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# Metals for generations to come

## Capital Markets Update 2024

Mikael Staffas, President and CEO

Håkan Gabrielsson, Executive Vice President and CFO

March 18, 2024

# Agenda

- Investing in long-term sustainable profitability  
Mikael Staffas, CEO
- Generating healthy financials over the cycle  
Håkan Gabrielsson, CFO
- Expanding low-carbon product portfolio  
Mikael Staffas, CEO
- Q&A

## Questions & Answers procedure

- Presentations and Q & A instructions are available at [www.boliden.com](http://www.boliden.com)
- Please ask maximum two questions per person
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- Questions are visible only to the moderator, who will address them to the presenters

# Investing in long-term sustainable profitability

Mikael Staffas, CEO

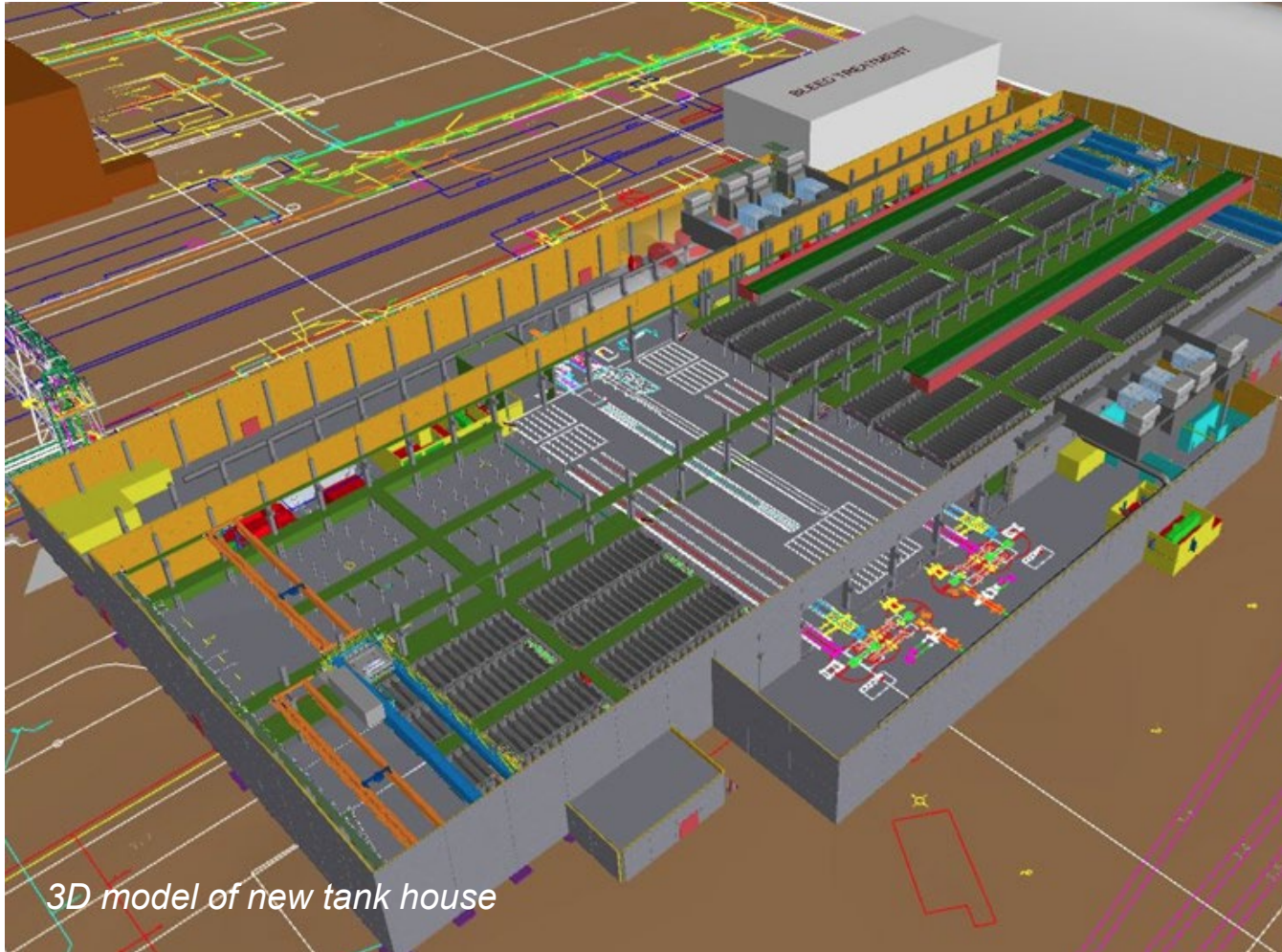


# New tank house in Rönnskär



- Annual cathode production capacity of 230 ktonnes
- Capex SEK 4.8 billion
  - Main capex spend in 2025 and 2026
  - Partially funded by insurance proceeds
- Timeline
  - Construction start: May 2024
  - Ramp-up: H2 2026
- Scalability
  - The design and construction of the facility enables efficient expansion of production capacity in the future

# New tank house in Rönnskär



*3D model of new tank house*

- State-of-the-art production facility
- Annual EBIT increase by SEK 1 billion compared to anode sales
- Strong financial returns
  - IRR significantly above Boliden's hurdle rate

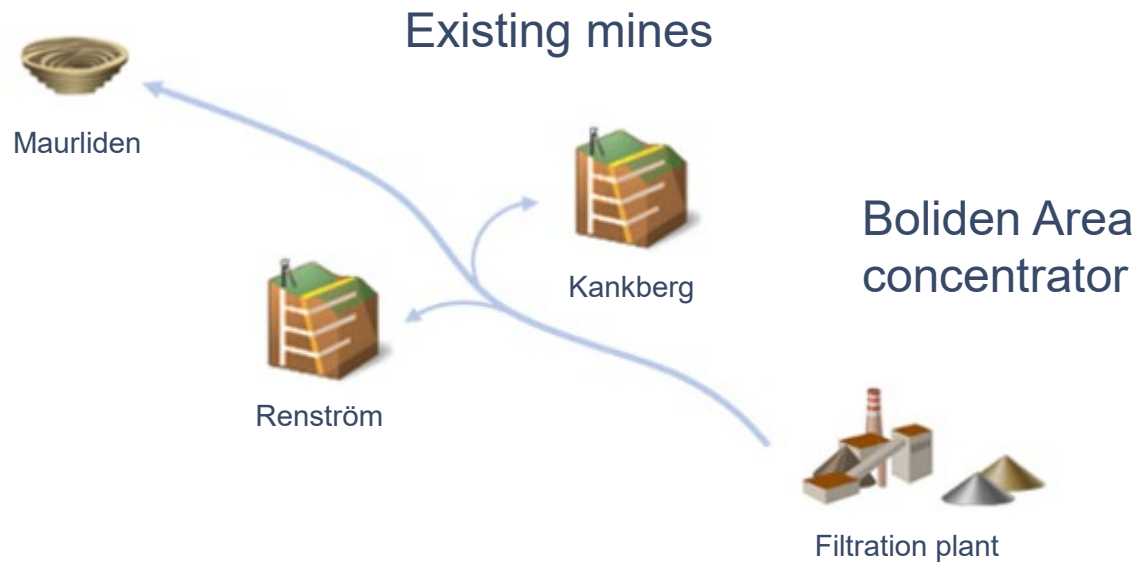
# Prolonged lifespan in the Boliden Area

- Existing tailings capacity only until late 2020s
- Project extends capacity until late 2030s
- Paste used as backfill
- Improved environmental performance
- Capex SEK 2.5 billion from 2024 to 2026



# Boliden Area Paste project

Closed mine



- Filtration plant next to the concentrator
- Paste mixing stations in Maurliden, Renström and Kankberg
- Transport dewatered sand out to the mines and use binder to create paste
- Application for environmental permit to be submitted
- Opens possibilities for future further back-filling and/or dry stacking

# Odda expansion



- Ramp-up during Q4 2024
- Increased Capex from EUR 850 m to EUR 950 m
  - Underestimation of complexity of the integration between new and existing facilities
  - Increased costs related to delayed deliveries of certain key components



# Odda expansion

- Improved annual run-rate EBITDA of EUR ~150 m\*
  - Operating cost reduction
    - Economies of scale
    - Automation and digitalization
    - New hydropower agreement
  - Odda Leach Product
    - 40 Ktonnes new leach product/year
    - Metal content: Pb 10 Ktonnes, Ag 50 tonnes, Au 400 kg
- Maintenance capex savings



\*At Odda average feed and Boliden long-term price assumptions

# Aitik dam project

1. Production within existing infrastructure prolonged from Q2 2024 to Q2 2025

2. New infrastructure well underway

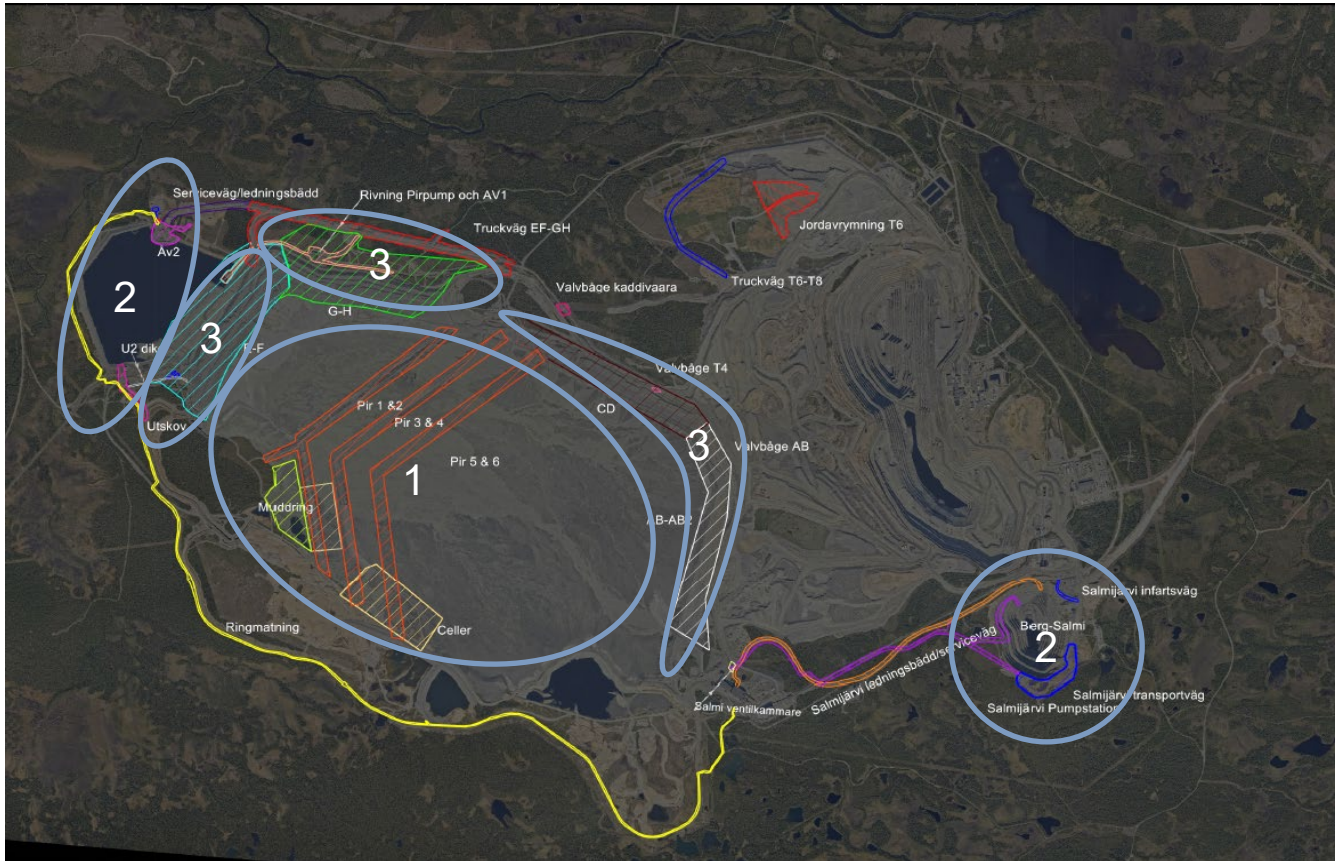
- Commissioning of new pump station for water recycling completed
- Dismantling of old pump station started
- Salmijärvi pump station under construction, to be commissioned end of 2024

3. Dam reinforcement

- Dam AB and CD completed
- Dam E-F ongoing ~70% completed
- Dam G-H shear key ongoing
- In total 21 Mtonnes of 39 Mtonnes in place

Project progress

- Plan to be finished end of December 2024
- Capex forecast of SEK 5 billion



# Kristineberg expansion

- Project on time and on budget
- Ore production started Q4 2023
- Ventilation including heat exchanger in operation
- Water treatment plant commissioned
- State-of-the-art electrification infrastructure
  - Planned commissioning Q1 2025

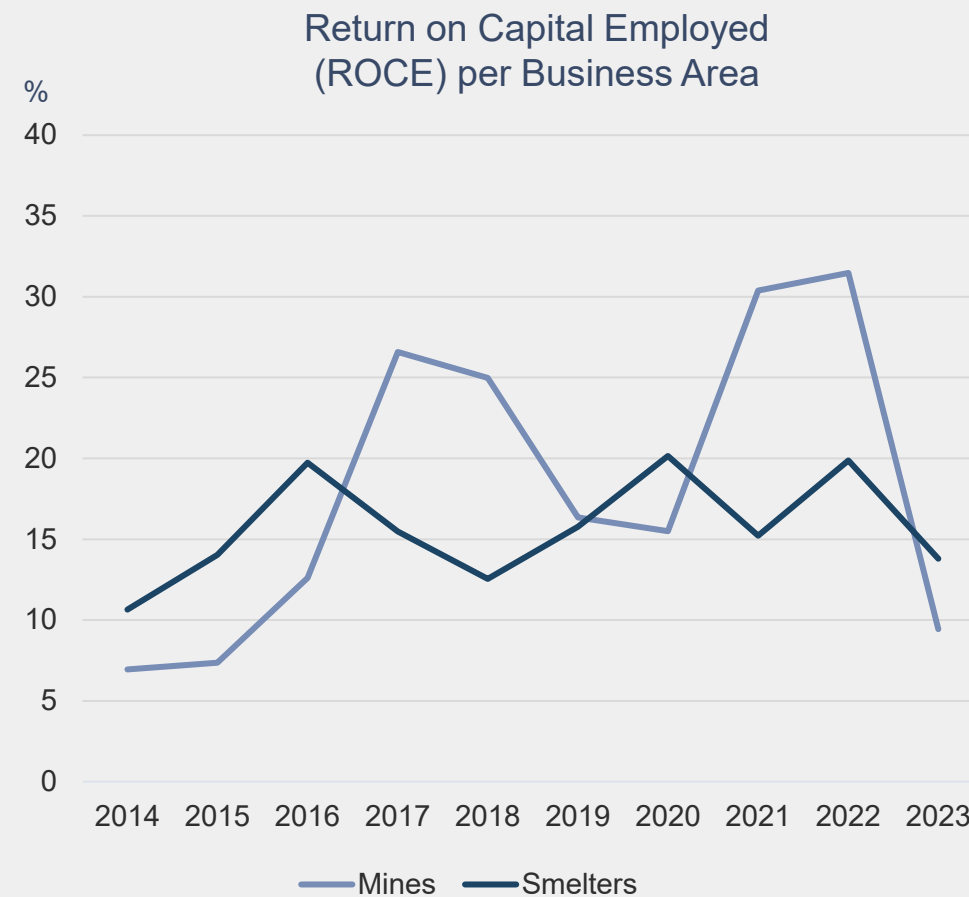
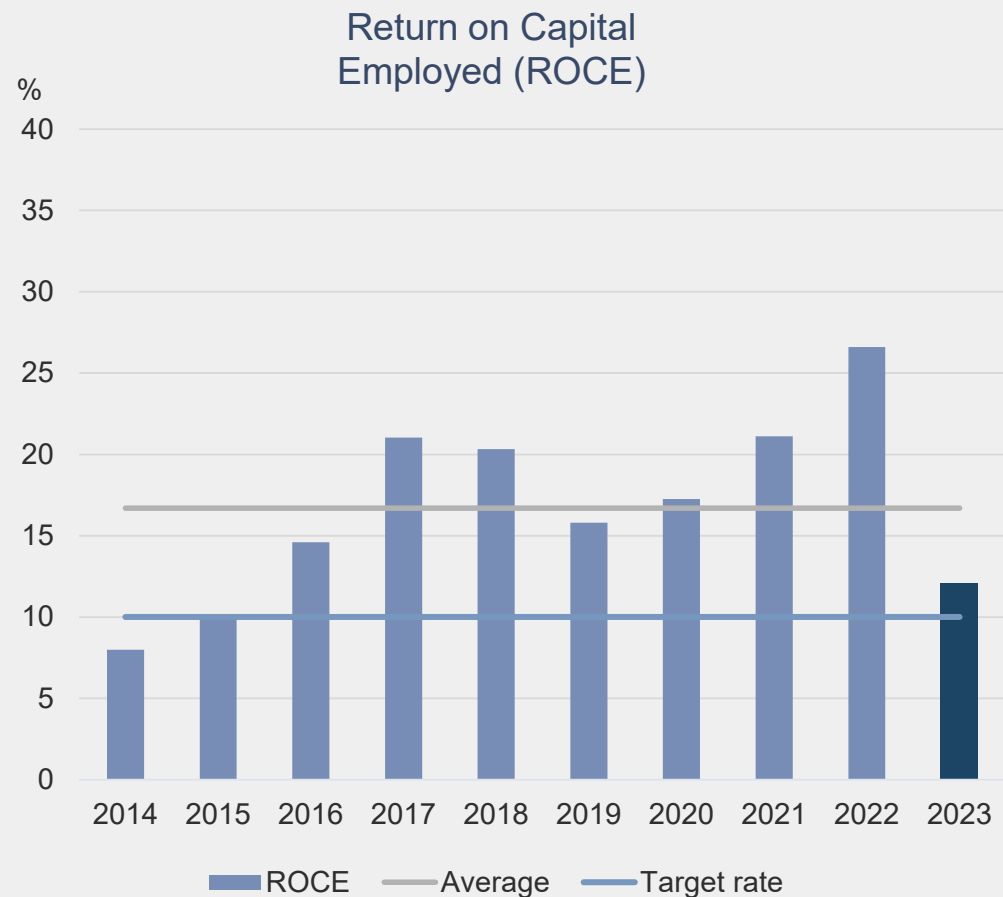


*Autonomous electric loader on trial at Kristineberg*

# Generating healthy financials over the cycle

Håkan Gabrielsson, CFO

# Continuously healthy return on invested capital



# SEK 15.5 billion capital expenditure – key elements

## Mine sustaining

- SEK 4.5 billion in 2024
  - Excluding dam project in Aitik
  
- Stripping, development and successive raising of dams

## Replacement

- SEK 2.5 billion in 2024
  - Excluding Rönnskär tank house
  
- ~ 50% in each Business Area
  
- Some flexibility in timing
  
- Positive impact on Boliden CO<sub>2</sub> performance

# SEK 15.5 billion capital expenditure – key elements

## Stay in business capex

- SEK 0.5 billion in 2024
- Foundation to extend and develop business
  - Efficiency investments
  - Capabilities to treat complex raw materials
  - Sustainability and Boliden CO<sub>2</sub> targets
- Driven by financial return and market requirements

## Expansions and strategic projects

- Total of SEK 8.0 billion in 2024
  - Odda, Aitik dam and Kristineberg SEK 6.5 billion
  - New projects: Rönnskär tank house and Boliden Area extension SEK 1.5 billion
  - Foundation for long-term sustainable profitability

# Strategic capex projects peaking in 2024

## 2024

- Odda, Aitik and Kristineberg SEK ~ 6.5 billion
  - Half of Odda's cost overrun taken already 2023
- New projects in Rönnskär and Boliden Area SEK ~ 1.5 billion

## 2025

- Full guidance will be communicated in connection to Q3 report
- Odda, Aitik and Kristineberg SEK < 0.5 billion
- New projects in Rönnskär and Boliden Area SEK ~ 3.5 billion
- Increased mine sustaining capex in Aitik (dam raises) SEK ~ 0.5 billion



# Insurance Rönnskär

- Insurance covering equipment and business interruption capped at SEK 3.4 billion
- Good progress in discussion with insurers
- Insurance revenues will be recorded in the income statement (taxable)
- Cashflow distributed over time



# Recap of Q4 2023 vs. Q1 2024

## Q4 2023

- P/L effect from inventory release: SEK +200 m
- Insurance Tara: SEK +180 m
- Restructuring Smelters: SEK -60 m
- Disturbances Aitik: SEK -200 m

## Q1 2024

- Extreme winter conditions: SEK -100 m
- Strikes in Finland: SEK -400 m
- Increased depreciation reclamation assets (Nov 2023 press release): SEK -50 m



# Outlook 2024



## Aitik

- 2024: Cu 0.17%, Au 0.08 g/tonne

## Garpenberg

- 2024: Zn 3.5%, Ag 100 g/tonne

## Kevitsa

- 2024: Cu 0.28%, Ni 0.20%

## Tara

- Care and maintenance cost: EBIT EUR -13 m/quarter

## Maintenance shutdowns

- 2024: SEK -400 m (-670)

## Capex

- 2024: SEK 15.5 billion

# Strong commitment to capital allocation framework

Return on investments  
 $\geq 10\%$

Dividend policy  
1/3 of net profit

Net Debt/Equity at  
about 20% at  
economic peaks\*

\*Also includes net reclamation liability



# Expanding low-carbon product portfolio

Mikael Staffas, CEO

# Low-carbon SCM

(Supplementary Cementitious Materials)



*Iron sand produced at Rönnskär*

- Iron containing residues at Boliden Smelters amount to ~1.5 Mtonnes annually
- European cement industry facing increased costs of CO<sub>2</sub>
  - SCMs are estimated to replace 50% of the cement market in Europe
- Technical break through during 2023
  - Performance of new SCM confirmed
  - Application and durability tests with cement and concrete producers
  - Patents pending
- Profitability by increased resource utilization

# Advantages of low-carbon SCM

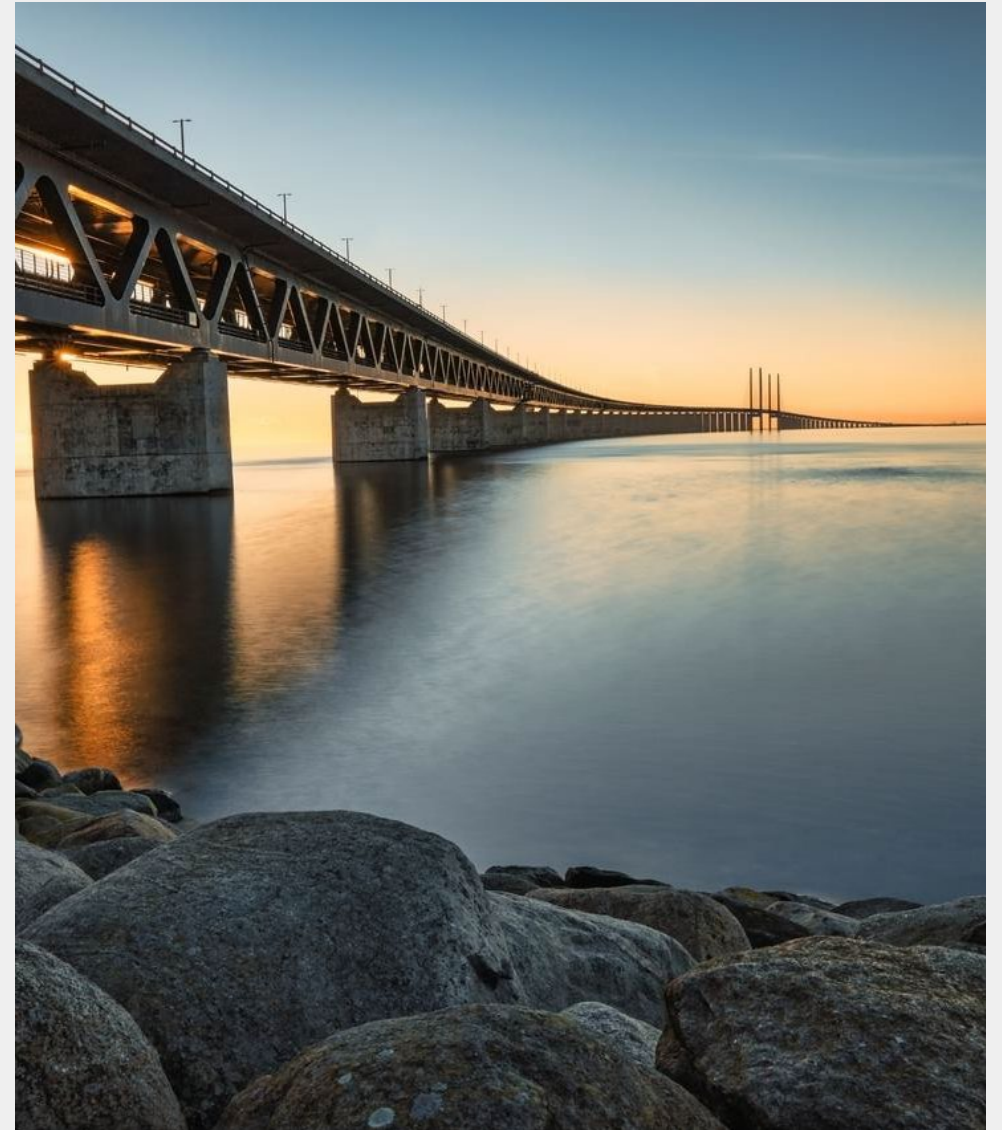
- Boliden's low-carbon SCM reduces CO<sub>2</sub> emissions by ~95%
  - Compared to typical cement production
  - Replacing cement with low-emitting supplements is the most cost efficient decarbonization method
- Increased metal recovery
  - More metals can be extracted and sold as free metals
- Significant market potential
  - Potential market size in Sweden of 2 million tonnes per year
  - Long standing relationships with cement and concrete suppliers
  - Market conditions for SCMs similar to existing cement products
  - Potential to replace Boliden's own need for cement



*"Low-Carbon Concrete" produced at Rönnskär*

# Low-carbon SCM – next steps

- Feasibility study planned to be finalized in Q1 2025
  - Currently on-going tests in the Garpenberg mine
- Planned production capacity 250 000 tonnes annually
  - Mid size investment in mill line
  - Potential investment decision 2025
- Potential commercial deliveries in 2027





# Strong ESG development

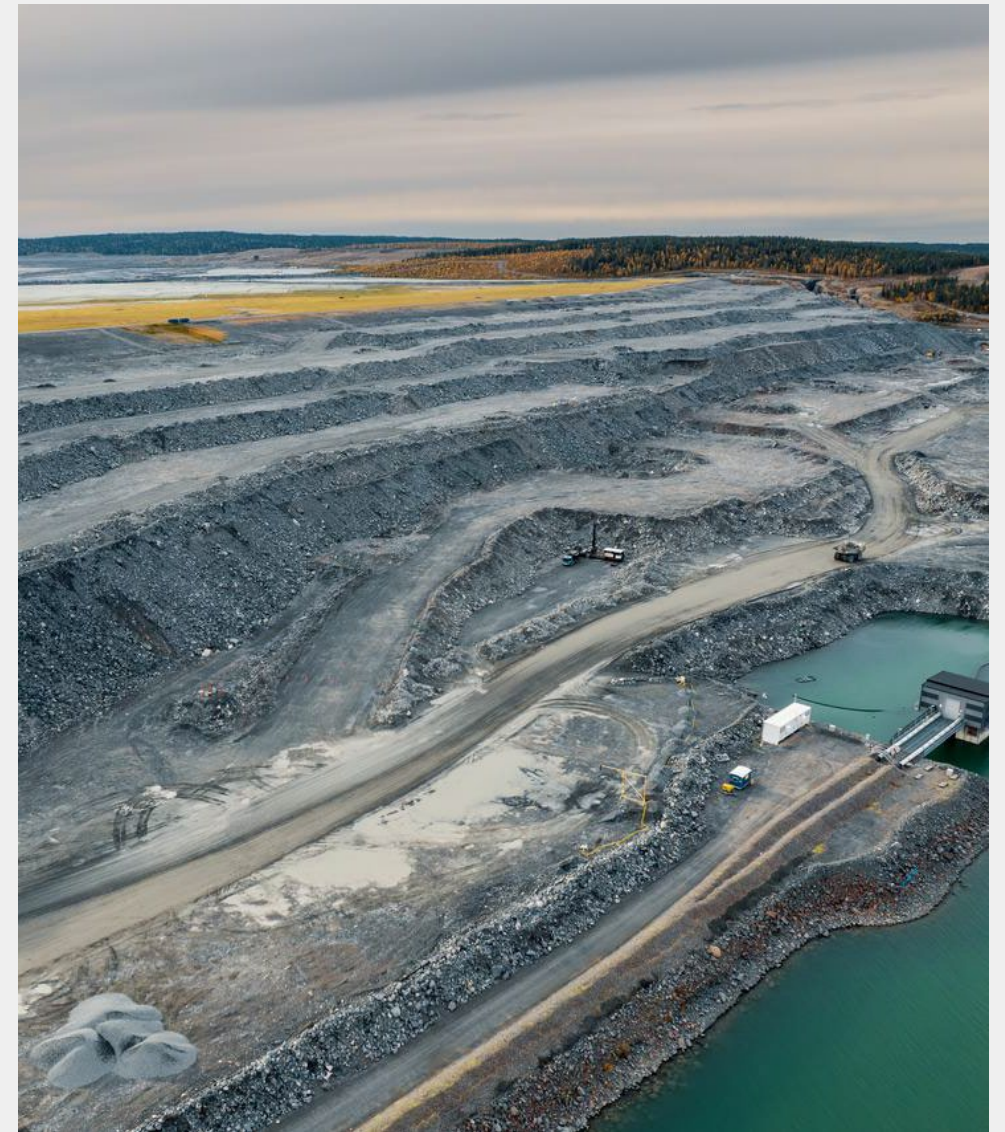
- Strong safety culture
  - Record low LTI 2023
  - 15 years fatality free
- Climate targets 2030 approved by SBTi (Scope 1,2,3)
  - Electrification program in Mines well underway
  - Climate friendly heating and alternative reductant being evaluated
- Implementation of Global Industry Standard on Tailings Management (GISTM)
- Target to improve biodiversity in all active regions by 2030
  - Inauguration of first Sustainability Park 2023
- Several low-carbon products introduced



Sustainability Park next to Aitik

# ESG initiatives – highlights 2024

- Actions to reach full GISTM-conformance in Aitik and Kevitsa according to plan
  - Aitik, Q4 2024
  - Kevitsa, Q2 2024
- Nitrogen-free explosives introduced in Kankberg mine
  - 400 tonnes CO<sub>2</sub> reduction yearly
  - Next step, tests in Aitik and Garpenberg
- CSRD/ESRS compliance
  - Reporting scope defined
  - Reporting to be integrated in Annual and Sustainability Report 2024



# Green Transition Metals

Boliden's portfolio of Low-Carbon and Recycled products helps our customers and customers' customers reduce their Scope 3 emissions

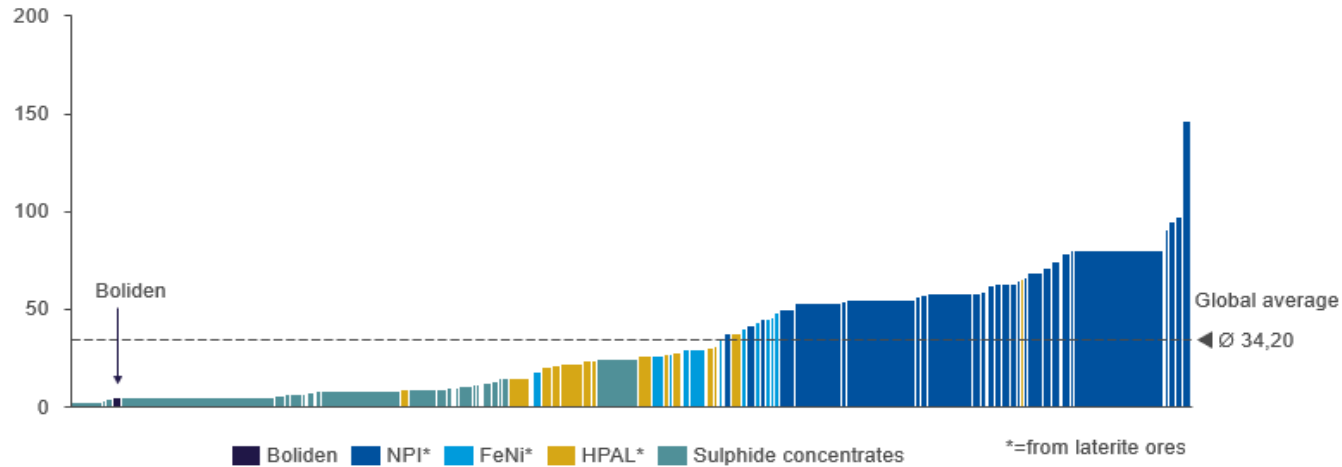
- Low-Carbon Copper and Recycled Copper <1,5kg CO<sub>2</sub>e/kg\*
- Low-Carbon Zinc <1kg CO<sub>2</sub>e/kg\*
- Low-Carbon Sulphuric Acid <0,025kg CO<sub>2</sub>e/kg\* (added Q4 2023)
- Low-Carbon Lead and Recycled Lead <1kg CO<sub>2</sub>e/kg\* (added Q4 2023)

*\*the emissions of our products are calculated from cradle to gate in Scope 1, 2 and 3 according to the Greenhouse Gas Protocol*



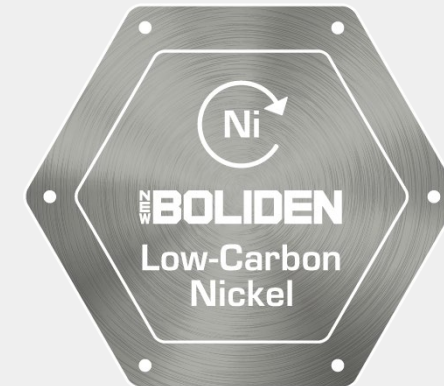
# Low-Carbon Nickel

Estimated emissions intensity to produce finished nickel metal products in 2024 by CRU  
kg CO<sub>2</sub>e/kg Ni eq (Scope 1, 2 & 3 GHG Emissions)



Note: Boliden supply chain is based on Boliden Kevitsa mine, Boliden Harjavalta smelter & external refineries

With Boliden Harjavalta's nickel matte from Kevitsa, refineries can produce refined nickel with a footprint of less than 5 kg CO<sub>2</sub>e/kg nickel equivalent compared to the 2024 global average of close to 35 kg CO<sub>2</sub>e/kg.





Q & A session

# Investing in long-term sustainable profitability

Mikael Staffas, CEO



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