

## INFORMATION TO THE SHAREHOLDERS IN BOLIDEN AB (PUBL)

concerning the proposal for a share split and automatic share  
redemption

This year shareholders will receive two payments from Boliden, one of them through an ordinary dividend, the other through a procedure called automatic share redemption.

Both payments are subject to the approval of the Annual General Meeting. No action is required from you in order to receive the two payments. The dividend is automatically distributed to the account your dividends are normally paid to. You will also receive redemption shares in your securities account/nominee account that will be automatically redeemed against payment distributed to the same account as the dividend. You will be able to trade in the redemption share during a limited period of time at Nasdaq Stockholm, but such trading is optional.

**Please observe that the automatic share redemption procedure may result in an obligation for you to declare the redemption or sale of redemption shares in your tax return next year, please see pages 4-5 for more information.**

This brochure contains further information on how the redemption procedure is carried out and what it means for you as a shareholder. Please save this brochure for your tax return next year, 2022.

2021

## BRIEF DESCRIPTION OF THE REDEMPTION PROCEDURE

The Annual General Meeting in Boliden AB on April 27, 2021 is proposed to resolve on a share split and redemption of shares.

As a result of the proposal, each share in Boliden will be split into two, one of which will be a redemption share. On the shareholders' securities accounts/nominee accounts, the redemption shares will be referred to as BOL IL.

The redemption shares will be traded on Nasdaq Stockholm from and including May 10, 2021 up to and including May 31, 2021. All redemption shares will then automatically be redeemed for SEK 6 per share, on or about June 7, 2021.

Payment will be made through Euroclear Sweden AB ("Euroclear") into the yield account linked to your securities account/nominee account, if your shares are directly registered. Nominee-registered shareholdings will be processed in accordance with each nominee's routines.

The Annual General Meeting resolves on the proposed share split and redemption of shares	<b>April 27, 2021</b>
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Last day of trading in the Boliden share before share split and including the right to receive redemption share	<b>May 5, 2021</b>
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Record date for share split and receipt of redemption shares	<b>May 7, 2021</b>
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Trading in redemption shares	<b>May 10 – May 31, 2021</b>
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Payment of redemption amount, on or about	<b>June 7, 2021</b>
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Any obligation to declare sale or redemption of redemption shares	<b>2022 (in the tax return for the income year 2021)</b>
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### **THE REDEMPTION PROCEDURE REQUIRES THE FOLLOWING RESOLUTIONS BY THE ANNUAL GENERAL MEETING 2021:**

- Split of each share into two shares, one of which will be a redemption share.
- Reduction of the share capital by redemption of the redemption shares.
- Increase of the share capital by way of a bonus issue.

### **SHARE INFORMATION**

ISIN-code for redemption shares	SE0015811567
Ticker for redemption shares	BOL IL
New ISIN-code for ordinary shares	SE0015811559

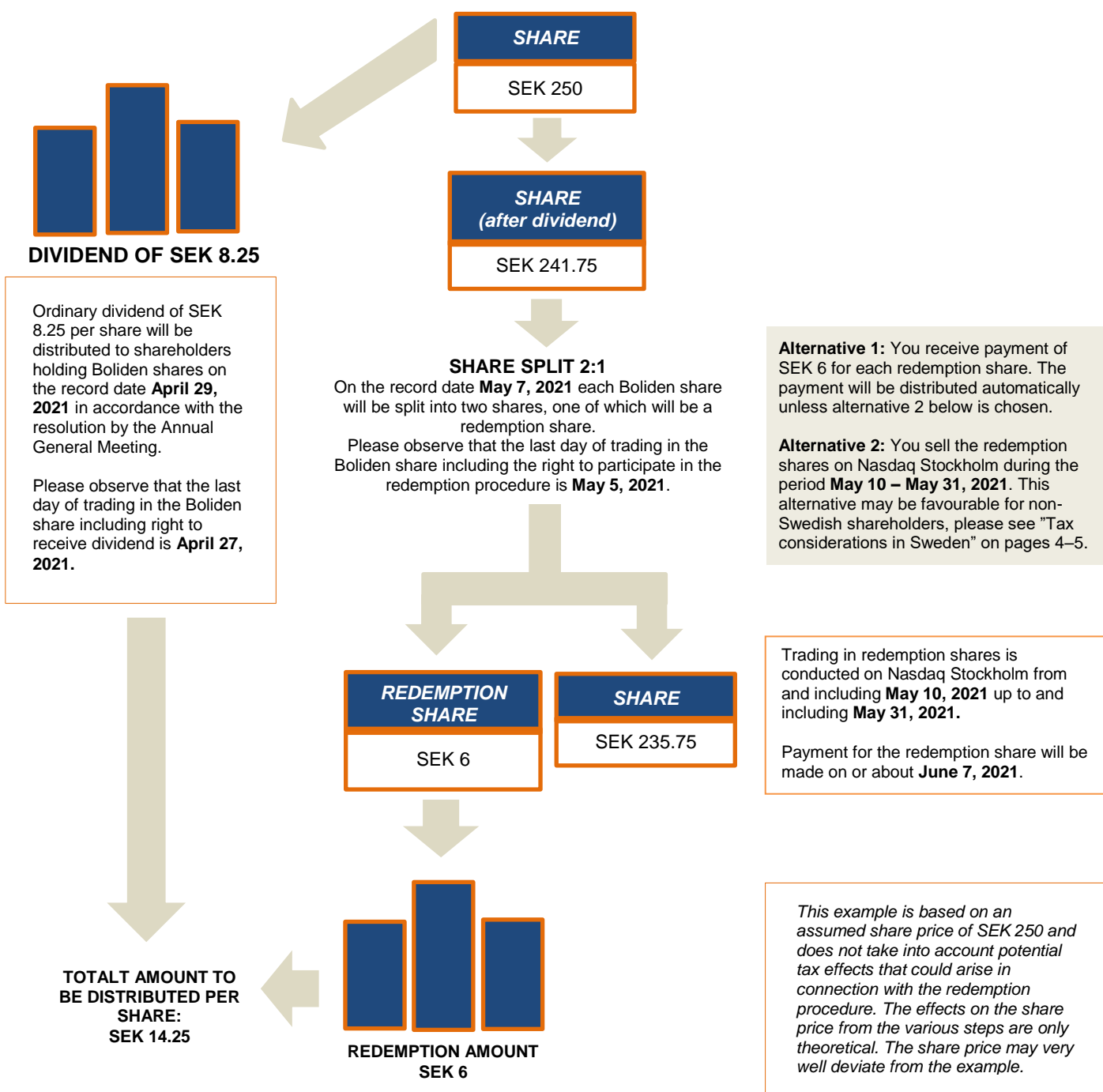
# THE REDEMPTION PROCEDURE STEP BY STEP

## EXAMPLE:

Assume that you have 100 shares in Boliden, that the share is traded at SEK 250 on the market and that your shares consequently are valued at SEK 25,000. First, on each share an ordinary dividend of SEK 8.25 is paid. Through the share split and redemption procedure, each share is then split into two shares, one of which is a redemption share valued at SEK 6. After the dividend and the share split, the theoretical price of the Boliden share will then be SEK 235.75 (250 - 8.25 - 6). You can keep the redemption share until it is redeemed, or sell it during the trading period. You will eventually have:

- 100 shares in Boliden x SEK 235.75 = SEK 23,575
- Dividend from 100 shares in Boliden x SEK 8.25 = SEK 825
- Cash payment for 100 redemption shares x SEK 6 = SEK 600

This means that you have the same number of Boliden shares before as after the redemption procedure (100) and that you have received cash payments totalling SEK 1,425 (SEK 6 for each redemption share and SEK 8.25 for each share through the ordinary dividend).



## TIMETABLE FOR SHARE SPLIT AND REDEMPTION OF SHARES

ACTION	DATE 2021	PLEASE NOTE THAT
Annual General Meeting in Boliden. Resolution on share split and redemption of shares.	April 27	Any person who wishes to participate in the Annual General Meeting must be recorded as a shareholder in the share register prepared as of April 19, 2021, and must notify the Company of the intent to participate by casting the postal votes no later than April 26, 2021.  <i>Please see the convening notice for further information.</i>
Last day of trading in the Boliden share before share split and including the right to receive redemption shares.	May 5	This is the last day to buy Boliden shares with the right to participate in the redemption procedure.
First day of trading in the Boliden share following the share split, excluding the right to receive redemption shares.	May 6	Shares purchased as from this day will not entitle to participate in the redemption procedure. As from this day the Boliden share is traded at a new share price (after the share split).
Record date for share split and for receipt of redemption shares.	May 7	Each Boliden share held by the shareholders this day will be split into two shares, one of which will be a redemption share.
First day of trading in redemption shares.	May 10	The redemption share is booked into the shareholders' securities account.
Last day of trading in redemption shares.	May 31	Last day for sale or purchase of redemption shares on Nasdaq Stockholm.
Record date for redemption.	June 2	Shareholders holding redemption shares this day will automatically receive the redemption amount.
Payment of redemption amount.	On or about June 7	The redemption amount will be distributed through Euroclear into the yield account linked to the securities account, for shareholders with securities accounts directly registered with Euroclear.  Payments with respect to nominee-registered shareholdings will be processed in accordance with each nominee's routines.
Declaration of redemption or sale of redemption shares	2022 (in the tax return for the income year 2021)	Please see the summary of tax considerations, pages 4-5.



## TAX CONSIDERATIONS IN SWEDEN

Below is a summary of certain Swedish tax regulations relevant to shareholders in Boliden as a result of the redemption procedure.

### TAX CONSIDERATIONS FOR SHAREHOLDERS IN SWEDEN

#### RECEIPT OF REDEMPTION SHARES

The receipt of redemption shares in connection with a share split does not as such give rise to any taxation. Instead, the acquisition cost of the original Boliden shares will be allocated between the redemption shares and the ordinary shares after the share split. The allocation will be carried out based on the market values of the redemption shares and the ordinary shares, respectively, at the time of the share split and the separation of the redemption shares from the original shares. Boliden will seek recommendations from the Swedish Tax Agency on how this allocation should be carried out. The Swedish Tax Agency's recommendations will then be published on Boliden's website ([www.boliden.com](http://www.boliden.com)) and on the Swedish Tax Agency's website ([www.skatteverket.se](http://www.skatteverket.se)), ahead of the tax return for the income year 2021.

#### REDEMPTION AND SALE OF REDEMPTION SHARES

Redemption of shares and sale of redemption shares normally gives rise to capital gains taxation. A capital gain or capital loss is calculated as the difference between the payment received, after deduction of any sales costs, and the tax basis. The payment received for redeemed shares is the redemption amount. For shares sold in the market, the payment received is the sales price.

The tax basis for redemption shares that are received through the share split is calculated by allocating the acquisition cost as described above under the heading "Receipt of redemption shares". The tax basis of shares acquired in the market is the actual acquisition cost for the shares. The tax basis of all shares "of the same series and type" are added together and calculated collectively in accordance with the "average cost method". It should be noted that the redemption shares are not considered to be of the same series and type as the ordinary Boliden shares. For listed shares, the tax basis may alternatively be determined in accordance with a notional method (Sw. *schablonmetoden*) to 20% of the sales price after deduction of sales costs.

For **individuals**, **capital gains** are taxed as capital income. The tax rate is 30%. **Capital losses** on listed shares are fully deductible against taxable capital gains during the same year on shares and other equity-related listed securities except for units in Swedish investment funds that consist solely of Swedish receivables (Sw. *räntefonder*). Capital losses on shares that cannot be offset in this way are to 70% deductible against other income from capital. If there is an overall deficit of capital income, a reduction of tax on income from employment and business operations, as well as real estate tax and municipal property charges, is allowed. A tax reduction of 30% is allowed for deficits that do not exceed SEK 100,000 and of 21% as regards any remaining deficit.

Deficits cannot be carried forward to subsequent fiscal years. If the redemption shares are held through an investment savings account (Sw. *investeringssparkonto*), special rules on notional taxation apply instead of the rules described above.

For **limited liability companies**, **capital gains** on shares that are not deemed to be held for "business purposes" are taxed as income from business operations at a tax rate of 20.6%. Deductible **capital losses** on shares and other equity-related securities may normally be offset only against taxable capital gains on shares and other equity-related securities. However, if certain conditions are met, such capital losses may be offset against capital gains in other companies within the same corporate group, provided that the requirements for group contributions (Sw. *koncernbidrag*) are met. A capital loss that cannot be utilised during a given year may be carried forward and be utilised against eligible capital gains in subsequent fiscal years.

#### EXAMPLE

Assume that you have 100 Boliden shares as follows:

- You have an average acquisition cost of SEK 200 per share prior to the share split (for example, you bought 50 shares for SEK 190 per share and 50 shares for SEK 210 per share).
- The trading price at the time of the share split is SEK 250.
- The trading price of the redemption share is SEK 6.

Assume that the Swedish Tax Agency in its recommendations will determine that 2.4% (6/250) of the acquisition cost for one original share shall be allocated to the redemption share received, and that the remaining 97.6% shall be allocated to the ordinary share:

- The acquisition cost for the redemption share will then be SEK 4.80 (2.4% of SEK 200).
- The acquisition cost for the ordinary share will be SEK 195.20 per share (97.6% of SEK 200).

**Thus, when the redemption shares are redeemed or sold this will result in a capital gain of  $(6 \times 100) - (4.8 \times 100) = \text{SEK } 120$ .**

**CERTAIN TAX CONSIDERATIONS FOR SHAREHOLDERS OUTSIDE SWEDEN**

For shareholders who are not tax resident in Sweden, the redemption of shares is treated as a dividend, which means that Swedish withholding tax is normally imposed on the received redemption amount. The withholding tax rate is 30% but is usually reduced under tax treaties between Sweden and other countries. The withholding tax is normally deducted by Euroclear or, in the case of nominee-registered shares, by the nominee. Swedish withholding tax is imposed regardless of whether redemption shares have been received through the share split or have been acquired in the market. However, a refund of such part of the withholding tax that is referable to the shareholder's acquisition cost for the shares or, provided that the shares are listed, 20% of the redemption amount, may be obtained if a request for a refund is filed with the Swedish Tax Agency. The acquisition cost is usually allocated between the redemption shares and the ordinary shares as mentioned in the example on the previous page. A request for a refund must be made in writing and be submitted to the Swedish Tax Agency no later than during the fifth calendar year following the redemption payment.

For shareholders that are legal entities resident within the EU, there is normally no Swedish withholding tax if the shareholder holds 10% or more of the capital in the company whose shares are redeemed, provided that certain conditions are met.

Shareholders not tax resident in Sweden and who are not conducting business operations from a permanent establishment in Sweden are generally not subject to capital gains taxation in Sweden on the sale of shares. However, such shareholders may be liable for tax in their country of residence. Under a specific rule, individuals that are not tax resident in Sweden may be subject to capital gains taxation in Sweden on the sale of Swedish shares if they have been resident or lived permanently in Sweden at any time during the year of the sale or the ten calendar years immediately preceding the year of the sale. However, the application of this rule may be limited by tax treaties between Sweden and other countries.

**IT SHOULD BE NOTED THAT NORMALLY NO SWEDISH WITHHOLDING TAX IS IMPOSED IF THE REDEMPTION SHARES ARE SOLD ON NASDAQ STOCKHOLM.**

*The summary of Swedish tax considerations is based on regulations and practice currently in force and is intended as general information only for shareholders in Boliden. The summary does not cover situations in which securities are held as current assets in business operations or are held by partnerships. Neither does it cover the special tax regulations that apply to certain corporate categories, nor the rules on tax-exempt capital gains (including non deductibility in the event of capital losses) and dividends on shares considered to be held for "business purposes". Nor does the summary cover the special rules that may apply to holdings in companies that have previously been closely-held companies or to shares that have been acquired based on such a holding. Shares held in a so called investment savings account (Sw. investeringssparkonto) and that are subject to special rules on notional taxation are not covered by the summary. For shareholders that are not tax resident in Sweden, regulations in the shareholder's country of residence and in tax treaties between Sweden and other states may also have an impact on the tax consequences.*

**The tax implications for each shareholder depend on the shareholder's specific circumstances. Each shareholder should thus consult a tax adviser for information on the specific tax consequences that may arise in the individual case.**



## QUESTIONS AND ANSWERS

### concerning the share split and redemption procedure

#### What are the consequences of the share split and redemption procedure for me as a shareholder?

Assuming that the Annual General Meeting resolves on a share split and redemption of shares in accordance with the Board of Directors' proposal, each Boliden share will be split into two shares, one of which will be a redemption share that automatically will be redeemed for SEK 6. The redemption procedure may result in an obligation for you to declare the sale or redemption of redemption shares next year, 2022, in the tax return for the income year 2021.

#### When will I receive the redemption shares?

The redemption shares are booked into your securities account/nominee account after the record date on May 7, 2021. The shareholders will receive a VP-notice as confirmation of the number of redemption shares received. On the shareholders' securities accounts/nominee accounts the redemption share will be referred to as BOL IL.

#### When will the payment in the redemption procedure be distributed?

All redemption shares will automatically be redeemed for SEK 6 per share, which will be paid on or about June 7, 2021. The redemption amount will be distributed through Euroclear into the yield account linked to your securities account/nominee account. A VP-notice will be sent to confirm the payment. In connection with the payment, the redemption shares will be removed from the shareholders' securities account/nominee account (no VP-notice will be sent).

Shareholders who wish to receive payment earlier may choose to sell their redemption shares on Nasdaq Stockholm during the period from and including May 10, 2021 up to and including May 31, 2021, at the prevailing market price.

#### Why does Boliden propose a share redemption procedure?

Boliden has generated substantial cash flows and the financial position is strong. The Board has proposed that the Annual General Meeting resolves on an automatic share redemption, which will not jeopardise the ability to handle any deterioration in market terms nor the ability to finance additional growth.

#### Why does Boliden not propose an additional dividend instead?

Dividend to the shareholders is paid annually in accordance with Boliden's dividend policy, under which the dividend shall amount to about one third of the profit after tax. Redemption of shares is an additional measure taken to adjust Boliden's capital structure. Compared to a dividend, redemption of shares may, from a taxation point of view, be of advantage to certain shareholders.

#### Why does not Boliden instead repurchase shares over the market?

The objective is to distribute capital to the Company's shareholders and it is important that each shareholder receives its share of the distributed amount. This cannot be achieved by way of repurchase of shares over the market,

where only the shareholders who choose to sell their shares will participate.

#### What are the majority requirements for the decision by the Annual General Meeting?

The decision must be supported by shareholders holding at least two-thirds of the votes cast and the shares represented at the Annual General Meeting

#### What are my options in connection with the redemption procedure?

You can choose either to:

1. do nothing. You will then automatically receive SEK 6 per share for your redemption shares when these are redeemed, or to
2. sell all or some of your redemption shares on Nasdaq Stockholm during the period from and including May 10, 2021 up to and including May 31, 2021.

#### Do I need to do anything now, or later on?

The redemption procedure is fully automatic and requires no action from you as a shareholder. If you take no action you will automatically receive SEK 6 per share when the redemption shares are redeemed.

#### What are the tax consequences for me as a Swedish shareholder upon redemption of the redemption shares?

If you are tax resident in Sweden, you must report the redemption of the redemption shares as a sale of shares, see "Tax considerations in Sweden" on pages 4–5.

A capital gain or capital loss is calculated, which means that you may deduct part of the acquisition cost for the original share from the redemption amount.

#### What are the tax consequences for me as a Swedish shareholder upon a sale (disposal) of redemption shares?

The tax consequences are the same as for redemption of shares. Please see the answer to the previous question.

#### What are the tax consequences for me as a non-Swedish shareholder upon redemption of redemption shares?

If you are not tax resident in Sweden and you participate in the redemption procedure and your shares are redeemed, you are normally subject to Swedish withholding tax, please see "Tax considerations in Sweden" on pages 4–5. Withholding tax will thus be withheld in connection with the payment of the redemption amount.

#### What are the tax consequences for me as a non-Swedish shareholder upon a sale of the redemption shares?

No Swedish withholding tax is imposed if the redemption shares are sold in the market, please see "Tax considerations in Sweden" on pages 4–5.

#### Are there advantages of selling or keeping the redemption shares?

If you are not tax resident in Sweden there may be tax related advantages in selling your redemption shares. Please see "Tax considerations in Sweden" on pages 4–5.

## FINANCIAL EFFECTS OF THE REDEMPTION PROCEDURE

Should the Annual General Meeting resolve on the automatic share redemption, approximately SEK 1,641 m will be distributed through the procedure to the shareholders in Boliden. The financial information below does not take into account the proposed dividend of SEK 8.25 per share.

### Financial effects on Boliden:

- Shareholders' equity will be reduced by approximately SEK 1,641 m.
- Net debt, that is interest-bearing current liabilities and long-term liabilities (including pension liabilities) minus financial assets (including liquid assets), will increase by approximately SEK 1,641 m.

### Changes in shareholders' equity and number of shares in the Boliden Group, per March 31, 2021

	Before the transaction	Share split 2:1	Effect of share redemption	Effect of bonus issue	After the transaction
Shareholders' equity, SEK m	45,625*	45,625*	- 1,641		43,984*
Share capital, SEK m	579	579	- 289	289	579
Shares outstanding	273,511,169	547,022,338	- 273,511,169		273,511,169

\* Based on calculations of shareholders' equity per December 31, 2020

## BACKGROUND AND REASONS

Boliden has generated substantial cash flows and the financial position is strong. The Board proposes that the Annual General Meeting resolves on an automatic share redemption, which will not jeopardise the ability to handle any deterioration in market terms nor the ability to finance additional growth. Through this, each existing share is split into two shares (share split 2:1), one of which will automatically be redeemed at SEK 6. In addition to the proposed dividend of approximately SEK 2,256 million, an amount of approximately SEK 1,641 million will be distributed to the shareholders through this procedure. The dividend and the redemption will combined amount to a total of approximately SEK 3,898 million or SEK 14.25 per share. To achieve a quick and efficient redemption procedure the Board further proposes that the Company's share capital is restored to its current amount by means of a bonus issue.

Stockholm, April 6, 2021

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*This document does not constitute an offer but contains information on the Board of Directors' of Boliden AB (publ) ("Boliden" or the "Company") proposal of a share split and capital distribution to the shareholders in Boliden through an automatic share redemption. The purpose of this document is to provide the shareholders in Boliden with information before the Annual General Meeting on April 27, 2021 which is proposed to resolve on the procedure. The document is not a prospectus under the Prospectus Regulation EC 2017/1129 or any other regulation.*

*This information brochure is not intended for shareholders whose participation in the redemption procedure requires additional information or the implementation of registration measures or other measures beyond those required by Swedish law. This document may not be distributed to countries requiring additional information or measures pursuant to the preceding sentence or to countries in which distribution would conflict with applicable regulations. It is the responsibility of each individual to observe the restrictions according to non-Swedish law. The Board of Directors' complete proposal, which includes, share split, reduction of the share capital and the restoring of the share capital through a bonus issue, is stated in the notice convening the Annual General Meeting which is available at the Company and on the Company's website, www.boliden.com, and will be sent to those shareholders who request this and state their address.*

*This document is a translation of the Swedish version. In the event of any discrepancies between this translation and the Swedish version, the Swedish version shall prevail.*