
Boliden – Metals for generations to come

Q4 Interim & Year-End Report 2021

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2022-02-11

Q4 2021

Q4 2021 – Strong result despite disruptions in production

KEY HIGHLIGHTS

- Strong prices & terms
- Inflation pressure
- Strong production in Mines excluding Tara
- Water inflow in Tara and explosion in Harjavalta

FINANCIAL PERFORMANCE

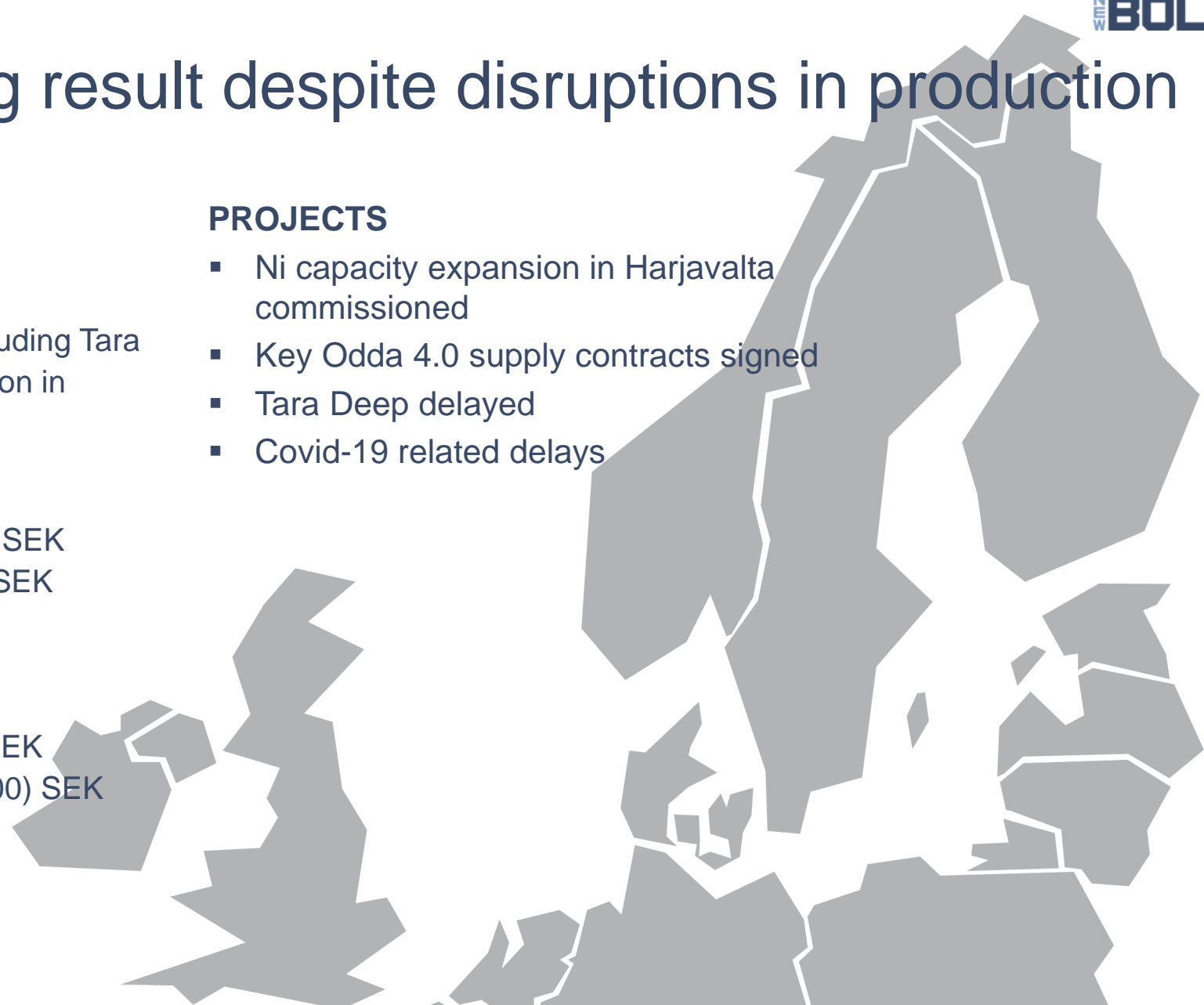
- EBIT excl. PIR* 2,835 (3,043) MSEK
- Free cash flow 2,008 (2,750) MSEK
- Capex 1,971 (1,703) MSEK

DIVIDEND PROPOSAL

- Ordinary dividend 10.50 (8.25) SEK
- Redemption of shares 15.50 (6.00) SEK

PROJECTS

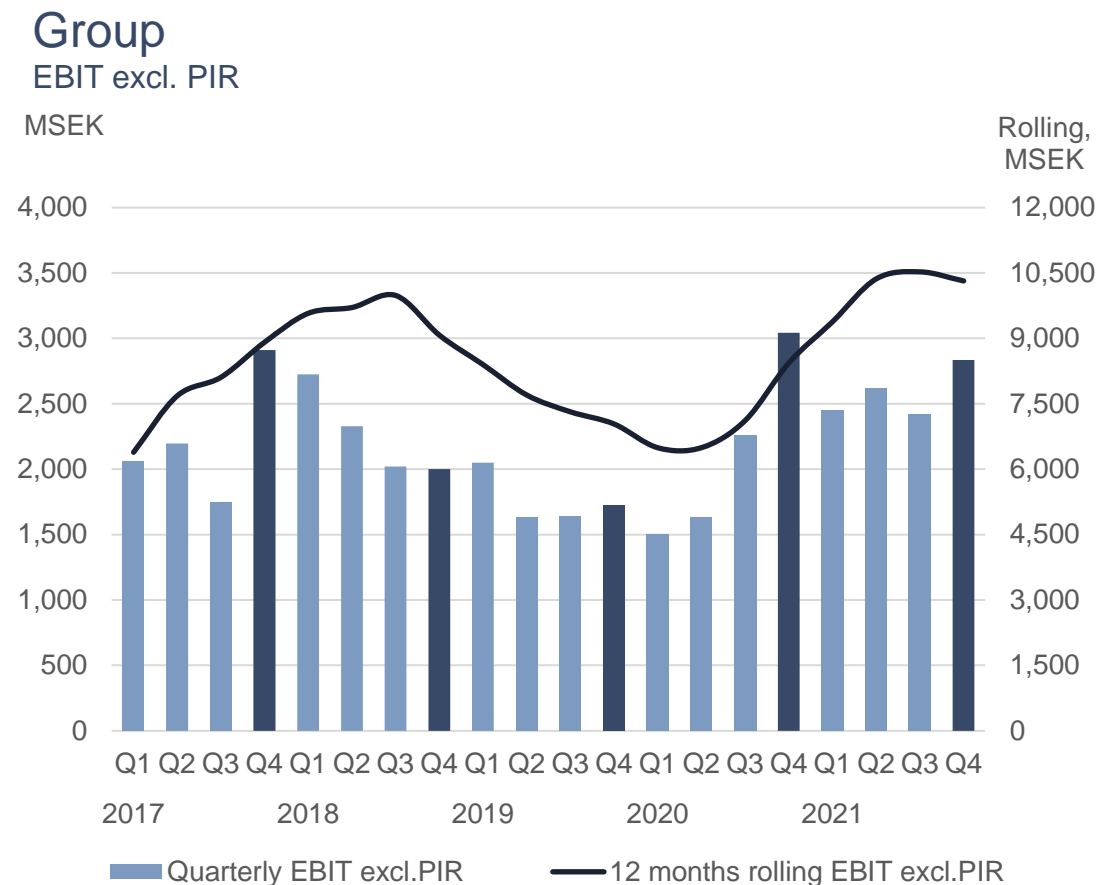
- Ni capacity expansion in Harjavalta commissioned
- Key Odda 4.0 supply contracts signed
- Tara Deep delayed
- Covid-19 related delays



*PIR (Process Inventory Revaluation)

Q4 2021 EBIT* development

- Group 2,835 (3,043) MSEK
- Mines 3,002 (1,858) MSEK
- Smelters 553 (1,109) MSEK



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

ESG is key in our purpose, vision and values

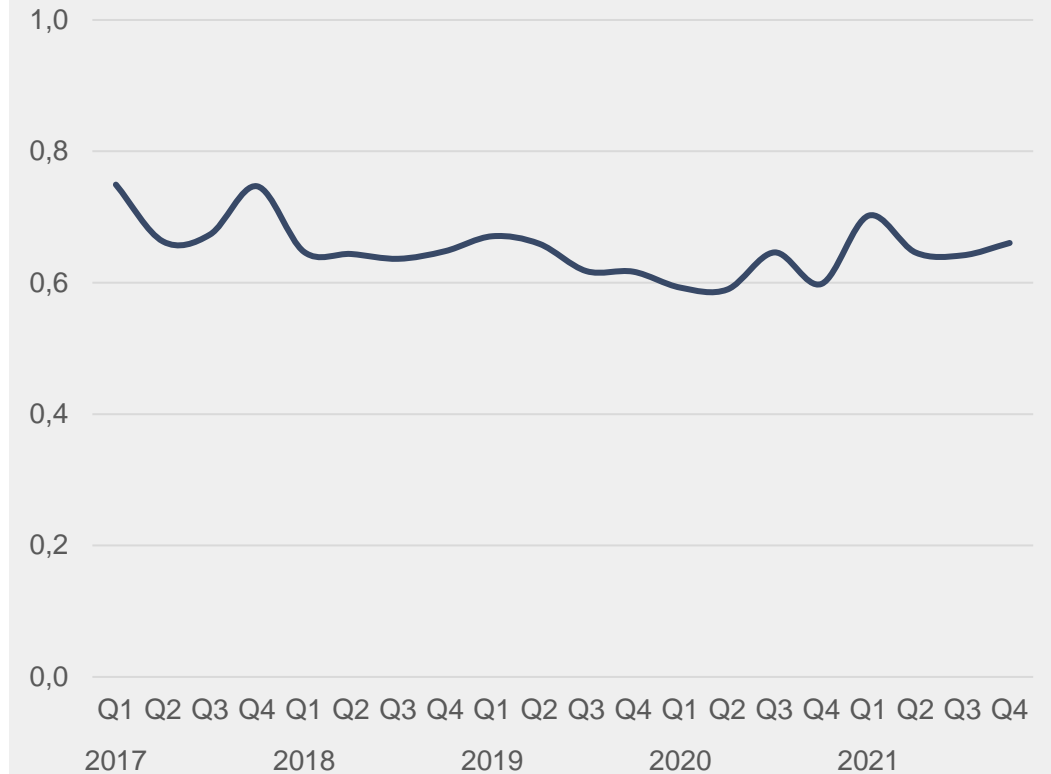
Q4 2021

- Lost Time Injury* 6.9 (4.3)
- Sick leave 5.6 (5.4)
- Carbon dioxide intensity of 0.66 (0.60)

*Per million hours worked, including contractors



CO₂ Intensity



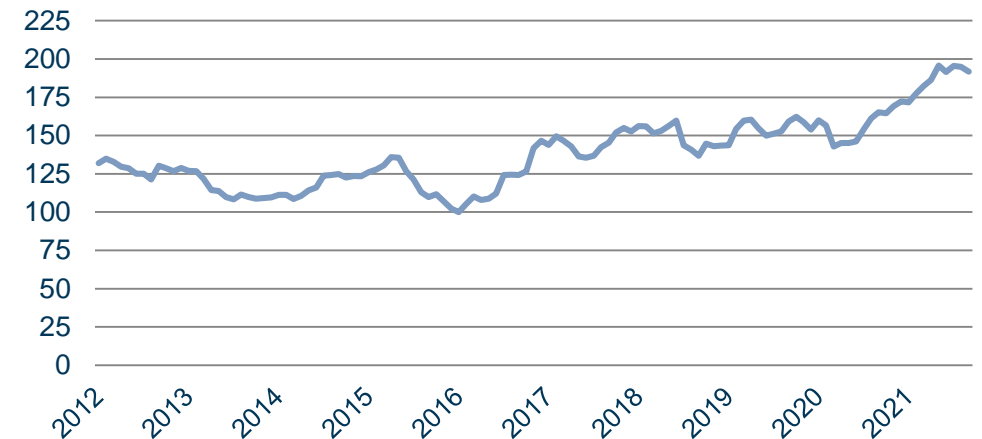
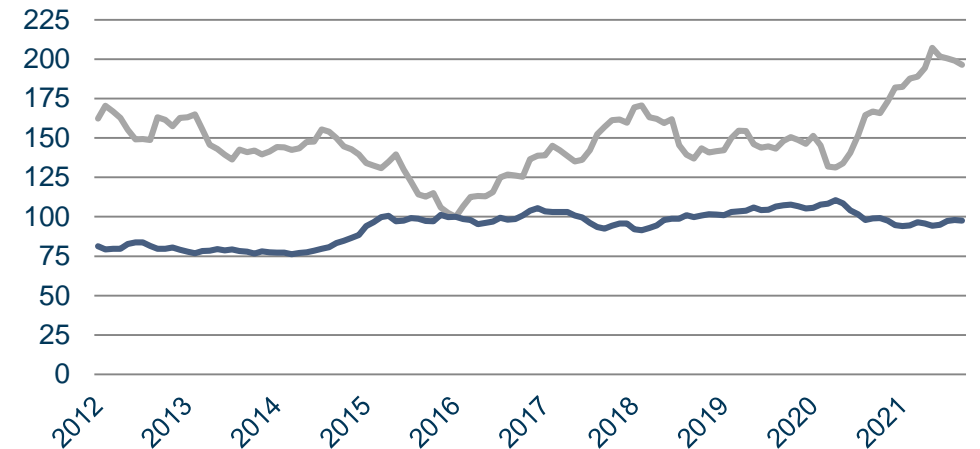
Boliden price index close to historic highs

- Continued strong increase in base metal prices
- Precious metals stable at a high level
- Stronger USD

Boliden price index*



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

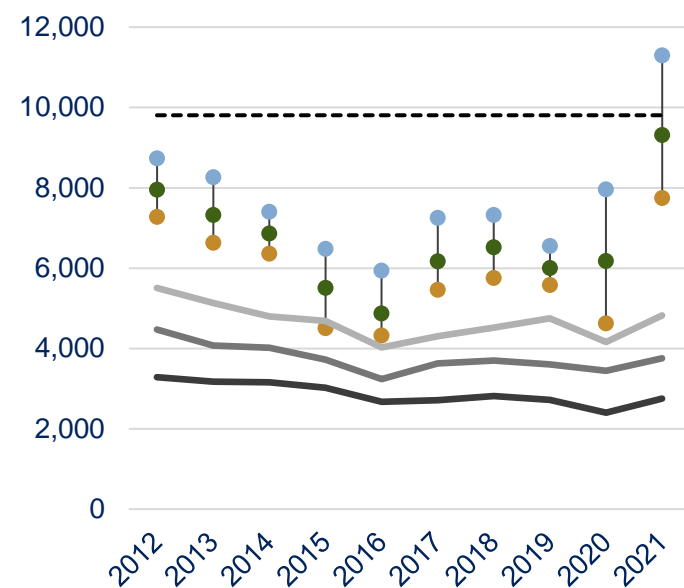


*Index 100 = 1 January 2016

Copper, zinc and nickel prices relative to cash cost

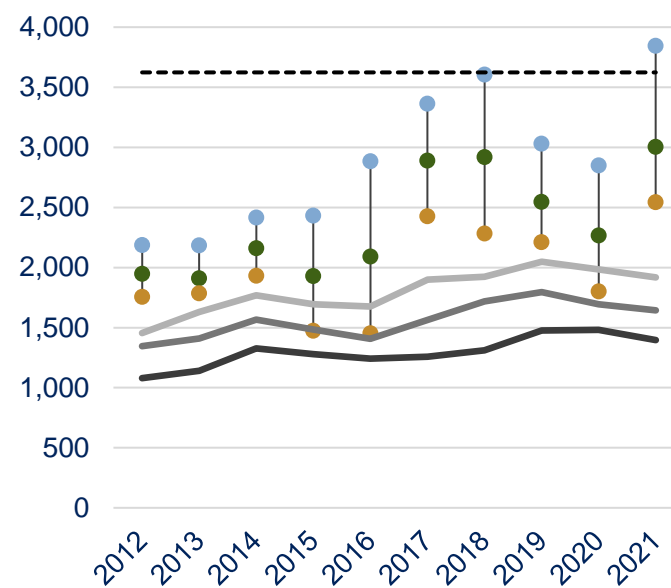
Copper

USD/tonne



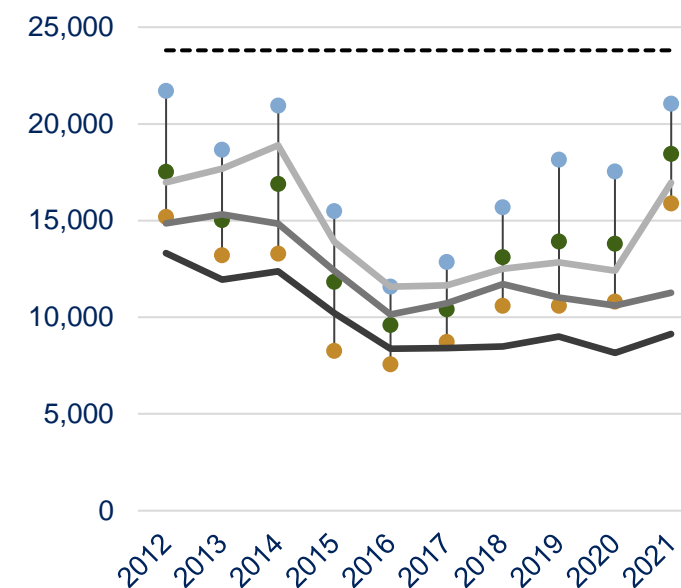
Zinc

USD/tonne



Nickel

USD/tonne



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

Source: Wood Mackenzie 2021 Composite C1 cash cost* data, Refinitiv Datastream February 7, 2022 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 2021 production

Aitik

- Record milled volume 11.2 (10.5) Mtonnes
- Cu grade 0.23 (0.25) %

Garpenberg

- Milled volume 756 (735) Ktonnes
- Zn grade 3.7 (3.8) %, Ag grade 105 (123) g/tonne

Kevitsa

- Record milled volume 2.7 (2.6) Mtonnes
- Cu grade 0.37 (0.36) %, Ni grade 0.20 (0.20) %

Boliden Area

- Stable milled volume

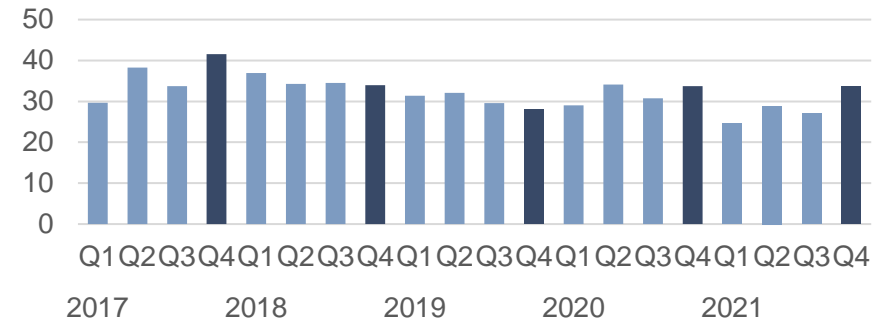
Tara

- Weak production due to water inflow

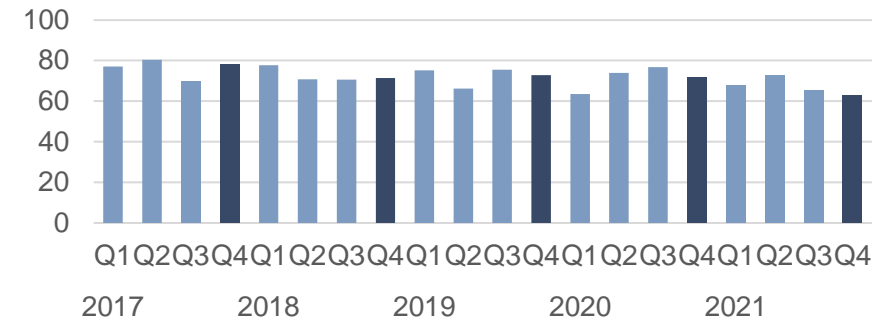
Metal content, ktonnes



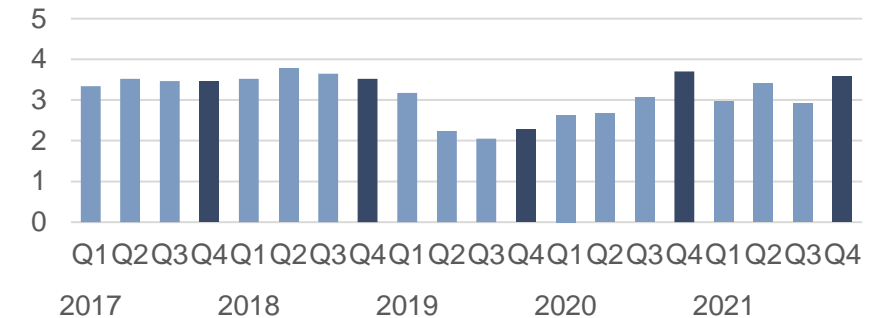
Copper



Zinc



Nickel



Smelters – Q4 2021 production

Harjavalta

- Planned maintenance stop and delayed ramp-up in Ni line
- Negative raw material mix
- Explosion in the Ni line
- Strong Cu production

Rönnskär

- Negative raw material mix
- Delayed ramp-up of feed capacity expansion

Kokkola, Odda

- Stable production

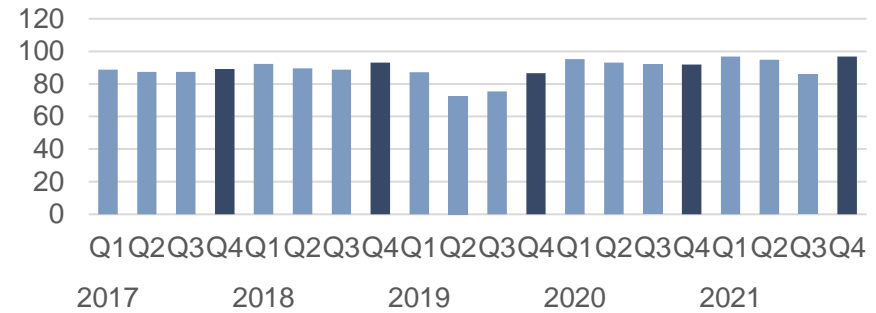
Bergsöe

- Production limited by environmental permit

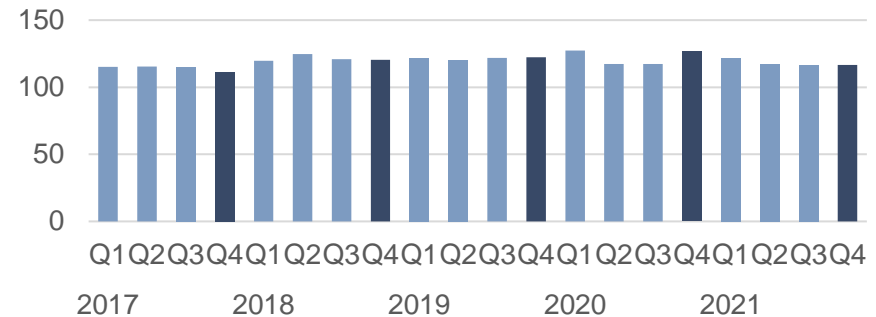
Metal production, ktonnes



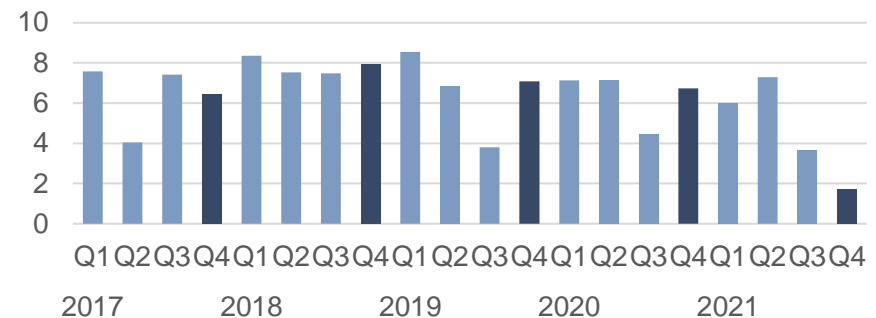
Copper



Zinc



Nickel



Group – Full Year 2021

EBIT excl. PIR 10,318 (8,438) MSEK

Improved prices & terms

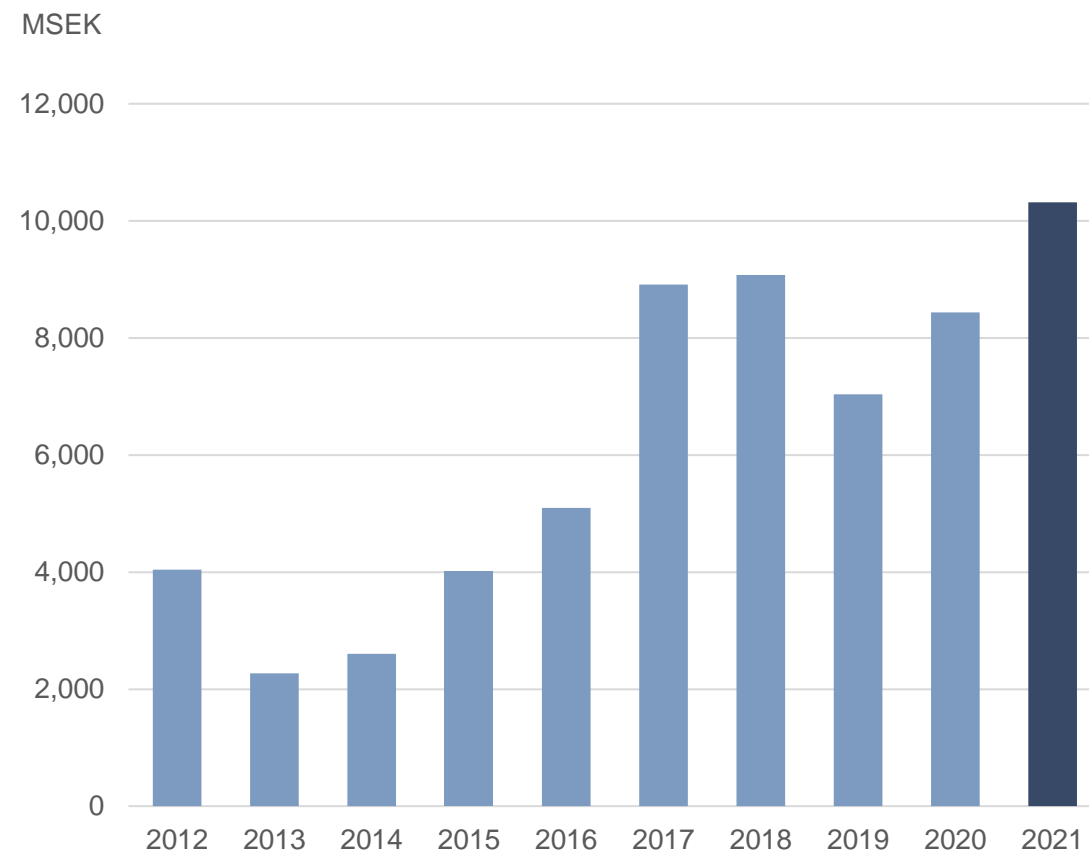
- Strong development of base metal prices
- Lower USD and treatment charges

Decreased volumes

- Lower grades in Mines
- Production disturbances; Aitik, Tara and Harjavalta
- Extensive planned maintenance
- Kylylahti closed in late 2020

High inflation during the second half of 2021

EBIT excl. PIR



Mines – Full Year 2021

EBIT 8,761 (4,594) MSEK

Strong development of base metal prices

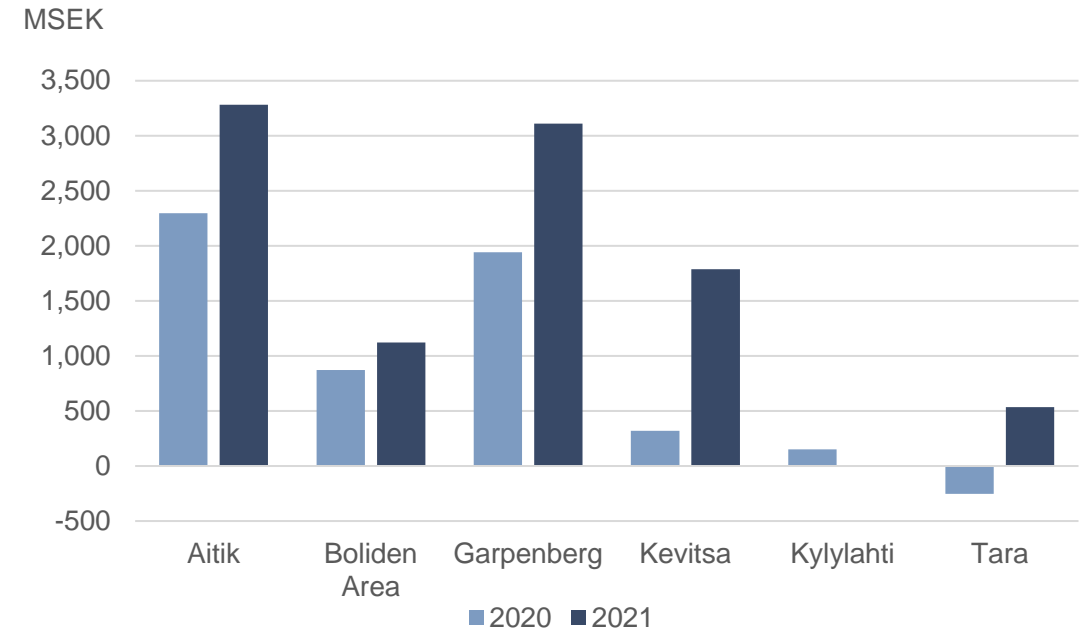
Record milled volumes in Garpenberg and Kevitsa

Production disturbances in Aitik and Tara

Kylylahti closed 2020

Lower ore grades in Aitik and Boliden Area

EBIT



Smelters – Full Year 2021

EBIT excl. PIR 2,903 (3,975) MSEK

Prices & terms stronger for Cu smelters but weaker for Zn smelters

- High metal prices
- Lower Zn treatment charges

Stable production across most units

- Disturbances in Ni production in Harjavalta

Unfavorable feed mix in Cu smelters

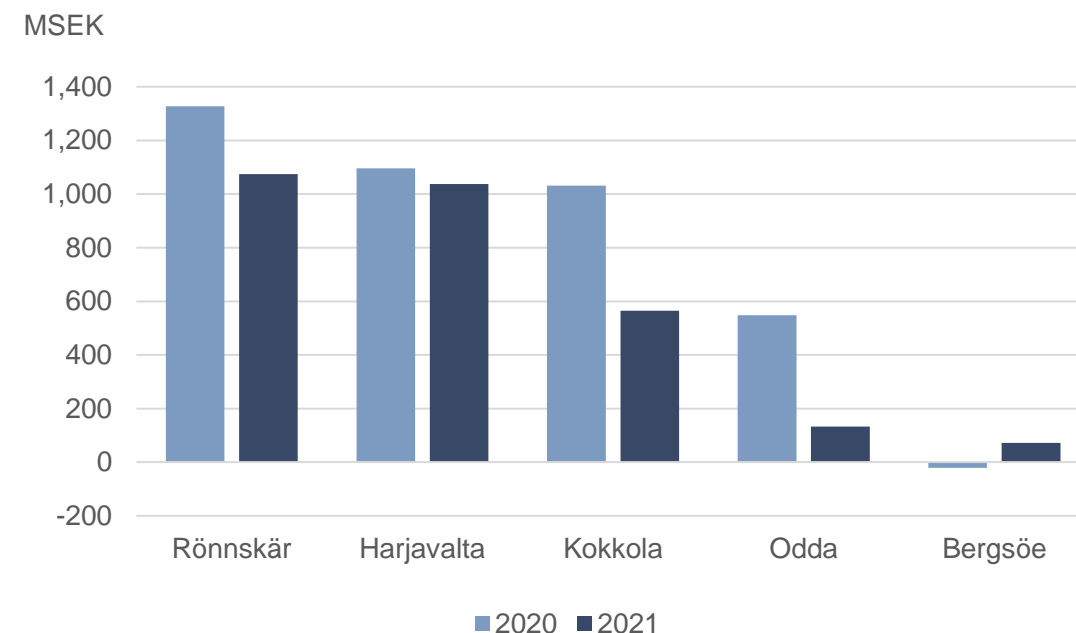
Increased maintenance in 2021

- EBIT effect of -560 (-345) MSEK

High inflation during the second half of 2021

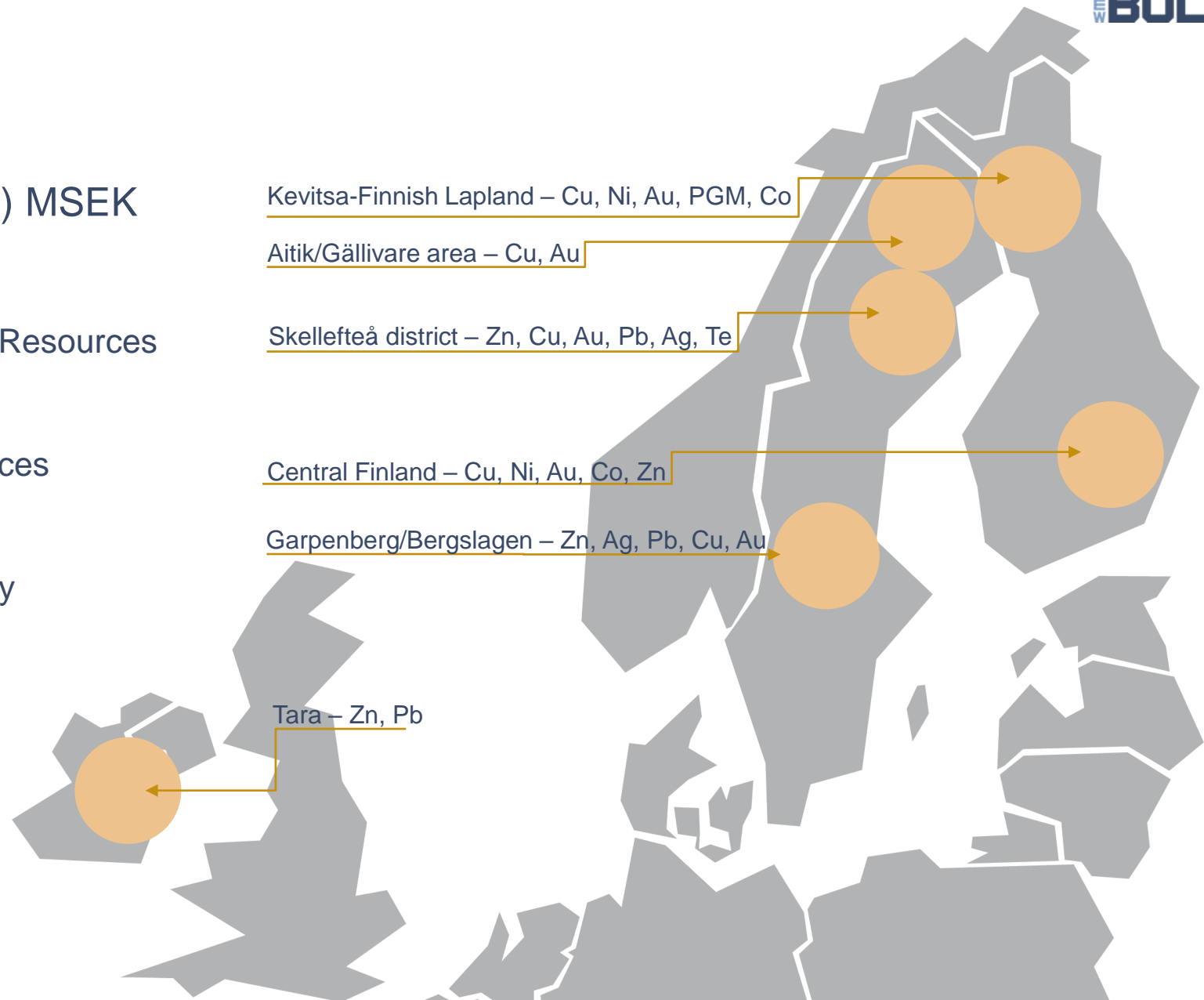
- Electricity
- Chemicals

EBIT excl. PIR



Exploration 2021

- Exploration cost 629 (504) MSEK
- Garpenberg
 - Major increase in Mineral Resources
- Kevitsa
 - Decline in Mineral Resources
- Boliden Area
 - Strömfors – New discovery
 - Rävliiden – Conversion of resources to reserves
- Tara Deep
 - Delayed



Mineral Reserves end of 2021

- **Aitik***
 - Reserves covering full production until 2050 (2050)
 - Cu reserve grade 0.22 (0.22) %

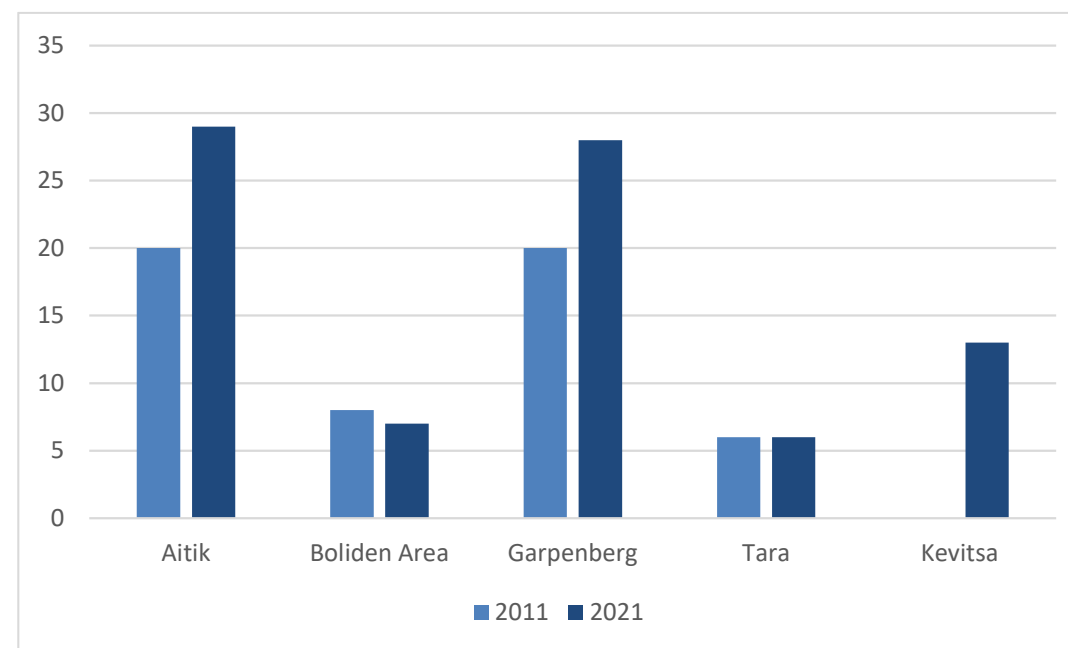
- **Boliden Area**
 - Reserves covering full production until 2028 (2027)

- **Garpenberg***
 - Reserves covering full production until 2049 (2050)
 - Zn reserve grade 2.8 (2.8) %
 - Ag reserve grade 93 (94) g/tonne

- **Tara**
 - Reserves covering full production until 2027 (2027)

- **Kevitsa**
 - Reserves covering full production until 2034 (2033)
 - Cu reserve grade 0.32 (0.32) %
 - Ni** reserve grade 0.22 (0.21) %

Reserve life (years)***



*Reclassification from proven to probable reserves due to PERC 21, **Nickel in Sulphides, Ni(S), ***2011 and 2021 year end reserves divided by designed full production

Mineral Resources end of 2021

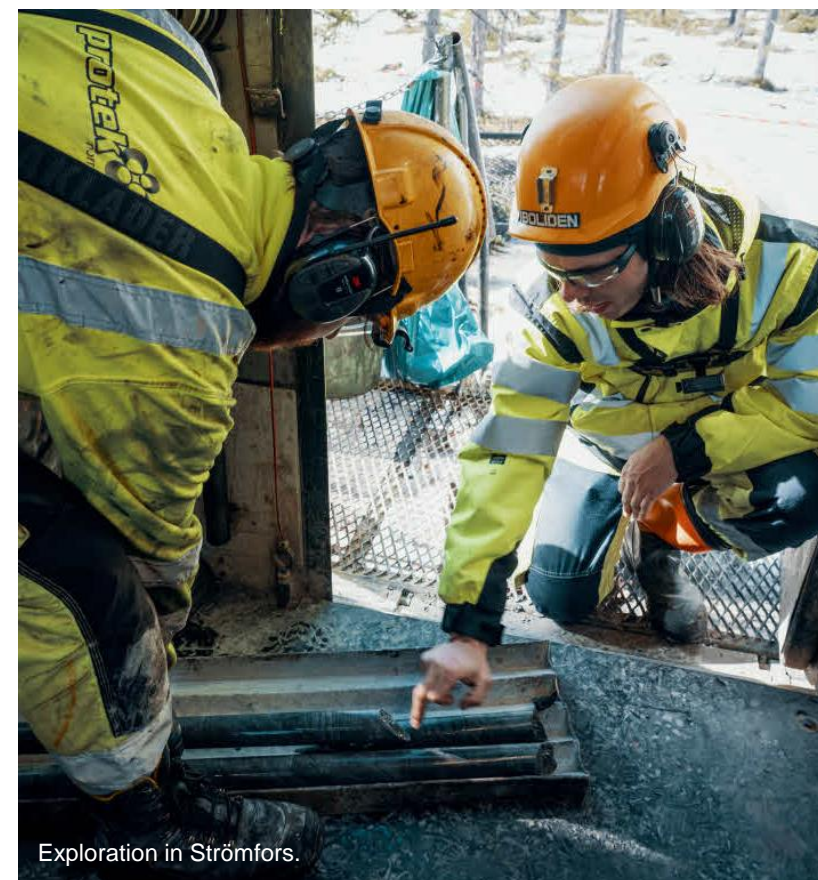
- Aitik
 - No major update

- Boliden Area
 - Strömfors
 - Addition in Mineral Resources 26.6 (25.7) Mtonnes

- Garpenberg
 - Major increase in Mineral Resources 79 (62) Mtonnes

- Tara
 - Tara Deep
 - Inferred Mineral Resource 28.1 (26.2) Mtonnes
 - Zn grade 8.4 (8.4) %
 - Pb grade 1.6 (1.6) %

- Kevitsa
 - Major decline in Mineral Resources 139 (179) Mtonnes
 - Outside planned final pit



Exploration in Strömfors.

Note! Boliden reports Mineral Resources exclusive of Mineral Reserves to avoid double counting. This means that quantities converted to Mineral Reserve are removed from Mineral Resource.

Financial summary

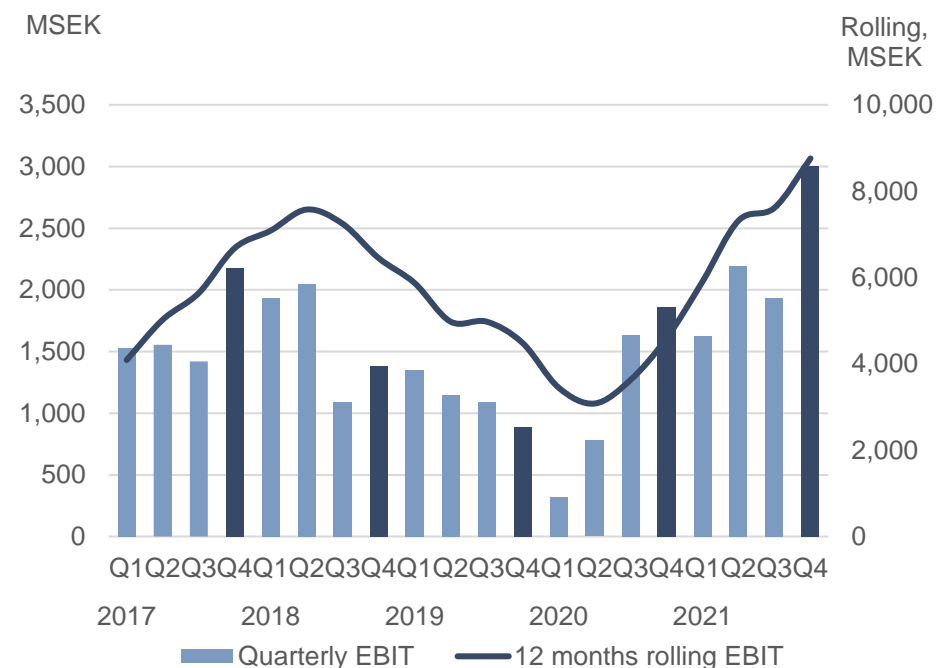
MSEK	Q4 2021	Q4 2020	Q3 2021
Revenues	17,755	16,170	15,906
EBITDA	4,722	4,685	3,684
EBIT	3,214	3,077	2,305
EBIT excl. PIR	2,835	3,043	2,419
Investments	1,971	1,703	1,538
Free cash flow	2,008	2,750	962
Earnings per share, SEK	9.27	8.60	6.57

EBIT excl. PIR by Business Area

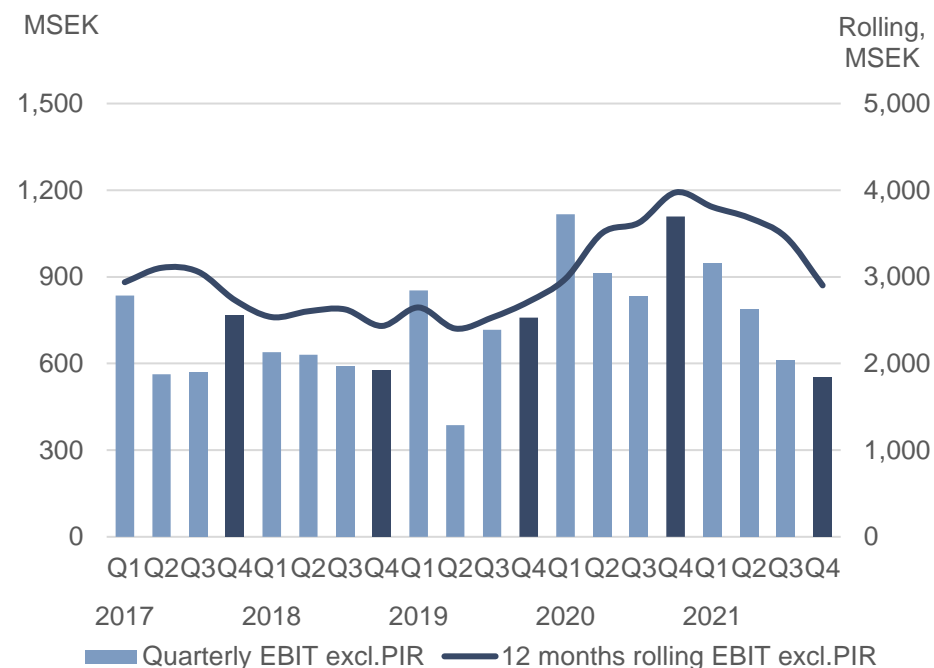
MSEK

	Q4 2021	Q4 2020	Q3 2021
Mines	3,002	1,858	1,936
Smelters	553	1,109	611
Other/eliminations	-721	76	-129
The Group	2,835	3,043	2,419

Mines



Smelters



EBIT deviation Q4 2021 vs Q4 2020

EBIT excl. PIR	MSEK	
Q4 2020	3,043	Higher base metal prices Stronger USD
Prices and terms	1,655	
<i>Whereof currency</i>	363	
Volumes	-1,555	Lower grades Water inflow in Tara, Kylylahti closure Improved milled volumes in other mines Unfavorable raw material mix
Costs	-366	Lower Ni feed and more planned maintenance in Smelters Negative impact from internal profit elimination
Depreciation	89	
Other	-31	Inflation Higher maintenance costs 60 MSEK one-off reclamation cost
Q4 2021	2,835	

EBIT deviation Q4 2021 vs Q3 2021

EBIT excl. PIR	MSEK	
Q3 2021	2,419	
Prices and terms	876	Higher metal prices Stronger USD
<i>Whereof currency</i>	235	
Volumes	221	Higher milled volume and grades Negative impact from internal profit elimination
Costs	-539	
Depreciation	-132	Higher production Production disturbances in Tara and Harjavalta
Other	-10	Seasonally higher costs Inflation
Q4 2021	2,835	

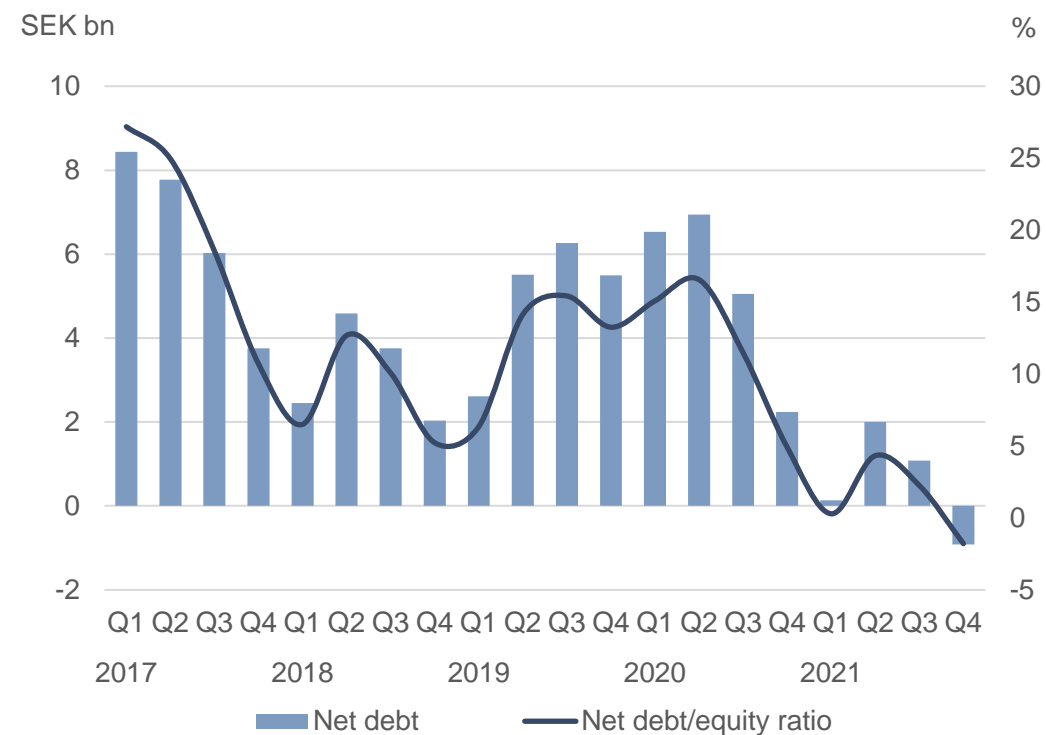
Cash flow

MSEK	Q4 2021	Q4 2020	Q3 2021
EBITDA excl. PIR	4,343	4,651	3,798
Cash flow from working capital	351	397	-841
Cash flow from investments	-1,986	-1,698	-1,540
Financial items	-64	-63	-61
Tax paid	-634	-558	-404
Other	-1	21	9
Free cash flow	2,008	2,750	962

Capital structure

SEK bn	31 Dec 2021	31 Dec 2020	30 Sep 2021
Total Assets	80.5	72.5	75.4
Capital Employed	53.4	51.0	52.8
Equity	50.9	45.6	48.3
Net debt	-0.9	2.2	1.1
Net debt/equity, %	-2	5	2
Net reclamation liability/equity, %	5	5	5
Average interest rate, %	1.6	1.6	1.6
Net payment capacity	16.1	12.7	14.1
Net reclamation liability	2.4	2.2	2.4

Net debt & Gearing



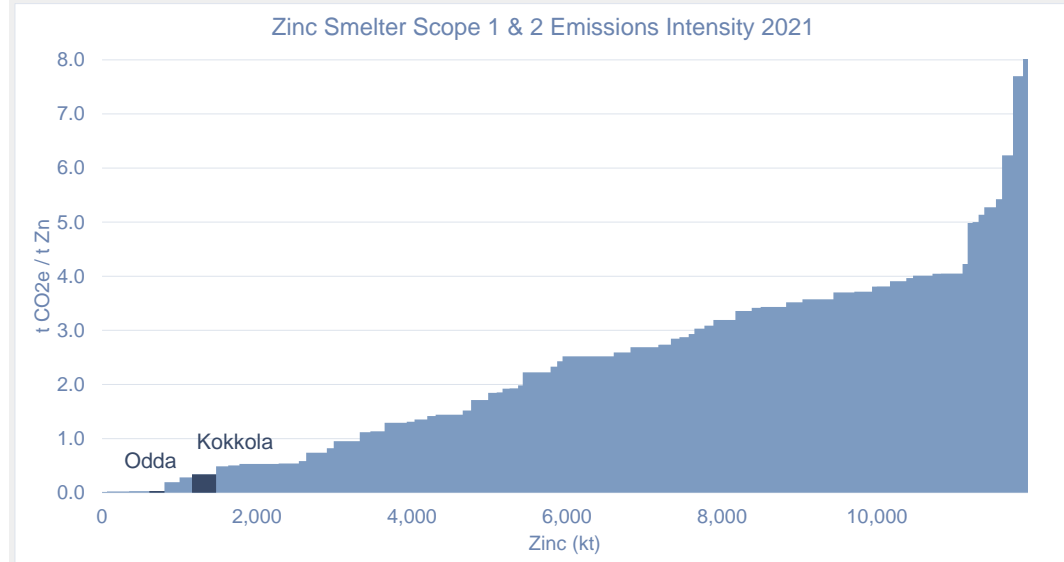
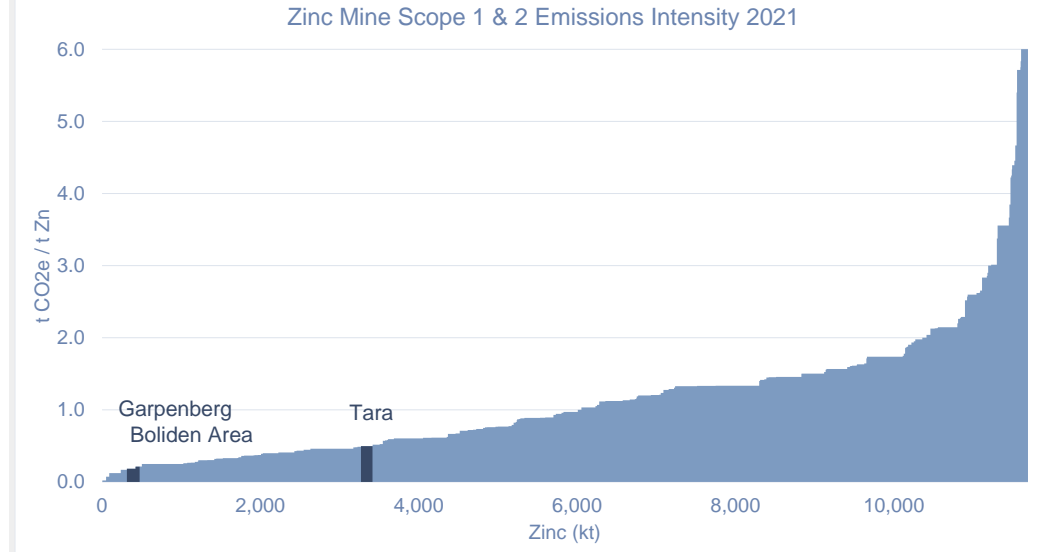
Updated discount rate for Reclamation Reserves

- Discount rate adjusted at year-end 2021
 - Reduced to 0.5 % from 2.0 %
 - Real interest rate (excluding inflation)
 - Reflects current view on forward long-term interest rates
- Q4 2021 financial effects
 - Increased reclamation liability and corresponding asset by 1,2 BSEK
 - EBIT: -40 MSEK* regarding closed operations
- Financial impact going forward
 - Higher annual depreciation by about 60 MSEK
 - Corresponding improvement of financial net

*Total EBIT effect in Q4 2021 of -60 MSEK also includes updated cost estimate of -20 MSEK.

Low Carbon Zinc – Boliden takes the next step

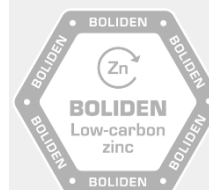
- Zn with a low carbon footprint, verified by third party
- Produced from own zinc concentrate
- All significant emission categories from cradle-to-gate included
- Well positioned compared to global average



Source: Wood Mackenzie Zinc Emissions benchmarking tool

World's first verified Low-Carbon Zinc now available!

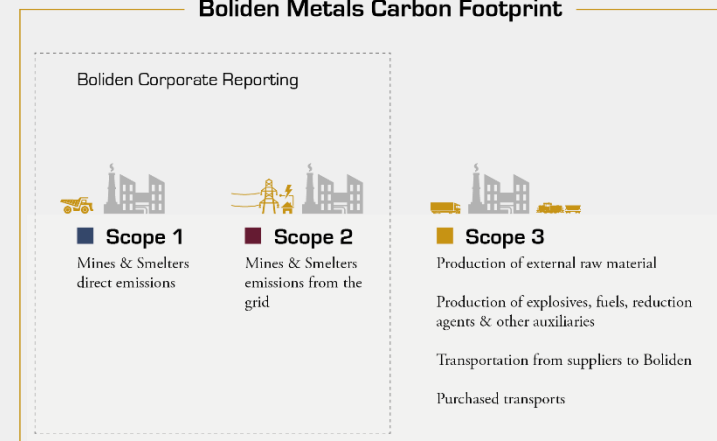
- First contracts signed
 - Agreements with Zinkpower and Everzinc
- First volumes to customers in February 2022
- Boliden invests in more low carbon smelting capacity in Odda
 - Odda 4.0 is commissioning Q4 2024
 - Ramp up during 2025



Boliden Low-Carbon Zinc <1 kg CO₂/kg Zn

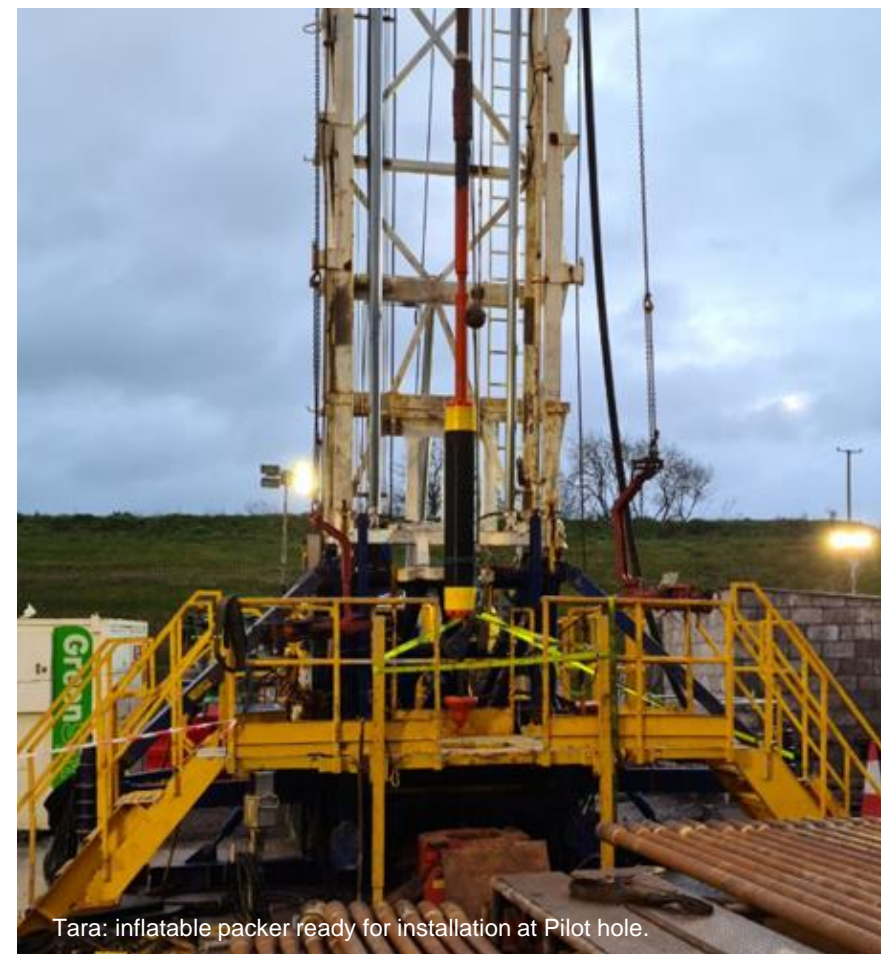
Produced from zinc concentrate mined in our own mines

Boliden Metals Carbon Footprint



Tara Q4 2021 disturbances in production

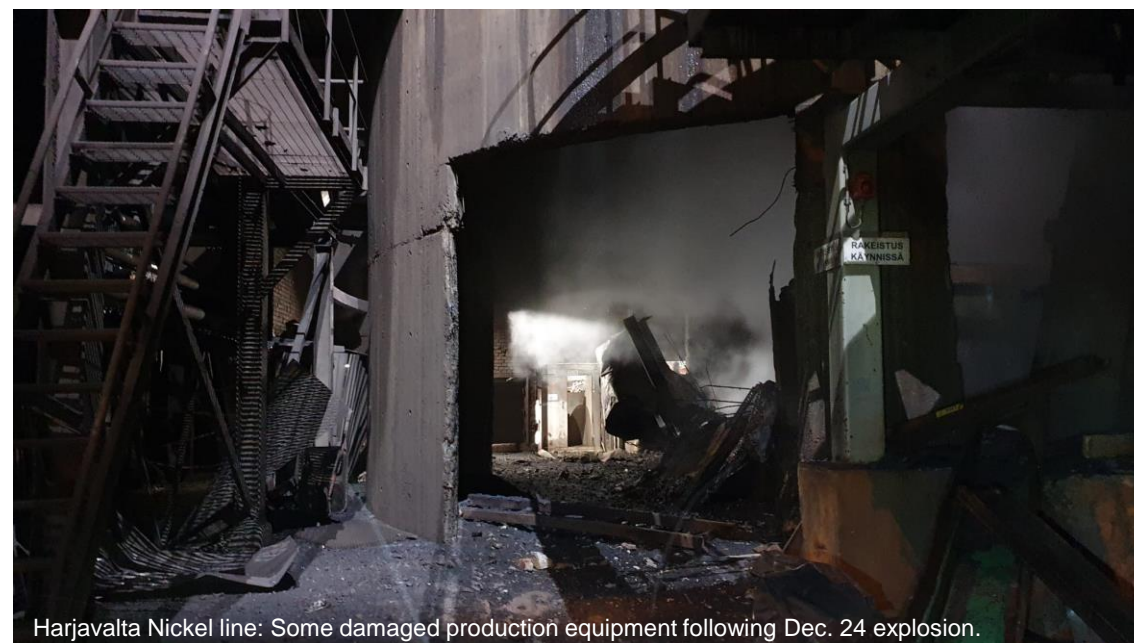
- Water inflow from pilot hole for ventilation shaft, starting Nov. 20
 - Production partially resumed Dec. 10
- Fire in underground conveyor Dec. 27
- 250 MSEK EBIT impact in Q4 2021
- Q1 2022 production at reduced capacity
 - Milled volume ~10 % lower than 2021 average
 - Zn grade ~0.5 percentage point lower than 2021 average
- Normalization during Q2 2022
- Tara Deep – full access to exploration drift during second half of 2022



Tara: inflatable packer ready for installation at Pilot hole.

Harjavalta, Q4 2021 disturbances in production

- Delayed start-up following maintenance stop and expansion
- Explosion in Ni electric furnace slag tapping system on Dec. 24
 - Production resumed Jan. 19, 2022
 - 50 MSEK EBIT impact each in Q4 2021 and Q1 2022



Harjavalta Nickel line: Some damaged production equipment following Dec. 24 explosion.

2022 Capital Markets Day

Boliden's Capital Markets Day 2022 will be held in Stockholm on November 15, followed by a site-visit on November 16.

For more information please contact:
investorrelations@boliden.com

Outlook

- **Aitik**
 - 2022: Cu 0.20 %, Au 0.10 g/tonne
- **Garpenberg**
 - 2022: Zn 3.6 %, Ag 110 g/tonne
- **Kevitsa**
 - 2022: Cu slightly below reserve grade
- **Tara**
 - Q1 2022: Affected by the Q4 2021 water inflow
- **Harjavalta**
 - Q1 2022: -50 MSEK EBIT impact due to Q4 2021 explosion
- **Maintenance shutdowns**
 - 2022: -350 (-560) MSEK
- **Covid-19**
 - High sick leave
- **Inflation pressure**
- **Capex**
 - 2022: slightly above 10 BSEK



This is Boliden

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 2021	Q4 2020	Q3 2021
Debt to credit institutions	5,993	5,951	5,987
Other interest bearing debt	169	203	183
Pensions	1,180	1,159	1,178
Interest bearing assets	-9	-18	-9
Cash	-8,251	-5,060	-6,258
Total	-918	2,236	1,081

Net Payment Capacity

MSEK	Q4 2021	Q4 2020	Q3 2021
Not utilized credit facilities	7,875	7,729	7,855
Cash	8,251	5,060	6,258
Credits with maturity < 1 year	-38	-50	-44
	16,088	12,741	14,069

Loan structure

MSEK	Reported value	of which utilized	Maturity		
			< 1 year	1-5 years	> 5 years
Revolving credit facility	7,875	-	-	-	-
Bilateral loans	5,243	5,243	-	4,902	341
Bonds	750	750	-	750	-
Commercial papers	-	-	-	-	-
Leases, other	169	169	38	131	-
Total		6,162	38	5,783	341

Preliminary priced volumes

Preliminary priced volumes in Mines*

31 Dec 2021

Copper, ktonnes	13.0
Zinc, ktonnes	20.6
Nickel, ktonnes	3.1
Lead, ktonnes	5.1
Silver, kg	48,129
Gold, kg	1,313
Palladium, kg	231
Platinum, kg	345

* Preliminary priced volumes of metal in concentrate in Mines

Q4 2021 Internal profits

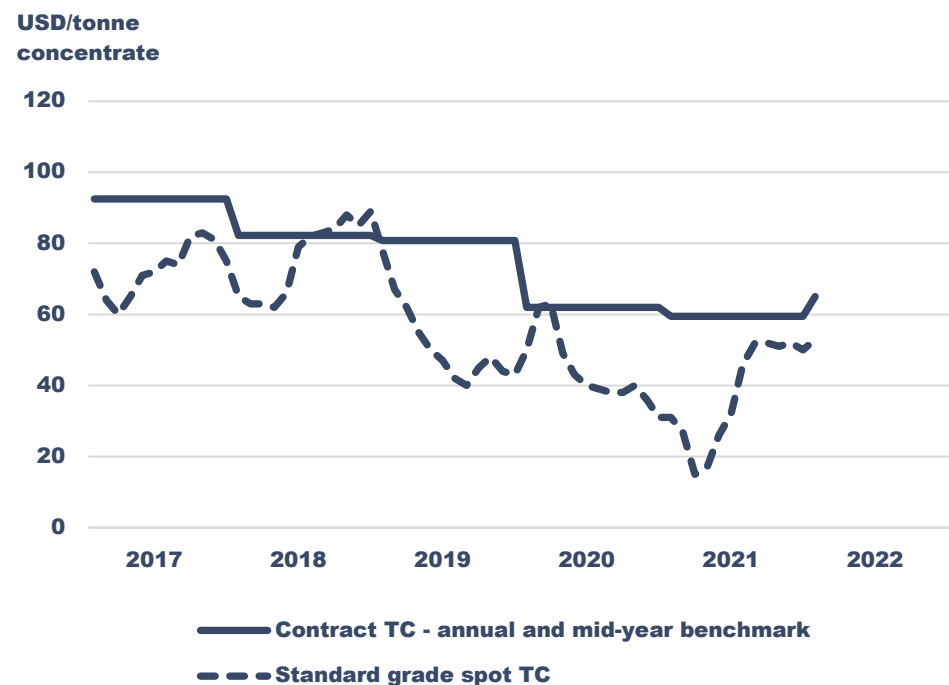
- Relates to timing of revenue recognition
 - Group recognizes revenue when at external sales
 - Mines recognizes revenue at sales to Smelters
- Q4 2021 EBIT impact -660 MSEK
 - 1/3 due to higher inventory volumes
 - 2/3 due to higher prices
- Strong production in Mines, disturbances in Smelters
- High inventories of internal Cu and Ni concentrate
- +10 % change in metal prices corresponds to ca -300 MSEK impact on EBIT* from internal profit adjustment



*One-off EBIT effect, based on current SEK metal prices and average inventory levels and mix

Copper and zinc treatment charges

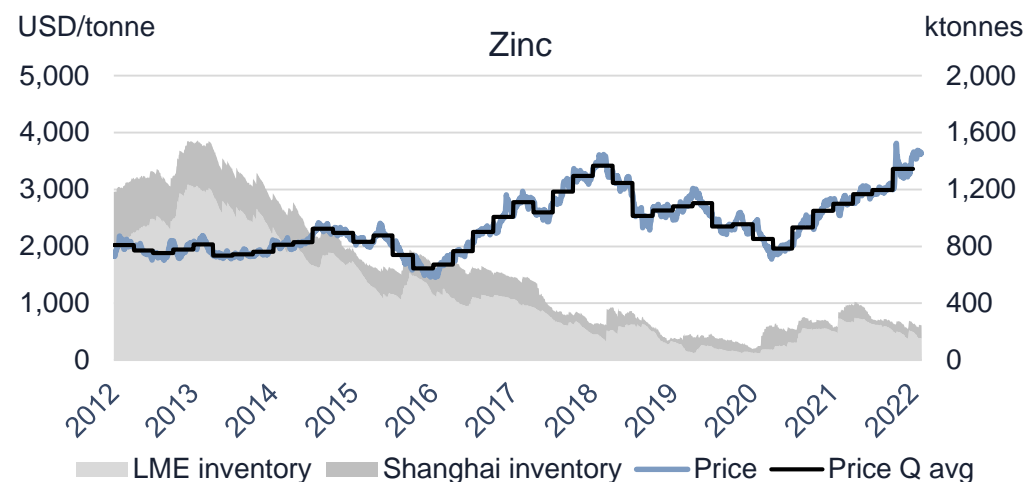
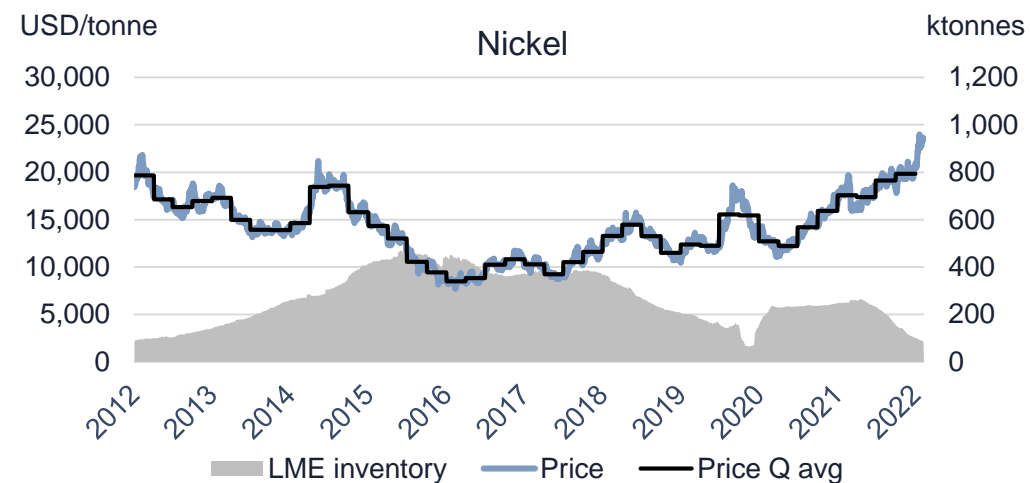
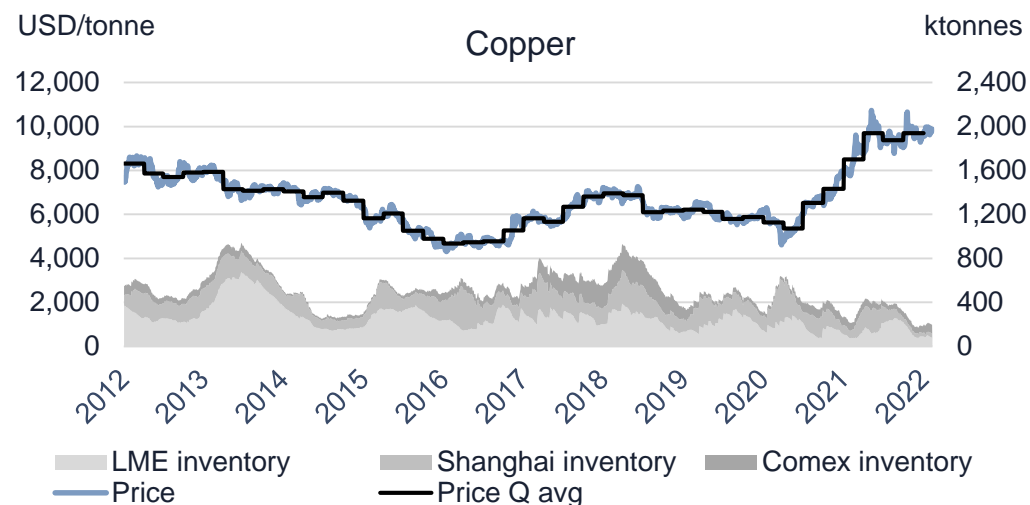
Copper TC



Zinc TC



Base metal prices

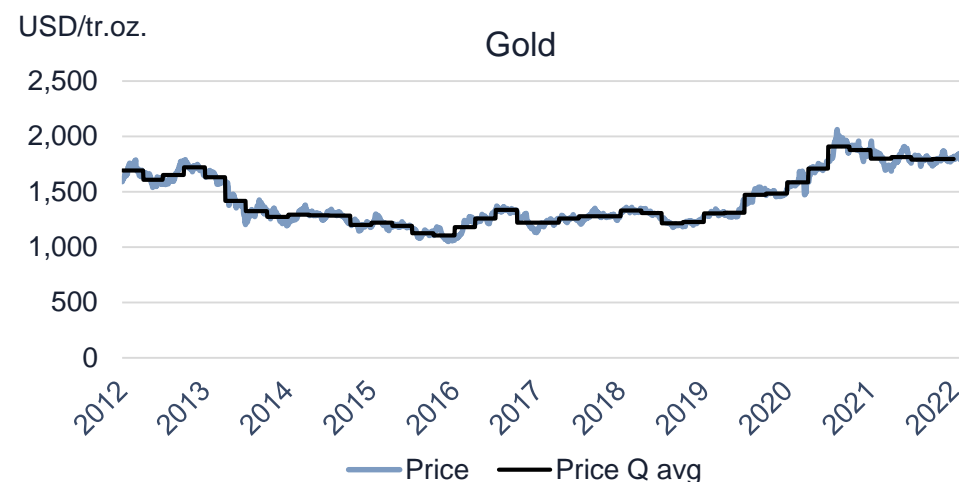
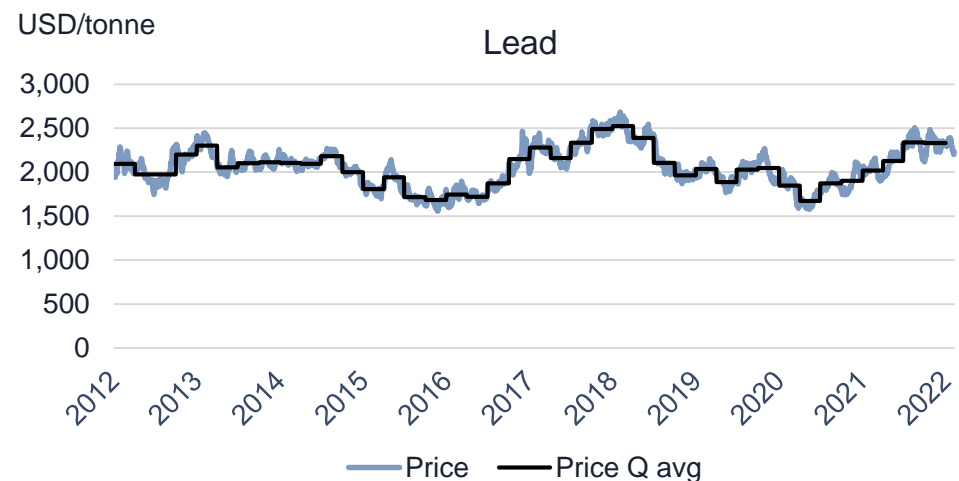


Average price in Q4 2021 vs period

	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Copper	3%	0%	14%	35%
Zinc	12%	15%	22%	28%
Nickel	4%	14%	13%	24%

Source: Refinitiv Datastream February 9, 2022 price data

Gold, silver and lead prices



Average price in Q4 2021 vs period

	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Gold	0%	-1%	0%	-4%
Silver	-4%	-13%	-11%	-4%
Lead	0%	10%	16%	23%

Source: Refinitiv Datastream February 9, 2022 price data

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