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## **INSIDER INFORMATION: Sotkamo Silver launches exchange offer to the holders of the Company's outstanding EURM 6.3 convertible loans 2022/2026**

Sotkamo Silver AB | Stock Exchange Release | August 01, 2025 at 11:30:00 EEST

Sotkamo Silver AB (publ) ("Sotkamo Silver" or the "Company") announced on 27 June 2025 that it intended to launch an exchange offer to the holders of the Company's outstanding EURM 6.3 convertible loans 2022/2026 (the "Existing Convertibles") to exchange their Existing Convertibles for either new shares or new convertibles in the Company (the "Exchange Offer"). The extraordinary general meeting, held on 23 July 2025, resolved to give the Board of Directors an issue authorization in order to carry out the Exchange Offer. The Board of Directors of the Company has today resolved to carry out the Exchange Offer.

### **Exchange Offer in brief:**

- Existing Convertibles can be exchanged for either (i) new shares (the "**New Shares**") or (ii) new convertibles (the "**New Convertibles**") in the Company
- The subscription price for the New Shares is EUR 0.088 per New Share
- One Existing Convertible with a par value of EUR 20,006 may be exchanged for 227,340 New Shares in the Company or for one New Convertible with a par value of EUR 20,006
- The New Convertibles will carry an annual interest of 9.0% from 13 August 2025
- The maturity date of the New Convertibles is 31 October 2029, to the extent conversion has not taken place before such date
- The conversion price of the New Convertibles is EUR 0.1056
- A full exchange of the Existing Convertibles into New Shares would increase the total number of shares in the Company with up to 72,066,780 shares. This would entail a dilution of 20.1%, based on the total number of shares and votes in the Company after the New Shares are registered with the Swedish Companies Registration Office.
- A full exchange of the Existing Convertibles into New Convertibles and under the assumption of a full conversion of the New Convertibles, would increase the total number of shares in the Company with up to 60,055,650 shares. This would entail a dilution of 17.3%, based on the total number of shares and votes in the Company after the conversion.
- Interest on the Existing Convertibles shall accrue up to and including 12 August 2025 and shall be paid in full on 30 September 2025



### Important dates

- The offer period for the Exchange Offer (the “**Offer Period**”) commences on 4 August 2025 at 9.00 am (Swedish time)
- A transfer and commitment agreement, together with an application form, will be sent to the holders of Existing Convertibles in connection with the commencement of the Offer Period
- The Offer Period ends on 12 August 2025 at 5.30 pm (Swedish time) (estimated) if the Offer Period is not extended
- Announcement of the final results of the Exchange Offer will be announced on 13 August 2025 (estimated) and the Board of Directors will resolve on issue of New Shares and New Convertibles in connection therewith
- The New Shares and New Convertibles are expected to be registered with the Swedish Companies Registration Office on or around 20 August 2025 (estimated)
- Trading in the New Shares commences on the NGM Main Regulated Equity and on the official list of the Nasdaq Helsinki on 21 August 2025 (estimated)

### Background and reasons of the Exchange Offer

The Company's long-term financing is scheduled to mature during 2026 and the objective is to extend the maturity of the Senior Loan (as defined in the press release on 27 June 2025) by at least two years from the current maturity date. The renegotiations of the extension of the Senior Loan require that the Exchange Offer is carried out. By securing long-term financing, the Company enables the continuation of the environmental and restoration guarantee granted for the benefit of Kainuu Centre for Economic Development, Transport and the Environment.

The terms of the Exchange Offer have been negotiated on arm's length-terms with the holders of the Existing Convertibles. The Exchange Offer secures the Company's long-term financing in a timely and cost-effective manner and the Board of Directors therefore believes that the New Shares and New Convertibles issues will promote value creation for all shareholders of the Company.

### Advisors

Aktia Alexander Corporate Finance Oy is acting as Sotkamo Silver's financial advisor, advokatfirman Schjødt is acting as Sotkamo Silver's Swedish legal advisor and Borenius Attorneys Ltd is acting as Sotkamo Silver's Finnish legal advisor in connection with the transaction.

### Mikko Jalasto

CEO of Sotkamo Silver AB

### Sotkamo Silver in brief

Sotkamo Silver is a mining and ore prospecting company that develops and utilises mineral deposits in the Kainuu region in Finland. Sotkamo Silver supports the global development towards green transition technologies and produces the metals needed responsibly and by taking local stakeholders into account. Sotkamo Silver's main project is a silver mine located in Sotkamo, Finland. In addition to silver, the mine produces gold, zinc and lead. The company also



has mining and ore prospecting rights for mineral deposits in the vicinity of the silver mine in Kainuu. Sotkamo Silver Group consists of the parent company Sotkamo Silver AB and its wholly-owned Finnish subsidiary (Sotkamo Silver Oy). Sotkamo Silver AB is listed at NGM Main Regulated in Stockholm (SOSI), Nasdaq Helsinki (SOSI1), and Börse Berlin.

Read more about Sotkamo Silver on [www.silver.fi/en/](http://www.silver.fi/en/)

*This information is information that Sotkamo Silver AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2025-08-01 11:30 EEST.*

### Important information

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This press release is not a prospectus for the purposes of the Prospectus Regulation (EU) 2017 /1129 (the "**Prospectus Regulation**") and has not been approved or reviewed by any regulatory authority in any jurisdiction. Sotkamo Silver has not authorized any offer to the public of shares or rights in any Member State of the EEA and no prospectus has been or will be prepared in connection with the Exchange Offer. In any EEA Member State, this communication is only addressed to and is only directed to "qualified investors" in that Member State within the meaning of the Prospectus Regulation.

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This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision in connection with the Exchange Offer must be made on the basis of all publicly available information relating to the Company and the Company's shares.

This press release does not constitute an invitation to warrant, subscribe, or otherwise acquire or transfer any securities in any jurisdiction. This press release does not constitute a recommendation for any investors' decisions regarding the Exchange Offer. Each investor or potential investor should conduct a self-examination, analysis and evaluation of the business and information described in this press release and any publicly available information. The price and value of the securities can decrease as well as increase. Achieved results do not provide guidance for future results. Neither the contents of the Company's website nor any other website accessible through hyperlinks on the Company's website are incorporated into or form part of this press release.

#### **Forward-looking statements**

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The



Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is required by law or regulation.

### Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Sotkamo Silver have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**EU Target Market Assessment**"). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the shares in the Company has led to the conclusion that: (i) the target market for such shares is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600 /2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of such shares to eligible counterparties and professional clients are appropriate (the "**UK Target Market Assessment**" and, together with the EU Target Market Assessment, the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the shares in Sotkamo Silver may decline and investors could lose all or part of their investment; the shares in Sotkamo Silver offer no guaranteed income and no capital protection; and an investment in the shares in Sotkamo Silver is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Exchange Offer.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II or UK MiFIR; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Sotkamo Silver.



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Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Sotkamo Silver and determining appropriate distribution channels.

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