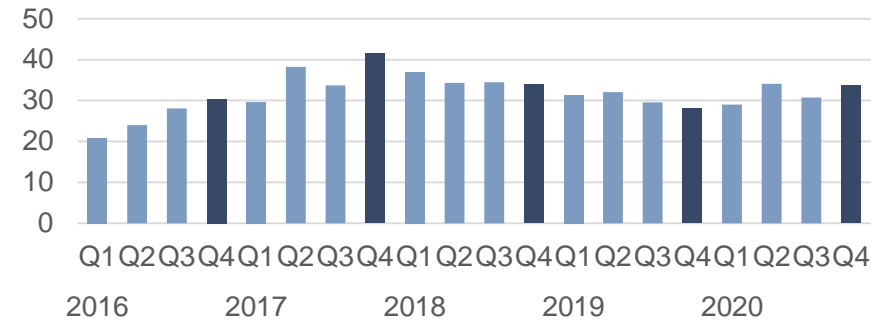
Kylylahti

- Mined out during the quarter
- Mill placed in care & maintenance

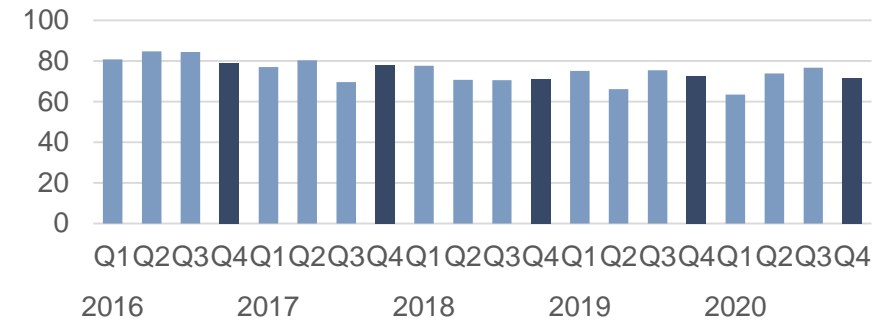
Metal content, ktonnes



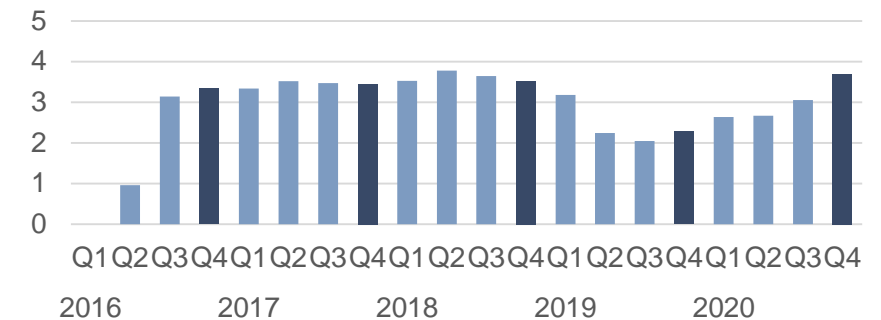
Copper



Zinc



Nickel



Smelters – Q4 production

Rönnskär

- Planned maintenance
- Stable production

Harjavalta

- Record Cu feed after expansion
- Strong Au production

Kokkola

- Planned maintenance
- Stable production

Odda

- Strong Zn production

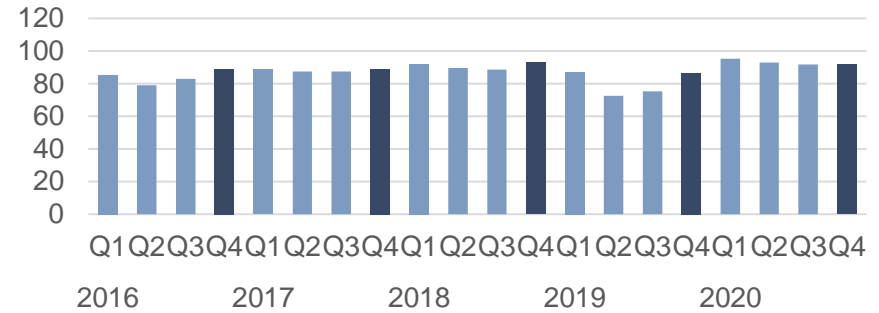
Bergsöe

- Raw material challenges

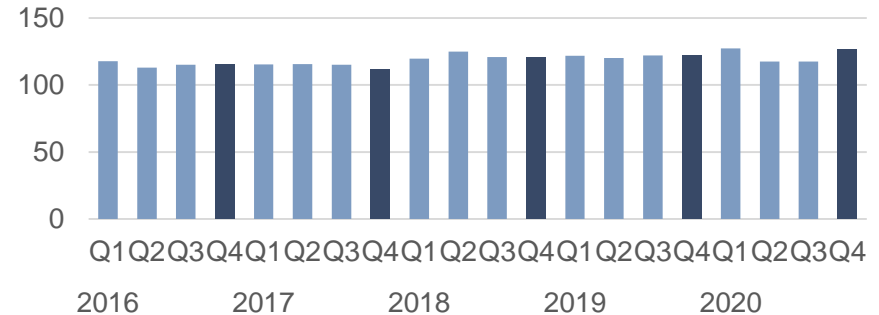
Metal production, ktonnes



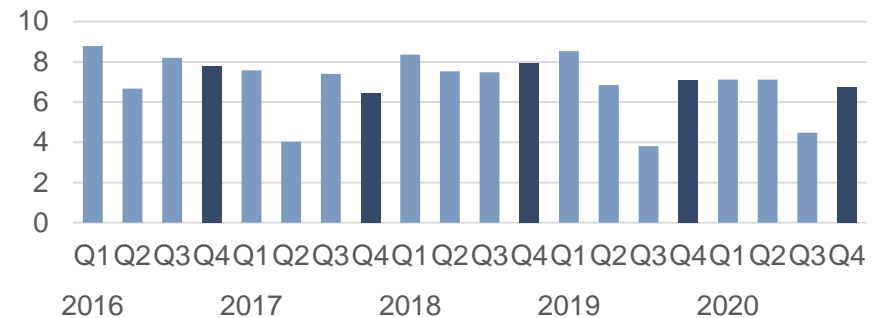
Copper



Zinc



Nickel



Group 2020

EBIT excl. PIR 8,438 MSEK (7,035)

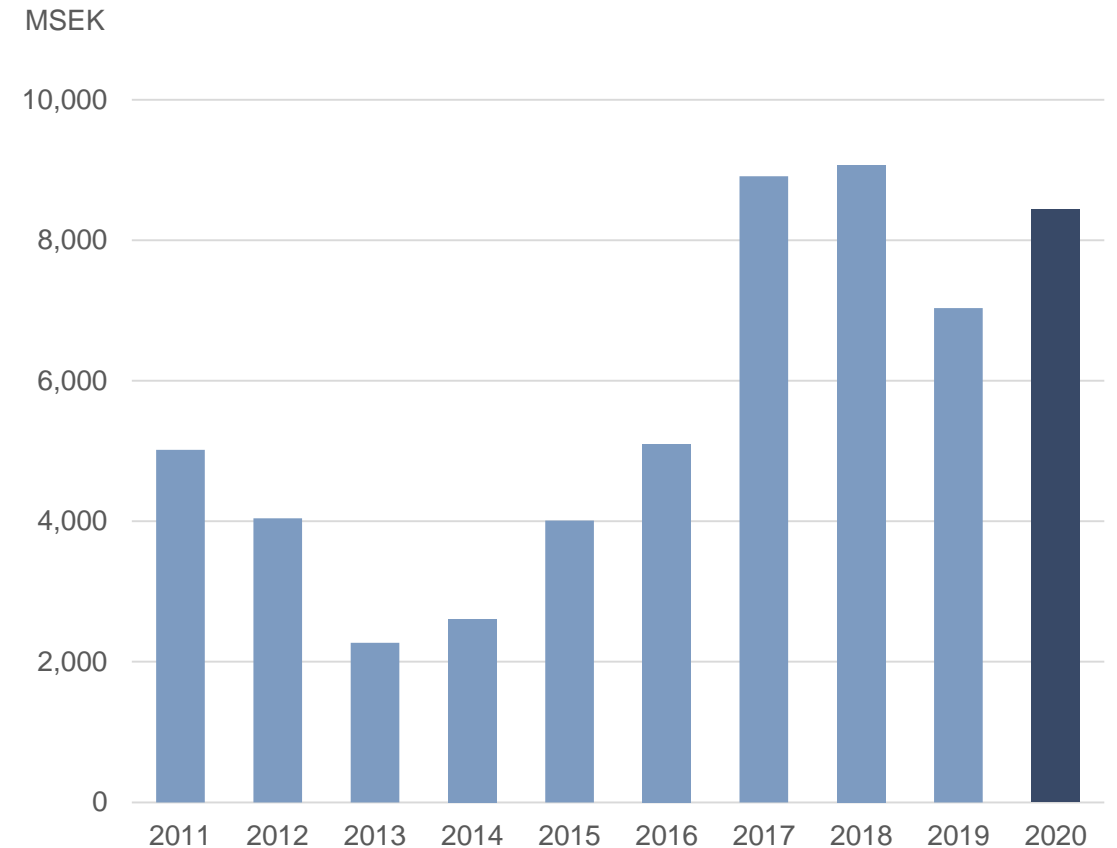
Increased volumes

- Higher milled volume in Kevitsa, Aitik and Garpenberg following expansions
- Higher capacity & improved process stability in Smelters
- Less extensive maintenance stops

Improved prices & terms

Limited cost increase despite rise in volumes

EBIT excl. PIR



Mines 2020

EBIT 4,594 MSEK (4,484)

Improved EBIT in Aitik and Kevitsa

- Higher milled volume
- Improved prices & terms
- Increased depreciation

Slightly lower EBIT in Garpenberg

- Production at design capacity
- Higher Zn TC's

Strong EBIT in Boliden Area

- Strong production in Kankberg and Renström

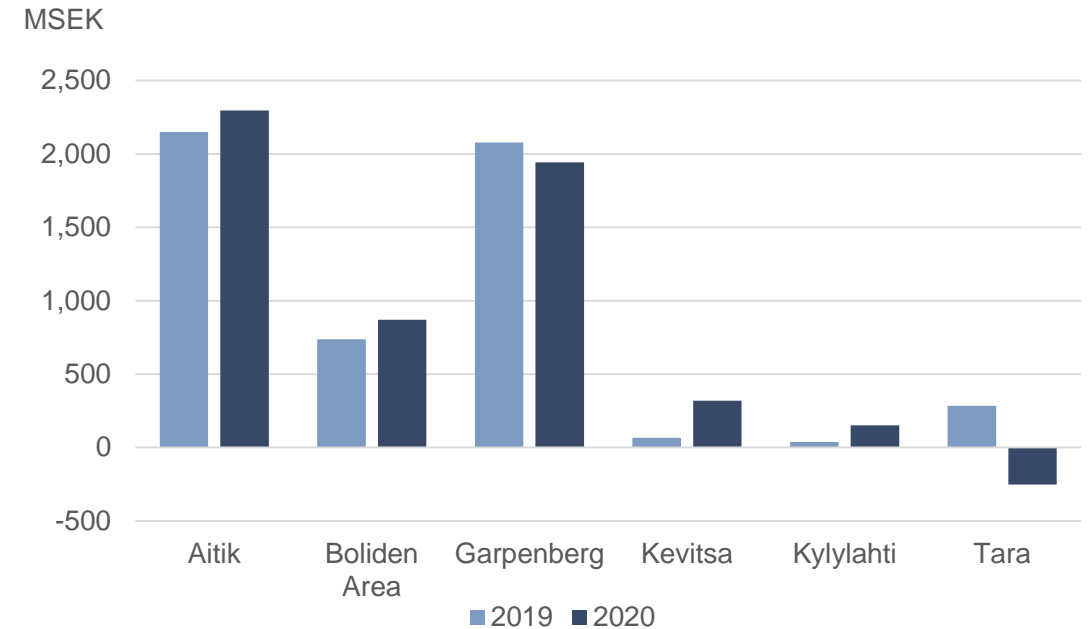
EBIT loss in Tara

- Major production issues in 1H 2020
- Covid-19 related closure and high sick leave
- Higher Zn TC's

Improved EBIT in Kylylahti

- Improved prices & terms
- Successful completion of Kylylahti's life-of-mine plan

EBIT



Smelters 2020

EBIT excl. PIR 3,975 MSEK (2,716)

Low maintenance year

- EBIT effect of -345 MSEK (-745)

EBIT records in Rönnskär and Harjavalta

- Higher volumes and improved process stability
- Favorable feedmix

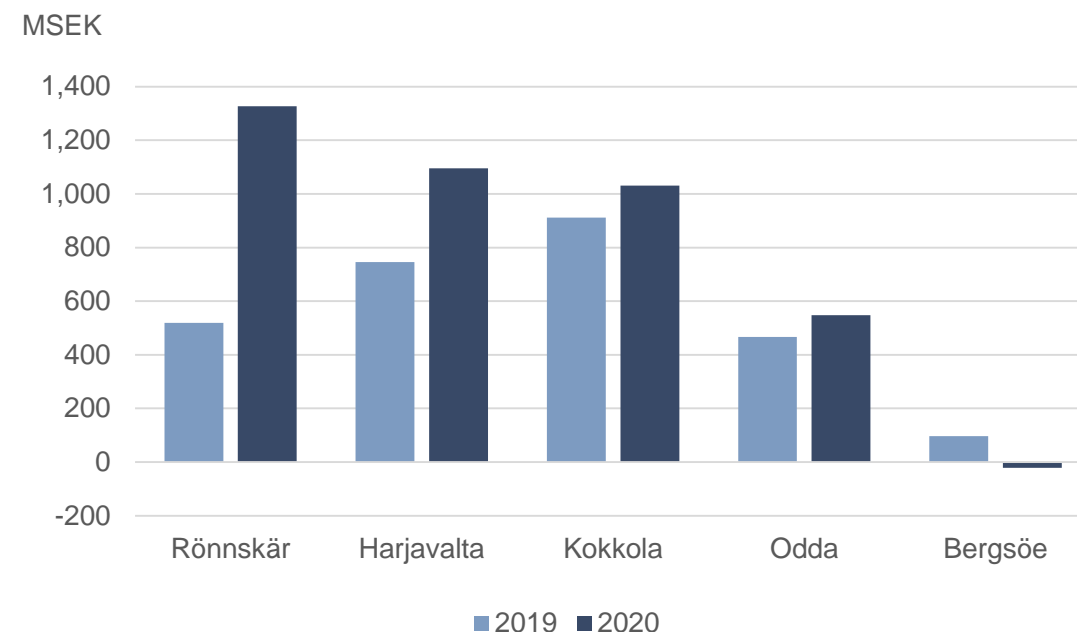
Improved EBIT in Kokkola and Odda

- Improved process stability
- Higher Zn TC's

EBIT loss in Bergsöe

- Challenging raw material supply situation

EBIT excl. PIR

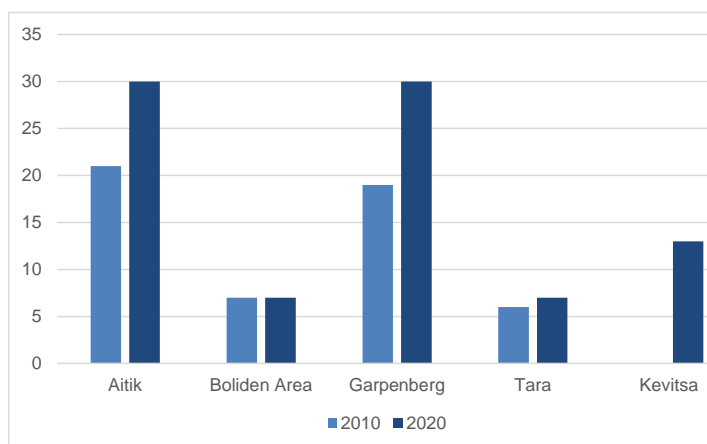


Exploration 2020

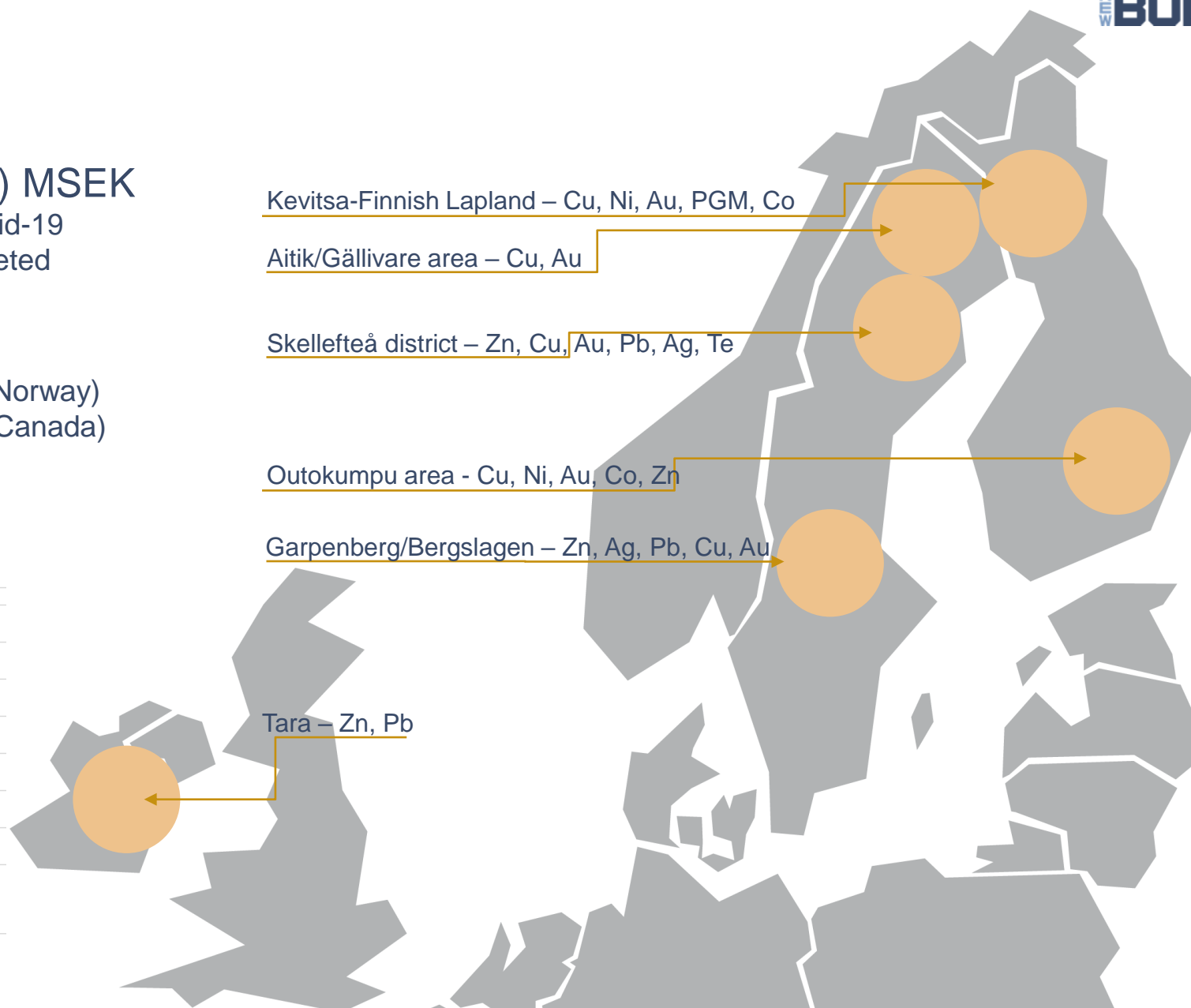
- Exploration cost 504 (570) MSEK
 - Reduced activities due to Covid-19
 - Drift to Tara Deep 76% completed

- New partnerships
 - Norden Crown Metals Corp. (Norway)
 - Buchans Resources Limited (Canada)

Reserve life*



*2010 and 2020 year end reserves divided by designed full production



Mineral Reserves & Mineral Resources end of 2020

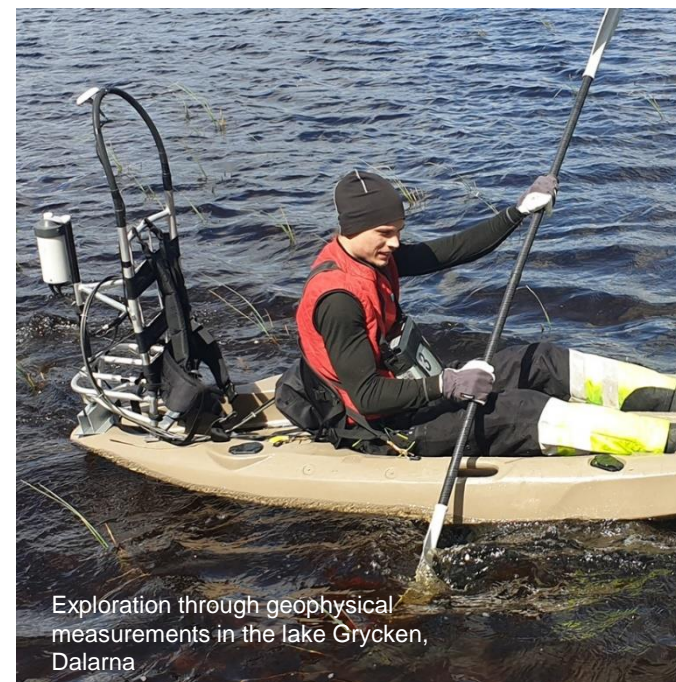
- **Aitik**
 - New reserves covering full production until 2050 (2045)
 - Cu reserve grade 0.22 (0.23) %
 - Nautanen, 21.4 (15.7) Mtonnes mineral resource

- **Garpenberg**
 - New reserves covering full production until 2050 (2044)
 - Zn reserve grade 2.8 (3.1) %
 - Ag reserve grade 94 (96) g/tonne

- **Kevitsa**
 - Unchanged reserves covering full production until 2033 (2033)
 - Cu reserve grade 0.32 (0.32) %
 - Ni* reserve grade 0.21 (0.24) %

- **Tara**
 - New reserves covering full production until 2027 (2026)
 - **Tara Deep**
 - Inferred mineral resource 26.2 (22.4) Mtonnes
 - Zn grade 8.4 (7.8) %
 - Pb grade 1.6 (1.6) %

- **Boliden Area**
 - New reserves covering full production until 2027 (2026)



Exploration through geophysical measurements in the lake Grycken, Dalarna

*Nickel in Sulphides, Ni(S)

Financial summary

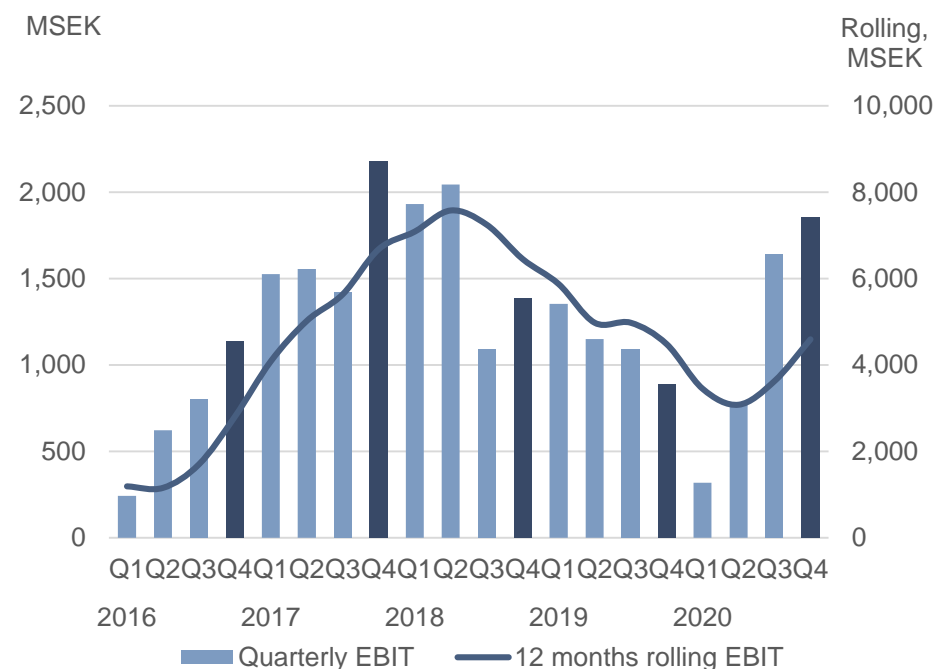
MSEK	Q4 2020	Q4 2019	Q3 2020
Revenues	16,170	12,972	13,550
EBITDA	4,685	3,053	4,034
EBIT	3,077	1,744	2,622
EBIT excl. PIR	3,043	1,721	2,258
Investments	1,703	3,255	1,275
Free cash flow	2,750	822	1,878
Earnings per share, SEK	8.60	4.97	7.44

EBIT excl. PIR by business areas

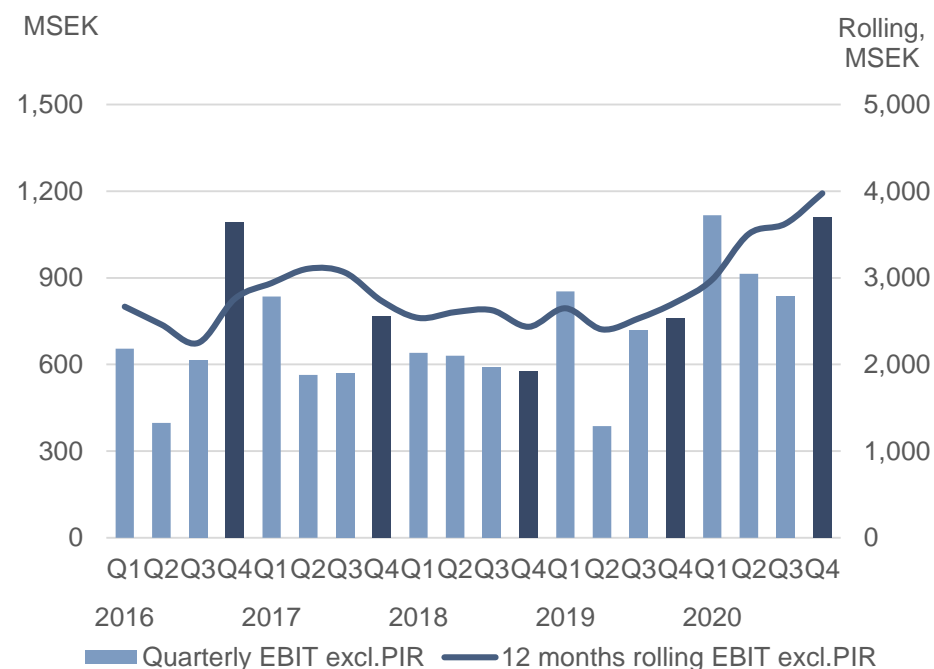
MSEK

	Q4 2020	Q4 2019	Q3 2020
Mines	1,858	890	1,638
Smelters	1,109	759	835
Other/eliminations	76	71	-215
The Group	3,043	1,721	2,258

Mines



Smelters



EBIT deviation Q4 2020 vs Q4 2019

EBIT excl. PIR	MSEK	
Q4 2019	1,721	
Prices and terms	524	Higher metal prices Weaker USD
<i>Whereof currency</i>	-878	
Volumes	1,316	Stable production Higher grades in Mines Higher free metals in Smelters Reduced inventories
Costs	-257	Higher personnel costs
Depreciation	-318	Higher production in Smelters Higher cost for ore production in Mines
Other	57	
Q4 2020	3,043	Deferred stripping costs in open pit mines



EBIT deviation Q4 2020 vs Q3 2020

EBIT excl. PIR	MSEK	
Q3 2020	2,258	
Prices and terms	157	Higher base metal prices Weaker USD
<i>Whereof currency</i>	-253	
Volumes	1,134	Higher grades in Mines Less maintenance and improved feed mix in Smelters Reduced inventories
Costs	-372	Seasonally higher personnel costs Higher variable costs
Depreciation	-199	
Other	63	
Q4 2020	3,043	

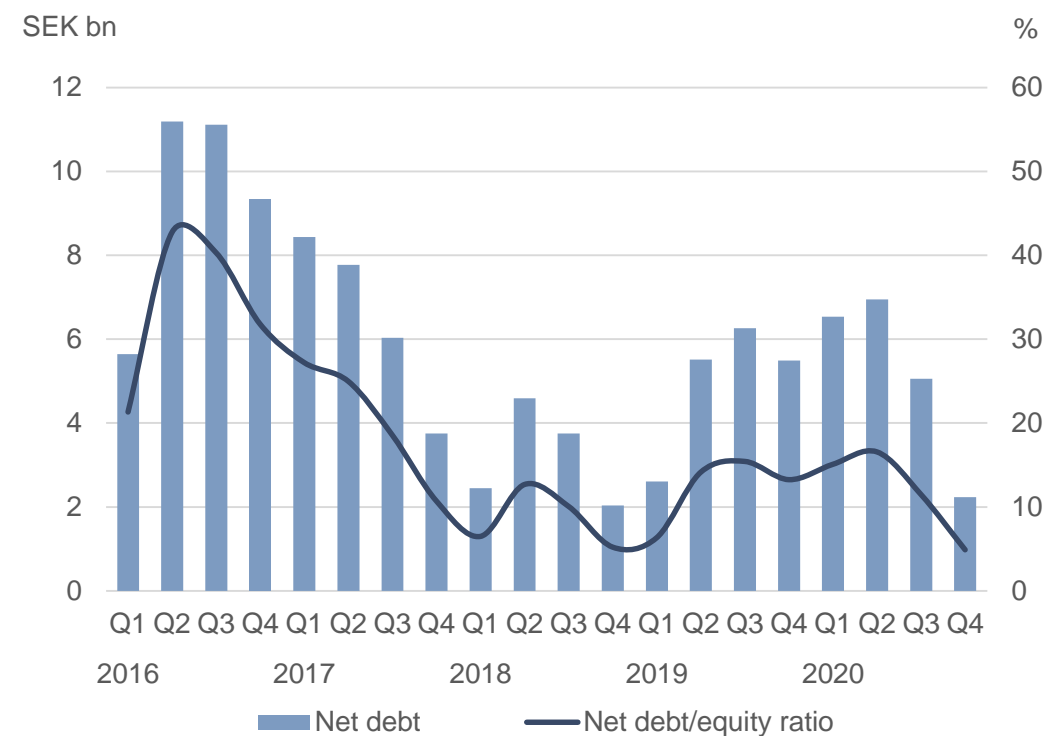
Cash flow

MSEK	Q4 2020	Q4 2019	Q3 2020
EBITDA excl. PIR	4,651	3,030	3,670
Cash flow from working capital	397	1,685	-95
Cash flow from investments	-1,698	-3,269	-1,274
Financial items	-63	-77	-63
Tax paid	-558	-603	-346
Other	21	55	-14
Free cash flow	2,750	822	1,878

Capital structure

SEK bn	31 dec 2020	31 dec 2019	30 Sep 2020
Total Assets	72.5	66.4	69.2
Capital Employed	51.0	49.8	52.1
Equity	45.6	41.4	44.0
Net debt	2.2	5.5	5.1
Net debt/equity, %	5	13	11
Net reclamation liability/equity, %	5	5	5
Average interest rate, %	1.6	1.1	1.4
Net payment capacity	12.7	7.2	10.6

Net debt & Gearing

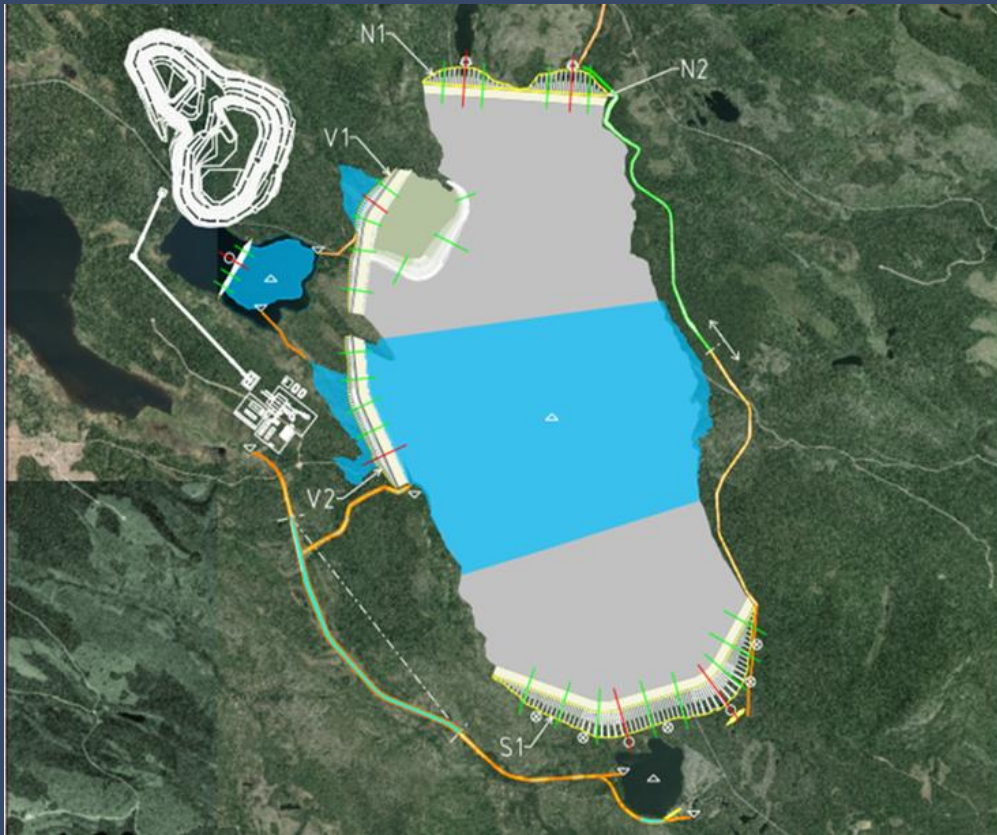


Process Inventory – changes from Q1 2021

External Process Inventory	New	Former
Copper, tonnes	29,500	28,000
Zinc, tonnes	13,000	13,000
Lead, tonnes	0	0
Gold, kg	2,000	2,000
Silver, kg	45,000	45,000
Palladium, kg	500	500

Copper inventory higher after expansion in copper smelters

Laver

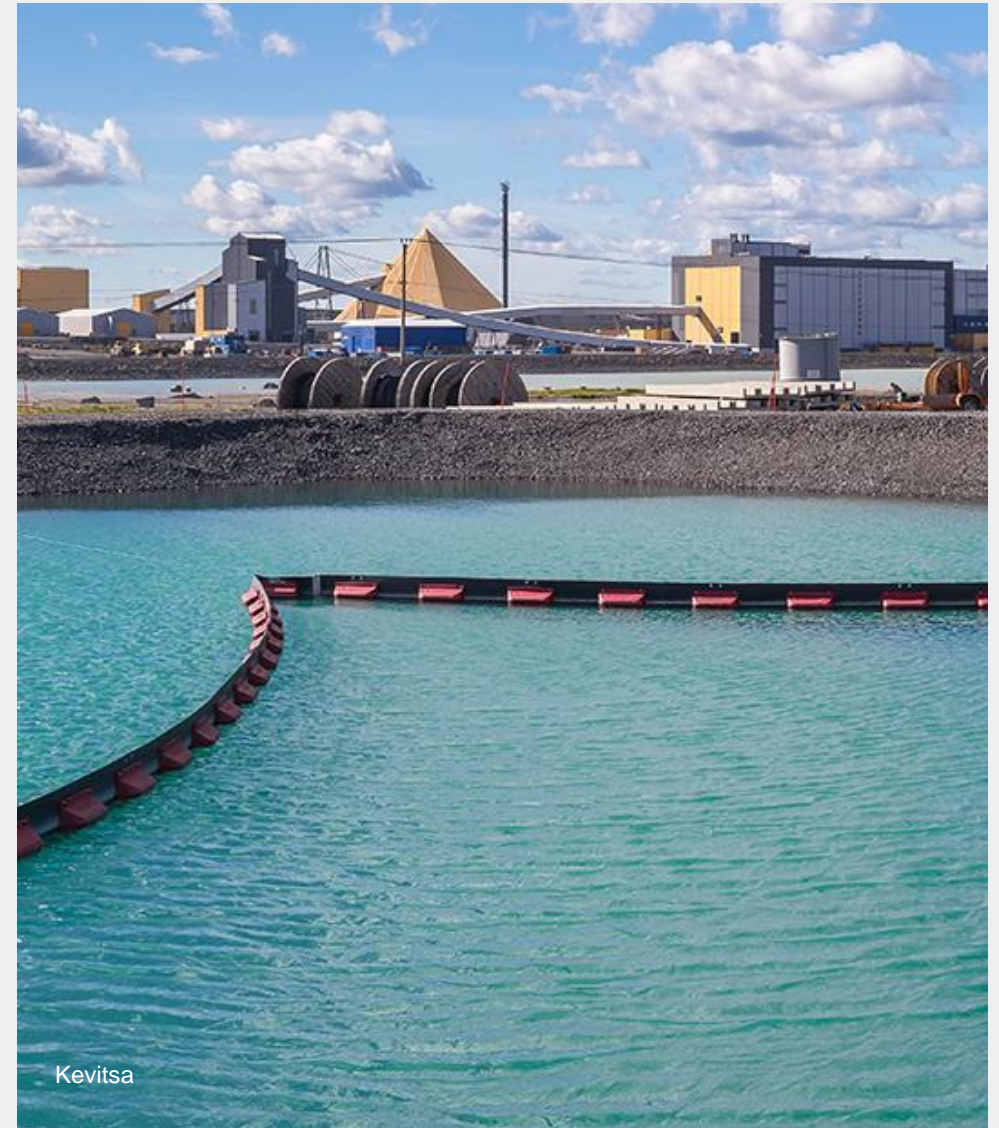


Potential Laver project

- On December 23, 2020 the Swedish Government rejected Boliden's appeal of the Mining Inspector's decision regarding an exploitation concession for the Laver deposit.
- Boliden intends to request a judicial review of the Government's decision that a Natura 2000 permit is required before applying for a concession for the Laver deposit.
- The project is pushed forward in time but remains in focus.

Application for membership in International Council on Mining and Metals (ICMM)

- Boliden has submitted an application for membership in the International Council on Mining and Metals (ICMM)
 - Admission notice is expected during the second quarter of 2021
- Boliden undertakes to follow ICMM's principles and guidelines
 - Boliden supports the Global Industry Standard on Tailings Management and adhere to the relevant timelines



Outlook

- **Aitik**
 - 2021: Cu 0.21 %, Au 0.11 g/tonne
 - Lower in Q1
- **Garpenberg**
 - 2021: Zn 3.8 %, Ag 110 g/tonne
- **Maintenance stops**
 - 2021: -550 (-345) MSEK
- **Capex**
 - 2021: Slightly above 7 BSEK



2021 Capital Markets Day

Boliden's Capital Markets Day 2021 will be held in Stockholm on March 17

For more information please contact:
investorrelations@boliden.com

Our purpose

To provide the metals essential to improve society for generations to come

Our vision

To be the most climate friendly and respected metal provider in the world

Our values

Care, Courage, Responsibility



APPENDIX

Financing

Net Debt

MSEK	Q4 2020	Q4 2019	Q3 2020
Debt to credit institutions	5,951	5,503	6,355
Other interest bearing debt	203	268	221
Pensions	1,159	1,113	1,124
Interest bearing assets	-18	-19	-19
Cash	-5,060	-1,372	-2,627
Total	2,236	5,493	5,054

Net Payment Capacity

MSEK	Q4 2020	Q4 2019	Q3 2020
Not utilized credit facilities	7,729	8,034	8,117
Cash	5,060	1,372	2,627
Credits with maturity < 1 year	-50	-2,242	-145
	12,741	7,165	10,599

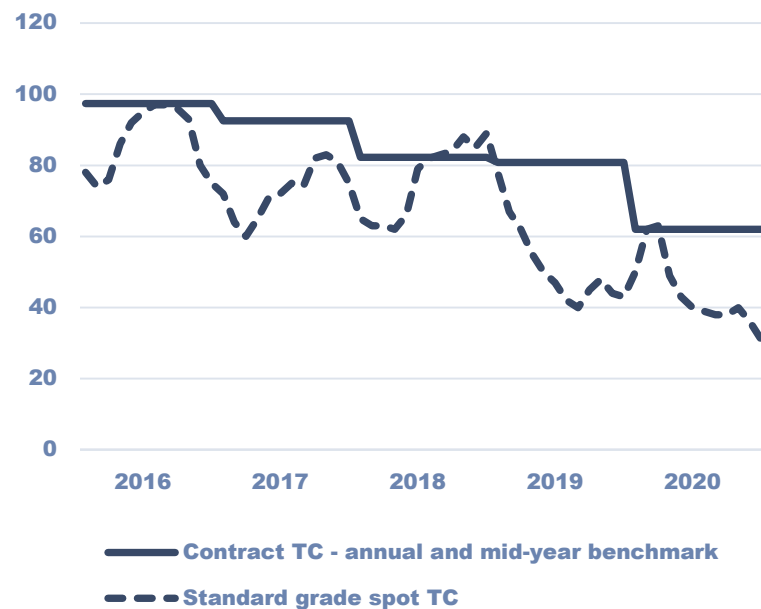
Loan structure

MSEK	Reported value	of which utilized	Maturity		
			< 1 year	1-5 years	> 5 years
Revolving credit facility	7,729	-	-	-	-
Bilateral loans	5,201	5,201	-	4,486	715
Bonds	750	750	-	750	-
Commercial papers	-	-	-	-	-
Leases, other	203	203	50	153	-
Total		6,154	50	5,389	715

Copper and Zinc Treatment Charges

Copper TC

USD/tonne concentrate



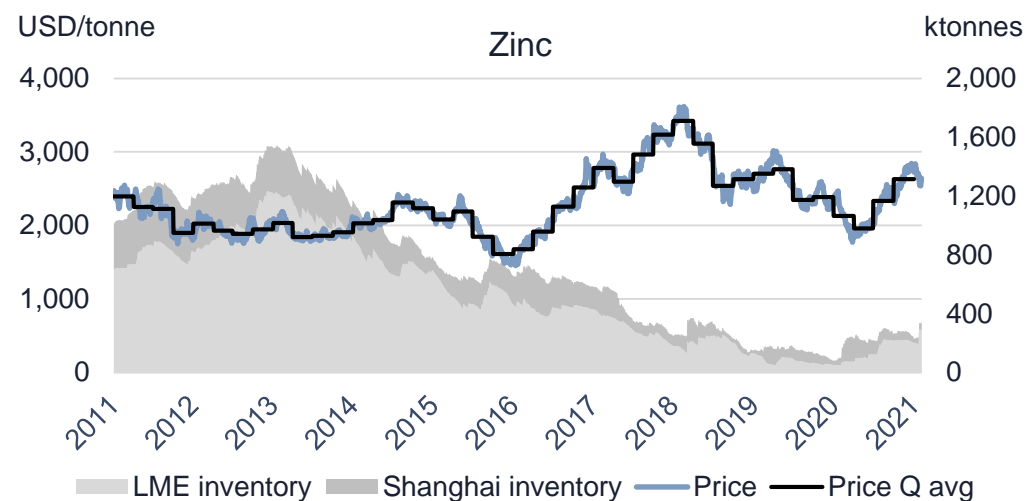
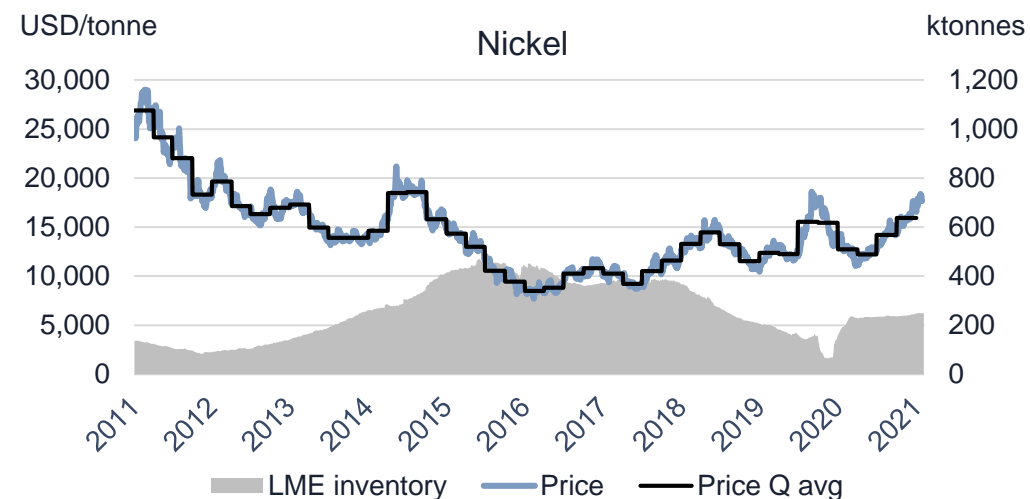
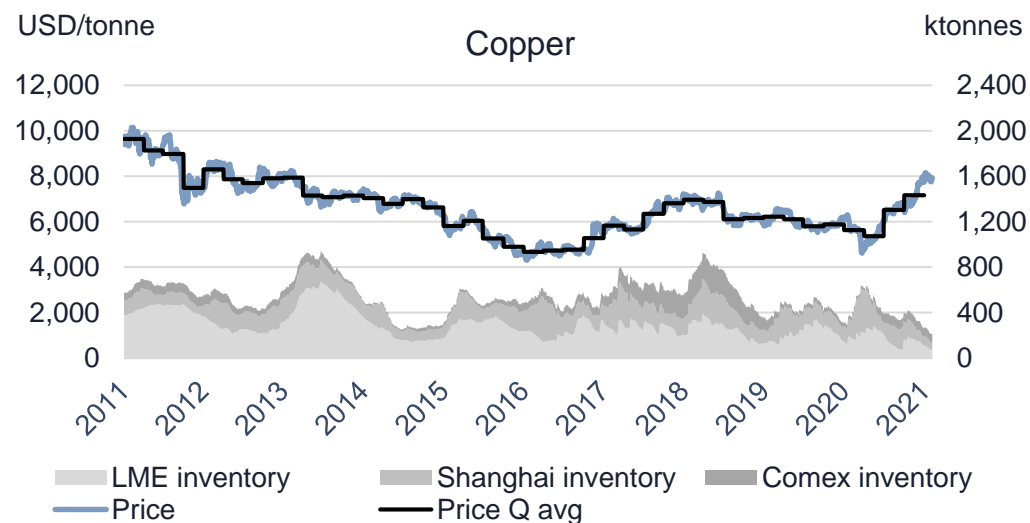
Zinc TC

USD/tonne concentrate



Contract benchmark according to market sources including CRU

Base metal prices

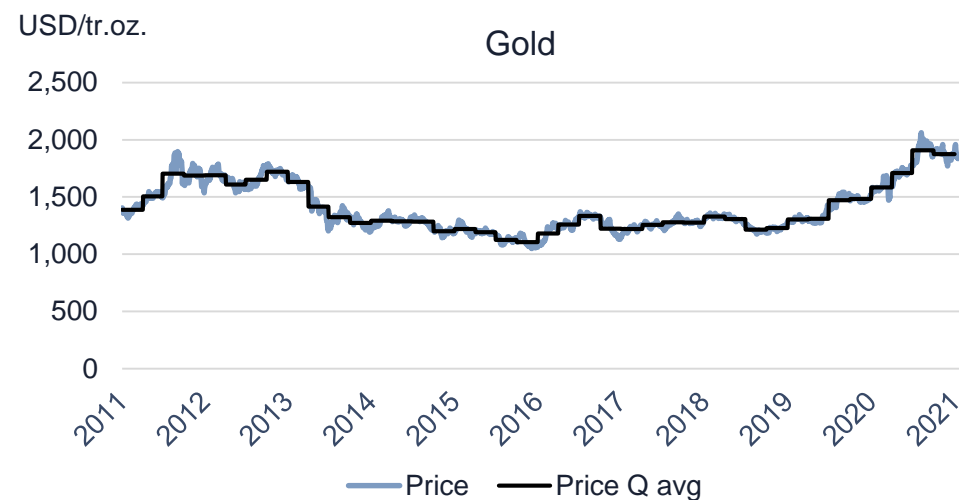
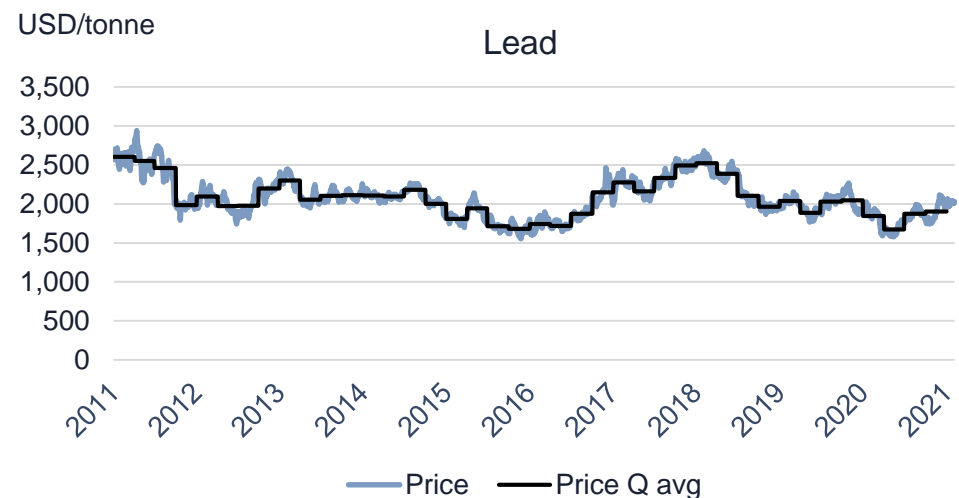


Average price in Q4 2020 vs period

	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Copper	10%	34%	27%	22%
Zinc	13%	34%	24%	10%
Nickel	12%	30%	25%	3%

Note: Prices until 5 February 2021

Gold, silver and lead prices



Average price in Q4 2020 vs period

	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Gold	-2%	10%	18%	27%
Silver	1%	49%	44%	41%
Lead	1%	14%	3%	-7%

Note: Prices until 5 February 2021

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