

SOTKAMO SILVER AB

Sales in line with last year despite temporary mining challenges

Financial Statement Release 2024



HIGHLIGHTS

October – December

- Net sales decreased by 4% to 109 MSEK (113 MSEK*), driven mainly by lower silver, gold and lead production. The positive price development of silver, gold and zinc supported net sales.
- EBITDA decreased by 47% to 23 MSEK (43) and EBITDA margin decreased to 21% (39).
- EBIT decreased by 87% to 3 MSEK (25).
- Profitability decreased mainly due to higher volumes in underground operations, mainly drifting and support, and inflation surge which increased the cost of supplies and services by 20 MSEK.
- Cash and cash equivalents amounted to 88 MSEK (79)
- CAPEX was 24 MSEK (18) and consisted mainly of exploration and infill drilling, deepening the decline and CAPEX drifts.
- The production amounted to approximately 271,000 ounces of silver (409,000), 604 ounces of gold (902), 154 tonnes of lead (177), and 438 tonnes of zinc (287) in concentrates.

**Comparative figures refer to the corresponding period of the previous year.*

In case of discrepancies, the official Swedish version of this report prevails.

January – December

- Net sales increased by 1% to 412 MSEK (410 MSEK), driven mainly by the positive development of silver and gold prices.
- EBITDA decreased by 22% to 109 MSEK (140), EBITDA margin decreased to 26 % (34). Profitability decreased mainly due to lower silver grade and increased cost of supplies and services.
- EBIT decreased to 32 MSEK (67).
- Cash and cash equivalents increased to 88 MSEK (79)
- CAPEX increased to 70 MSEK (46). The Company invested significantly in exploration drilling, aiming to extend the life of the mine and infill drilling that increases the predictability of production.
- The production was approximately 1,166,000 ounces of silver (1,411,000), 2,595 ounces of gold (3,048), 729 tonnes of lead (909), and 1,642 tonnes of zinc (1,857) in concentrates.

Events after the reporting period

15 January 2025 Sotkamo Silver issued a profit warning, stating that silver production and EBITDA margin were somewhat lower than expected for 2024.

7 February 2025 released a significant milestone in its sustainability work. Sotkamo Silver's operations are strongly based on responsibility and locality. The company's sustainability performance is assessed using the industry specific Towards Sustainable Mining (TSM) Finland standard, in which the company achieved at least an A level in all areas of the standard, verified by an external evaluator in December 2024. Achieving level A requires commitment to principles and goals that promote responsible operations, implementation of action plans, reporting on them and communication.

OUTLOOK

Guidance for 2025

The Company has given (14 February 2025) the following guidance for 2025:

- The Company expects to produce 1.2 – 1.4 million ounces of silver
- Annual EBITDA margin to be at least 30%
- Net debt-to-EBITDA to be below 1.5 at year-end

The Company's profitability is significantly affected by external factors, such as metal prices and exchange rates and internal factors like uncertainties related to ore volumes and metal grades. The achievement of the guidance assumes that metal prices and EUR/USD rate stay approximately at the current level of the time when the guidance was published (14 February 2025).

Medium-term targets

Medium-term targets until the end of the year 2027 will be updated during the second half of the year 2025.

CEO'S REVIEW

Net sales at last year's level despite temporary challenges in mining

The last quarter of the year started positively. Mining volumes increased to the planned level in October–November and the silver content in the ore increased as planned. We opened new mining levels with a higher silver content at a depth of 460–480 metres, and the measures taken to increase underground mining yielded results. The increased price of silver and the stronger dollar gave us reason to expect a quite positive development for the remainder of the year.

Unfortunately, the geotechnical risk associated with mining operations was realised in December and the stope in production did not proceed as planned in connection with the blasting due to weaker areas in the bedrock. Repairing the area safely took time, which affected the production volumes. However, the situation did not pose any risk to personnel or equipment. The company's key focus area in 2025 is to secure and strengthen its operational reliability.

Among other things, we will open up alternative mining areas and accelerate the preparation of the stopes. Due to the challenges in mining, silver production and profitability were slightly below expectations during the quarter. During the year, we produced 1.17 million ounces of silver, while the expectation in the autumn was still that we would reach more than 1.2 million ounces. Our EBITDA margin was 26.4%, while the expectation was over 28%. Despite significantly lower silver production volumes, our net sales for the quarter were on a par with last year as a result of the strengthened price of silver.

We made a significant step forward in our sustainability goals by achieving Level A in Towards Sustainable Mining (TSM) Finland's sustainable mining system. In addition, we started preparing for the Corporate Sustainability Reporting Directive (CSRD) by launching a dual materiality assessment of sustainability, which helps us to identify material sustainability themes in future reporting, as well as the development areas required for them.

Despite temporary production challenges, we expect a strong result for 2025. This is influenced by factors such as the favourable development of silver price and US dollar.

However, production challenges will still affect the result for the beginning of the year.



Mikko Jalasto, CEO

Key figures

	Q4/24	Q4/23	Change, %	1-12/24	1-12/23	Change, %
Net sales, MSEK	109	113	-4%	412	410	1%
EBITDA, MSEK*	23	43	-47%	109	140	-22%
EBITDA margin %	21.4	38.5	-44%	26.4	34.1	-22%
EBIT, MSEK	3	25	-87%	32	67	-51%
EBIT margin %	3.1	22.4	-86%	7.9	16.3	-52%
Equity ratio %*	41	43	-3%	41	43	-3%
Cash liquidity %*	75	101	-26%	75	101	-26%
Net debt-to-EBITDA ratio*	1.6	1.5	10%	1.6	1.5	10%
Personnel at the end of the period	51	47	9%	51	47	9%
Silver production, koz*	271	409	-34%	1,166	1,411	-17%
Mill feed, kt*	123	112	10%	497	478	4%
Average silver grade, g/tonne*	84	126	-34%	89	106	-16%

Alternative key performance measures are marked with asterisk. For more detailed definitions, please see section Definitions on page 27.

Financial performance

During the fourth quarter, **net sales** decreased by 4% to 109 MSEK (113 MSEK*), driven mainly by lower silver, gold and lead production. The positive price development of silver, gold and zinc supported net sales.

Other income was 0.5 MSEK (2.2) during the quarter, including received subsidies and proceeds from recycling.

EBITDA decreased by 47% to 23 MSEK (43) and EBITDA margin decreased to 21 % (39). **EBIT** decreased by 87% to 3 MSEK (25). Profitability decreased mainly due to higher volumes in underground mining operations like drifting, tunnel support, ore transport, and index increases in the mining contract. The cost of supplies and services increased by 20 MSEK compared to Q4 2023. Investing in underground mining volumes increased costs during the quarter but will improve our operational capability in the future.

The Company's **CAPEX** in the quarter consisted mainly of exploration and infill drilling, underground decline, CAPEX drifts, tailings pond dam raises, and nitrogen management. Investments in the underground mine, plant and environment amounted to 24 MSEK (18) during the quarter and 70 MSEK (46) during 2024.

During the fourth quarter **silver price** fluctuated in a range between \$28.8 and \$34.5 per ounce average being \$31.4 (\$23.2) per ounce and during 2024 between \$22.1 and \$34.5 average being \$28.3 (\$23.3) per ounce. At the end of the quarter, the silver price was \$28.9 per ounce.

A change of one USD per ounce in the price of silver affects the Company's revenue by approximately 16 MSEK annually.

Based on the Silver News December by Silver Institute, strong industrial demand for silver in 2024 will, for the fourth consecutive year, result in a record physical deficit, which helped to push the price of the metal to nearly \$35 (it has since retreated) for the first time since 2012. All totaled, record industrial demand and a recovery in jewelry and silverware will lift global silver demand to 1.21 billion ounces in 2024, while mine supply is forecast to rise by just 1%.* The anticipated structural market deficit is expected to support the silver price through 2025.

In the fourth quarter, the **Euro** weakened against the US dollar by 7.2 %, being at 1.12 at the beginning and 1.04 at the end of the quarter. The EUR/USD rate was 1.11 at the beginning of the year. The changes in the value of the Euro against the **US dollar** during the quarter had a positive impact of 6 MSEK on the Company's result. The Euro strengthened during the fourth quarter against the **Swedish krona** from 11.30 to 11.46 average being 11.50 which had

a minor effect on the Company's result. In 2024, the euro strengthened against the Swedish krona from 11.09 at the beginning of the year to 11.46 average being 11.43, which improved the Company's result by 0.2 MSEK.

The new mining tax in Finland which became effective on 1 January 2024, weakened the fourth-quarter result by 1 MSEK and 2024 result by 4 MSEK.

*<https://silverinstitute.org/wp-content/uploads/2025/01/Silver-News-December2024.pdf>

Market data

	Q4/24	Q4/23	1-12/24	1-12/23
Average silver price USD	31.4	23.2	28.3	23.3
Average EUR/USD	1.07	1.08	1.08	1.08
Average EUR/SEK	11.50	11.48	11.43	11.48

Financial position and cash flow

During the fourth quarter, the Group's **cash and cash equivalents** increased to 88 MSEK (79). The Company generated **cash flow from operating activities** 36 MSEK during the quarter and 112 MSEK during 2024.

According to the Company's estimate, it has sufficient liquidity for at least the next 12 months of operations.

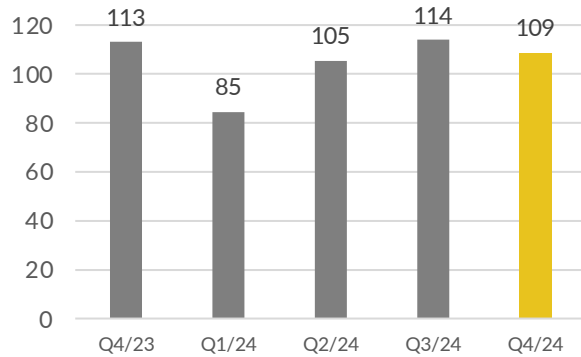
The Group's **equity ratio** decreased to 41% (43). **Net debt to EBITDA ratio** increased to 1.6 (1.5).

The Group's **equity** was 288 MSEK (296) which corresponds to 1.01 SEK (1.04) a share non-diluted, and 0.88 SEK (0.92) diluted.

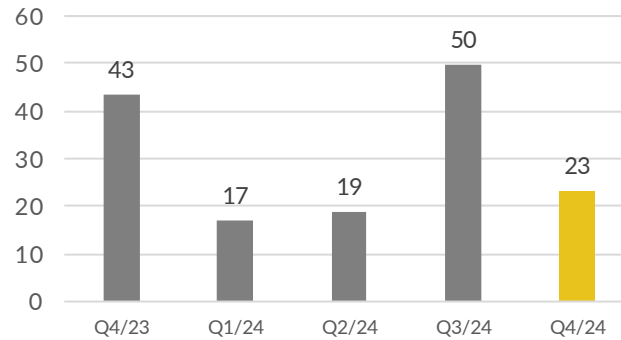


Financial key figures

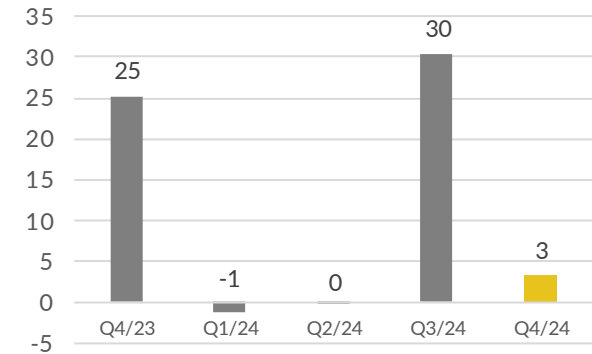
Net Sales, MSEK



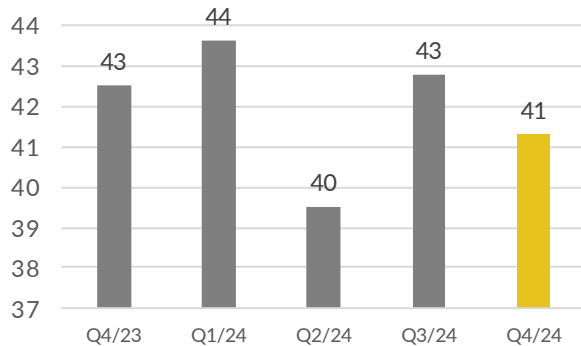
EBITDA, MSEK



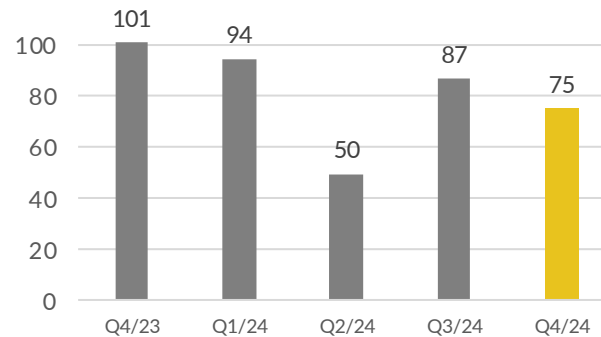
EBIT, MSEK



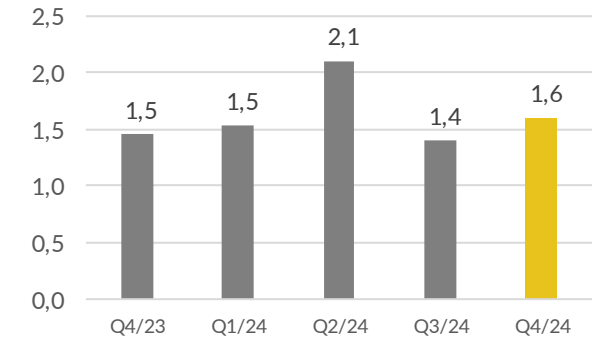
Equity ratio, %



Cash liquidity, %



Net debt-to-EBITDA



Operational performance

During the fourth quarter of 2024, the total amount of milled ore increased to 123,000 tonnes compared to the previous year's 112,000 tonnes. Mining volume was in line or above the Company's production plans at the beginning of the quarter. But in December we faced local rock mechanical challenges, and the company had to repair damage caused by the collapse of rock structures, which has slowed the progress of mining operations. The situation caused a negative impact on the ore volume and the silver grade in December as well as in January 2025. The situation did not cause any harm to the people or damage to equipment.

We couldn't fully shift production to other areas during repairs due to insufficient mining capacity earlier in 2024, which prevented the necessary preparations for alternative ore mining locations.

The damage from the rock structure collapse has been repaired, allowing mining operations to resume in the affected area. To prevent future issues and reduce risks, we are redesigning the stoping and supports in high-risk areas. Additionally, we are increasing preparatory work, such as drifting, sludge drilling, and detailed stope modelling, to provide adequate alternative mining areas. Achieving the desired stope preparedness will take a few months, causing uncertainty, especially in the first quarter of 2025.

In total, the production amounted to 271,000 ounces of silver (409,000), 604 ounces of gold (902), 154 tonnes of lead (177), and 438 tonnes of zinc (287) in concentrates during the quarter.

Silver production decreased from the previous year due to lower silver head grade. The fourth quarter silver head grade was 84 g/tonne (126). Compared to the previous quarter the silver head grade was slightly lower due to ore

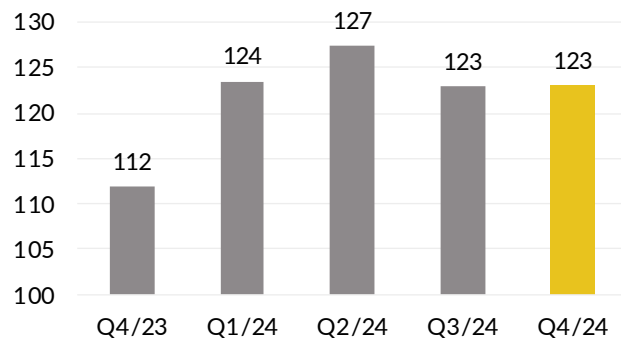
dilution that the stope collapse caused, as well as lower grades in the alternative stopes. We anticipate the silver head grade to return to the estimated 90-110 g/tonne during 2025, but there is uncertainty about ore quality in the beginning of the year due to limited alternative mining areas.

Despite the challenges with stope mining the drifting has been progressing well and the drifting volumes have been on the planned level. This is integral part of the preparations for future ore availability and key enabler for creating more reliable ore availability and quality.

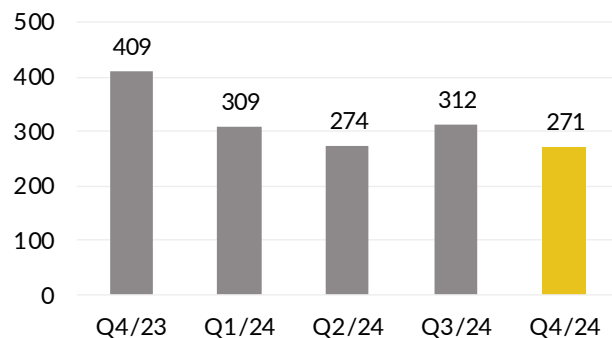
In H1 2025, we plan to open new alternative mining areas in the underground mine. This will help us manage potential production interruptions in the main area and increase our resilience for unexpected situations. We aim for an annual production of 1.2-1.4 million ounces in 2025.

Operational key figures

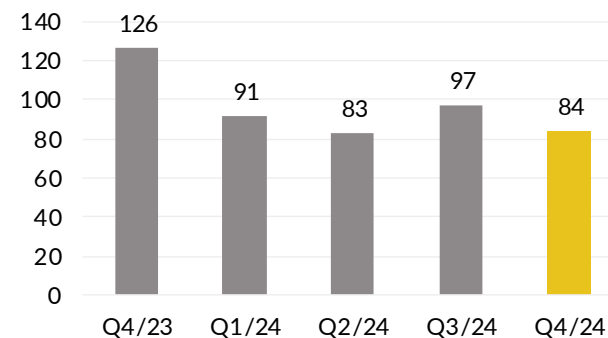
Milled ore, ktonnes



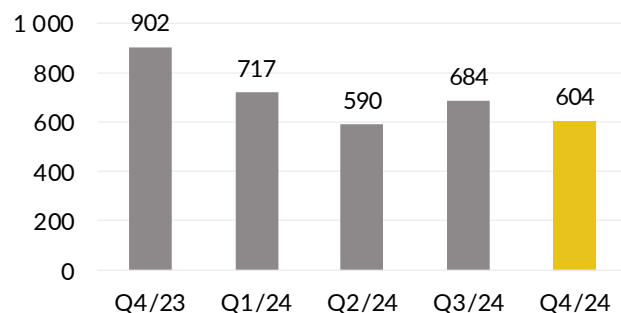
Silver production, koz



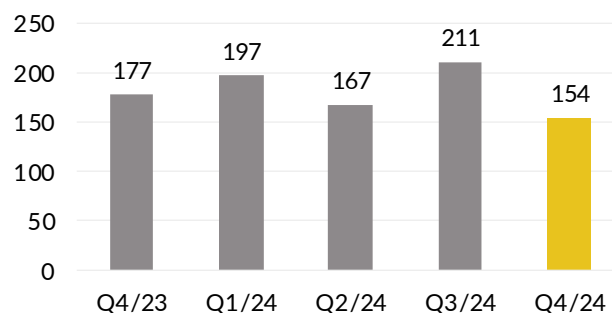
Silver head grade, g/tonne



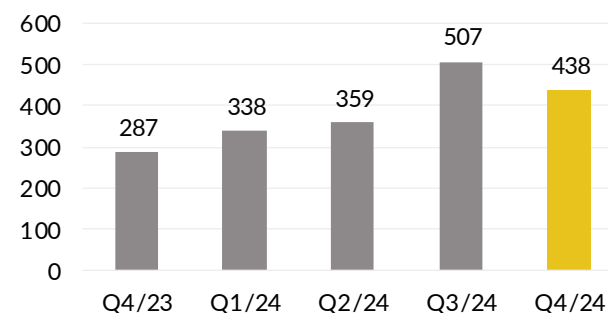
Gold production, oz



Lead production, tonnes



Zinc production, tonnes



Strategy

The cornerstones of Sotkamo Silver's strategy are:

1. Development of the existing silver mine and ensuring a solid foundation for the Company's expansion
2. Increase mineral resources by continuing exploration in the current mine and the Kainuu region
3. Responsible use of natural resources

Key activities, Q4/2024

Extending Life-of-Mine (LOM), current mine

We started the first LOM-related exploration drilling campaign in September. Drilling will continue during the first half of 2025 with an additional 6,300 meters and new LOM estimations will be announced at the end of 2025.

Exploration, broader Kainuu region

We focused on the development of the current mine and the sites in its immediate vicinity. The first drilling campaign to the western side of the current mineralization was conducted during the third quarter. This campaign included seven drillholes which were analyzed during Q4 and the next steps are defined at the beginning of 2025.

Operational efficiency

Together with our mining contractor we have increased the drifting and ore mining capacity and we opened the first new stopes in the 460-480 meter level during the quarter. This was supposed to ensure the average silver head grade to remain on targeted levels, but due to rock mechanical challenges, we fell short of this target.

Financing of investments

Cash flow from operating activities was used to finance exploration drilling to extend the life of the mine and infill drilling to increase the predictability of production volumes.

We explored financing options for potential investment scenarios for extending the LOM of the current mine and the further exploration of the broader Kainuu region.

Responsible use of natural resources

TSM Finland mining responsibility system covers sustainability in mining from exploration to closure, with performance levels assessed externally. During the last quarter, the company reached AA-level in Stakeholder Cooperation and A-level for all other protocols, while also ensuring compliance in Crisis Management.

In preparation for the upcoming CSRD sustainability reporting, Sotkamo Silver conducted a double materiality assessment and gap analysis, identifying key sustainability impacts and areas for development.

Other key activities in 2024

Extended the Life-of-Mine (LOM), the current mine

We started the LOM-related exploration drilling campaign which aims to extend the life of the mine (LOM) until 2035.

Exploration in broader Kainuu region

Aerial survey data was modeled using new advanced tools and supplemented with additional information. The work continued to identify the most promising exploration areas as well as financial planning related to the future exploration activities.

Operational efficiency

Based on the results, of the infill drilling campaign in 2024, we have preliminary stope models and drifting plans down to 550-meter level.

Financing of investments

In June we successfully negotiated with a new environmental collateral provider, resulting in the release of 3.5 MEUR in cash collateral.

We have continued to evaluate different various options to finance our future growth.

Responsible use of natural resources

The pyrite concentrate deliveries increased by 15% from the previous year and were at their highest level since the

start of production. The utilization rates of the mining waste in the operations were 100 % for waste rock and 19 % for tailings. Our science and risk assessment-based mine closure plan was approved by the authorities.

Key focus areas in 2025

Extending Life-of-Mine (LOM), current mine

In 2025, the LOM-related exploration drilling campaigns will be completed, the results analysed and the new estimated LOM announced. While the potential on the western side is very interesting, the LOM extension activities will focus below the 700-meter level in the current mine.

Exploration, broader Kainuu region

Sotkamo Silver continues activities to use modern modelling tools to analyse existing research data to support the longer-term exploration of the Kuhmo-Suomussalmi greenstone belt and Tipasjärvi greenstone belt in the Kainuu region. This information should support us as we continue to prepare investment plans related to further exploration activities.

Operational efficiency

We continue to focus on improving operational efficiency and predictability to maintain high profitability and curb cost escalation. The primary short-term focus is on ensuring the execution of mining and drifting plans

together with the mining contractor to provide adequate alternative and independent mining areas for the future. This will provide more predictability for our underground mining and resilience in case of any unexpected situations in the future.

Financing of investments

In 2025, we will continue and moderately increase investments in infill and exploration drilling with cash flow from operating activities financing to the extent currently feasible. We continue to explore financing options for potential investment scenarios for extending the LOM of the current mine, the further exploration of the broader Kainuu region, as well as refinancing current loans due in 2026. We will communicate more about investments and financing as the planning is completed.

Responsible use of natural resources

We will continue the work to protect the local water bodies' ecological health and recreational use through responsible water management, focusing on lowering the nutrient load on water, keeping the sulphur content of the tailings under the permitted level, and keeping up the open communication on the environmental impacts of our operations. We will also strengthen the circular economy integration in our mining waste management and mine closure planning.

Sustainability

Safety

The lost time injury frequency rate (LTIFR), the number of lost time injuries for a million working hours) was 15 (15) at the end of the period, including all contractors. LTIFR of 15 corresponds to five Lost Time Injuries (LTI) within 12 months.

To lower LTIFR, we have taken corrective measures and paid special attention to safety management by further training of employees, and updating work procedures and risk assessments. The goal of zero accidents can be achieved by continuously developing safety management and a positive safety culture. At the end of the period, the Company's own personnel and regular contractors at mine had worked 119 days without LTIs.

Responsible mining

The mining responsibility system, now officially called TSM Finland, is based on the international Towards Sustainable Mining (TSM) standard. Companies committed to the system follow principles that are sustainable from nature's point of view, people and the economy throughout the life cycle of mining, from prospecting for minerals to the closure and aftercare of mines.

At the time being, TSM Finland mining responsibility system includes 8 protocols, which are Stakeholder

Cooperation (1), Biodiversity Management (2), Tailings Management (3), Water Management (4), Climate Change (5), Occupational Health and Safety (6), Crisis Management (7), Mine Closure (8). The mining responsibility performance level is assessed with five ratings (C, B, A, AA and AAA) except the Crisis management performance level is assessed as compliant/non-compliant.

During the last quarter, we reached AA-Level on Stakeholder Cooperation, achieved A-level for all other protocols and Crisis management was compliant with the requirements. The performance level of all implemented management systems was verified externally.

Preparation for CSRD sustainability reporting

For the EU to reach its set sustainability objectives, it has introduced new reporting requirements for both investors and investee companies. Hence, companies of different sizes are gradually entering into the scope of the Corporate Sustainability Reporting Directive (CSRD) requirements from 2024 onwards. Sotkamo Silver needs to comply with CSRD for its 2026 reporting period which is why during 2024 Sotkamo Silver started preparing for the requirements. In the fourth quarter, the preparation was started by conducting a double materiality assessment and a gap analysis based on European Sustainability Reporting Standards (ESRS).

These analyses aim, among other things, to assess the most significant potential financial impacts related to sustainability issues for the company and to identify key areas for development.

Nutrient load in the discharge water

As reported in Q3, the total annual phosphorus load was unfortunately exceeded. Monitoring results indicated that phosphorus content in nearby rivers and lakes remains within safe limits, we continued to work with authorities to find the best ways to secure the local water bodies' ecological health and recreational use while simultaneously examining the ways to reduce the phosphorus load.

The nitrogen load in 2024 was lowered by 44% from the previous year but unfortunately, the annual permit limit was exceeded during Q4. The nitrogen management measures taken have been efficient and by continuing the work we estimate that the annual permit limit will be met in 2025. As for phosphorus, the nitrogen content in the local water bodies remains within safe limits.

Personnel

At the end of December, there were a total of 51 (47) employees. Additionally, 104 (90) contracted employees were permanently working at the silver mine site.



Shares and trading

Sotkamo Silver AB's share capital on December 31, 2024 was 275,880,781 SEK and the number of shares was 286,148,387.

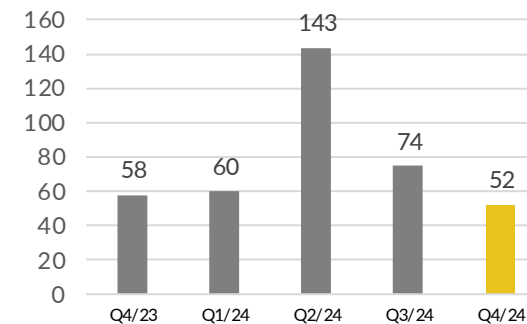
Sotkamo Silver AB's shares are traded on NGM Equity Stockholm and on Nasdaq Helsinki. The Company ticker code is SOSI at NGM Equity and SOSI1 at Nasdaq Helsinki. The shares' ISIN number is SE0001057910. The shares are also traded on Börse Berlin, Open Market, where the Company code number is A0MMF4 and the ISIN number is the same as on NGM Equity Stockholm; SE0001057910.

During the fourth quarter 51,841,944 (57,724,901) and 329,187,719 (330,248,106) shares during 2024 were traded on NGM Equity in Stockholm and Nasdaq in Helsinki.

Share information

	Q4/24	Q4/23
Share price, SEK	1.00	0.79
Highest share price during the period, SEK	1.36	0.80
Lowest share price during the period, SEK	0.90	0.63
Quota value, SEK	0.96	0.96
Market cap, MSEK	286	227
Number of shares	286,148,387	285,758,153
Number of shares, diluted	327,383,120	322,340,553
Share capital, SEK	275,880,781	275,504,549

Shares Traded (million)



Risks and uncertainties

Financial, operational, and global economic risks and uncertainties might have an impact on the Company's operations and performance. The Company's operations must be evaluated against the background of the risks, complications, and potentially incurring additional costs that mining and exploration companies are exposed to. The Company can control and counteract these risks to varying degrees.

The Company's revenue comes from the sale of flotation concentrates priced in USD. Costs are primarily in EUR and SEK. The Group's balance sheet consists mainly of assets and liabilities in EUR. The Company, therefore, has an exposure of the net balance sheet in EUR/SEK since the Parent Company's reporting currency is SEK.

The metal grades of the Company's ore reserves vary. The Company proceeds underground according to the mining plan in a certain order optimal for mining. Therefore, in the short term, the metal grades of the ore may be above or below the estimated average metal grade of ore reserves, which causes volatility in the Company's net sales and profitability.

The risks and mitigating them are described in more detail in the Annual Report for 2023, p. 43-45.

Resolutions made at the Annual General Meeting

The AGM made the following decisions on 23 April 2024:

- The Income Statement and the balance sheet for both the parent company and the group regarding the financial year 2023 were adopted by the AGM. The AGM decided that no dividend would be paid out for the financial year 2023. The members of the Board and the CEO were granted discharge from liability for the financial year 2023.
- The AGM decided that the Board would comprise of six ordinary members. Jukka Jokela, Kimmo Luukkonen, Sixten Sunabacka, Eeva-Liisa Virkkunen and Mauri Visuri were re-elected as directors and Joni Lukkaroinen was elected as a new director. Eeva-Liisa Virkkunen was re-elected chairperson of the Board.
- The AGM resolved to elect the auditing company KPMG until the end of the AGM 2025.
- The guidelines for remuneration for the management and the procedure for appointing the members of the nomination committee were approved in accordance with the proposals from the Board.
- The AGM approved the Board's remuneration report for 2023.
- The AGM approved the nomination committee's proposal for annual fees to the Board.
- The Board's proposal to authorize the Board to resolve new issues of shares and other financial instruments was

not supported by the necessary majority of the cast votes and the shares represented at the AGM. The AGM resolved not to authorize the Board to issue new shares or other financial instruments.

Events after the reporting period

15 January 2025 Sotkamo Silver issued a profit warning, stating that silver production and EBITDA margin were somewhat lower than expected for 2024.

7 February 2025 released a significant milestone in its sustainability work. Sotkamo Silver's operations are strongly based on responsibility and locality. The company's sustainability performance is assessed using the industry specific Towards Sustainable Mining (TSM) Finland standard, in which the company achieved at least an A level in all areas of the standard, verified by an external evaluator in December 2024. Achieving level A requires a commitment to principles and goals that promote responsible operations, implementation of action plans, reporting on them and communication.

Board of Director's proposal for dividend distribution

The Company's Board of Directors will propose to the Annual General Meeting that no dividend will be paid for the financial year 2024.

Financial calendar

- Financial Statements and the Board of Directors' Report for the Year 2024: Week commencing 31 March 2025
- Q1/2025: 29 April 2025
- Q2/2025: 31 July 2025
- Q3/2025: 23 October 2025

The Annual General Meeting is planned to be held on 24 April 2025 in Stockholm.

This report has not been audited by the Company's auditors.

Stockholm, 14 February 2025

Sotkamo Silver AB's Board of Directors and CEO

Eeva-Liisa Virkkunen (Chairperson)

Jukka Jokela

Joni Lukkaroinen

Kimmo Luukkonen

Sixten Sunabacka

Mauri Visuri

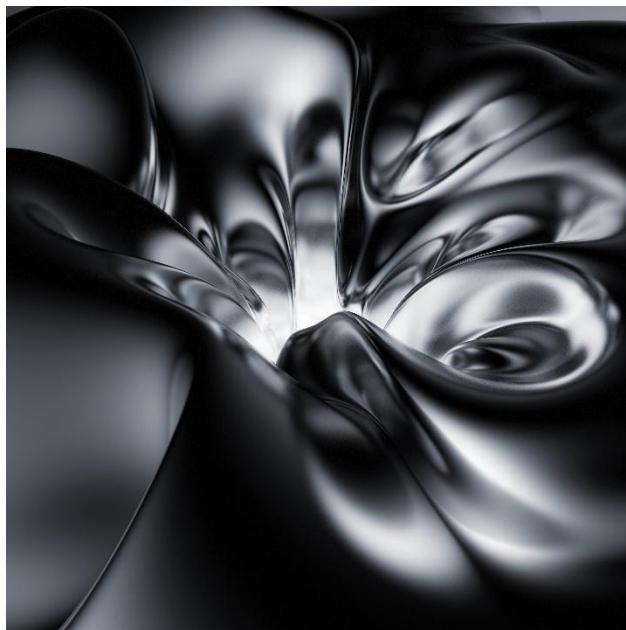
Mikko Jalasto (CEO)



About Sotkamo Silver

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 at www.silver.fi/en/



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The reports are available on
the Company webpage:
www.silver.fi/en/investors

Consolidated, condensed statement of income and other comprehensive income

Amount in MSEK	Q4/24	Q4/23	1-12/24	1-12/23
Net sales	108.6	112.9	412.2	410.3
Change of finished goods	2.2	-2.0	13.5	-2.8
Other income	0.5	2.2	1.4	1.5
Supplies and services	-59.8	-39.9	-220.1	-172.4
Other expenses	-15.6	-16.0	-53.6	-51.4
Employee expenses	-12.7	-13.7	-44.3	-45.4
EBITDA	23.2	43.5	109.0	139.8
Depreciation and amortization	-19.9	-18.3	-76.5	-73.1
EBIT	3.3	25.2	32.5	66.7
Financial income	4.8	-0.3	6.4	-1.6
Financial expenses	-11.1	-7.1	-40.8	-34.5
Interest expenses on lease payments	-0.1	-0.1	-0.4	-0.6
Financial net	-6.4	-7.5	-34.8	-36.7
Result after financial items	-3.1	17.7	-2.3	30.0
Taxes	0.0	0.0	-14.1	-2.8
Result for the period	-3.1	17.7	-16.4	27.2

Result that may be reclassified to current period result:

Amount in MSEK	Q4/24	Q4/23	1-12/24	1-12/23
Translation differences	4.4	-12.7	9.4	-3.4
Cash flow hedges	-1.8	0.7	-2.1	0.5
Income tax of cash flow hedges	0.4	-0.1	0.4	-0.1
Total comprehensive income	-0.1	5.6	-8.7	24.2
Attributable to:				
The parent company				
shareholders	-0.1	5.6	-8.7	24.2
Total	-0.1	5.6	-8.7	24.2
Earnings per share, non-diluted, SEK	-0.01	0.06	-0.06	0.09
Earnings per share, diluted, SEK	-0.01	0.05	-0.06	0.08

Consolidated, condensed balance sheet

Amount in MSEK	31.12.2024	31.12.2023
Intangible fixed assets	0.3	0.3
Tangible fixed assets	541.3	517.5
Right of use assets	4.7	9.3
Financial fixed assets	2.3	33.6
Total fixed assets	548.6	560.7
Current assets		
Inventories	17.9	4.2
Trade receivables	30.3	37.6
Derivatives	0.0	0.5
Other assets	13.7	15.5
Cash and cash equivalents	88.3	78.9
Total current assets	150.1	136.7
Total assets	698.7	697.4
Equity		
Share capital	275.9	275.5
Other contributed capital	236.6	236.3
Translation differences	24.4	15.0
Cash flow hedges	-1.3	0.4
Retained earnings	-231.0	-258.1
Result of the period	-16.4	27.2
Total Equity	288.3	296.3

Amount in MSEK	31.12.2024	31.12.2023
Liabilities		
Provision	42.4	34.1
Non-current borrowings	190.0	230.5
Non-current lease liabilities	1.7	5.1
Non-current derivative liabilities	0.0	0.0
Deferred tax liability	0.0	0.1
Total non-current liabilities	191.7	235.6
Current borrowings	71.6	40.7
Current lease liabilities	3.8	5.4
Derivative financial instruments	1.6	0.0
Trade payables and other payables	99.3	85.2
Total current liabilities	176.3	131.3
Total liabilities	410.4	401.1
Total equity and liabilities	698.7	697.4
Equity ratio %	41.3	42.5
Cash liquidity ratio %	75.0	100.9
Equity per share, SEK	1.01	1.04
Equity per share, diluted, SEK	0.88	0.92

Consolidated, condensed change in equity

Amount in MSEK	Share contributed capital	Other contributed capital	Translation differences	Cash flow hedges	Retained earnings	Total equity
Opening equity 1.1.2023	275	213	18	0	-262	244
Period result					27	27
Sum of period result					27	27
Other Comprehensive income						
Translation difference			-3			-3
Cash flow hedges				1		1
Income tax of cash flow hedges				0		0
Sum of other comprehensive income	0	0	-3	0	0	-3
Transactions with shareholders						
Reduction of share capital	-264				264	0
Bonus issue	260				-260	0
Rights issue	5	34				39
Issuer costs		-10				-10
Sum of transactions with shareholders	1	24	0	0	4	28

Amount in MSEK	Share contributed capital	Other contributed capital	Translation differences	Cash flow hedges	Retained earnings	Total equity
Closing Equity 31.12.2023	276	236	15	0	-231	296
Period result					-16	-16
Sum of period result					-16	-16
Other Comprehensive income						
Translation difference			9			9
Cash flow hedges				-2		-2
Income tax of cash flow hedges				0		0
Sum of other comprehensive income	0	0	9	-2	0	8
Transactions with shareholders						
Share issue and convertible loan conversion	0	0				1
Issue cost		0				0
Sum of transactions with shareholders	0	0	0	0	0	1
Closing Equity 31.12.2024	276	237	24	-1	-247	288

Consolidated, condensed statement of cash flow

Amount in MSEK	1-12/24	1-12/23
Operating activities		
Result for the period	-16.4	27.2
Adjustments for items not effecting cash	118.3	107.3
Interest paid	-20.5	-17.7
Cash flow from operating activities before changes in working capital	81.5	116.8
Cash flow from changes in working capital		
Change in inventories	-13.7	2.7
Change in operating receivables	41.8	0.0
Change in operating liabilities	2.1	-7.7
Cash flow from operating activities	111.6	111.8

Amount in MSEK	1-12/24	1-12/23
Investing activities	-69.7	-46.7
Share issue and convertible loan conversion	0.0	38.6
Issue costs	0.0	-10.3
Repayment of lease liabilities	-5.3	-8.2
Change in loans	-29.9	-4.6
Cash flow from financing activities including share issue	-35.2	15.6
Change in cash and cash equivalents	6.7	80.7
Cash and cash equivalents in the beginning of the period	78.9	0.8
Translation differences in cash and cash equivalent	2.7	-2.6
Cash and cash equivalents at the end of period	88.3	78.9

Parent company condensed statement of income

Amount in MSEK	1-12/24	1-12/23
Net sales	1.5	0.0
Other income	0.0	0.0
Supplies	0.0	0.0
Other expenses	-11.5	-25.3
Employee expenses	-2.5	-3.2
EBITDA	-12.5	-28.5
Depreciation and amortization	-0.1	-0.1
EBIT	-12.6	-28.6
Financial income	71.9	-1.1
Financial expenses	-47.0	-122.7*
Financial net	24.9	-123.8
Result after financial items	12.3	-152.4
Group contributions	-13.3	-16.7
Taxes	-14.1	-2.8
Result for the period	-15.1	-171.9

*Note: * Financial expenses consist mainly of write-down of capital loans.

Parent company condensed balance sheet

Amount in MSEK	31.12.2024	31.12.2023
Assets		
Fixed assets		
Intangible fixed assets	0,0	0,0
Tangible fixed assets	0,1	0,2
Shares in subsidiaries	174,9	174,9
Financial fixed assets	165,6	129,1
Total fixed assets	340,6	304,2
Other assets	5,3	17,1
Cash and cash equivalents	0,7	2,9
Total current assets	6,0	20,0
Total assets	346,7	324,2
Equity and liabilities		
Equity	210,0	224,4
Liabilities		
Long term liabilities	72,0	69,6
Short term liabilities	64,7	29,6
Total liabilities	136,7	99,2
Total Equity and liabilities	346,7	324,2

Exchange rates

For the compilation of the Company's accounts, exchange rates have been calculated using the following values:

	31.12.2024	31.12.2023
Balance sheet day rate EUR/SEK	11.49	11.10
Balance sheet day rate USD/SEK	11.00	10.04
Average rate for the reporting period EUR/SEK	11.43	11.48

Other information

Important estimates and assessments for accounting purposes

Estimates and assessments are continuously evaluated and based on historical experience and other factors, including expectations of future events that are considered reasonable under the prevailing circumstances. The Group makes estimates and assumptions about the future. The estimates for accounting purposes that result from this will, by definition, rarely correspond to the actual result. The estimates and assumptions that entail a significant risk of

major adjustments in the carrying amounts of assets and liabilities are described in the annual report 2023.

Accounting principles

The interim report has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, the Annual Accounts Act and the Securities Market Act. For the parent company, the interim report has been prepared in accordance with the Annual Accounts Act and the Securities Market Act, which is in accordance with the provisions of RFR 2 Accounting for Legal Entities. The parent company's and the group's accounting principles for the report are unchanged compared to the latest annual report for the year 2023, except for:

- 1) The change in the reporting procedure for the financial year 2024 is presented in the section 'Recognition of revenue, IFRS 15' below. This change has no impact on the reported profit and loss or equity reported for the financial year.
- 2) In the third quarter 2024, the Company changed its accounting practice and recognized the value of its stocks of spare parts and consumables as a component of inventory.

Revenue recognition IFRS 15

The Group's revenue primarily consists of sales of silver concentrates and by-products. Sales are recognized as revenue when control of the concentrate is transferred to the customer, which is considered to have been done when the concentrate has been transported and received by the customer. Where the agreements contain multiple performance commitments, the transaction price is allocated to each separate performance commitment based on their standalone selling prices.

For revenue relating to the flotation concentrate, the transaction price is calculated on preliminary data on the amount of concentrate, metal content, metal price, and less reimbursement for treatment costs and contaminant content. Final billing occurs when all input parameters (concentrate quantity, metal content, price, contaminant content, etc.) have been determined. Any changes in the amount of concentrate and metal content on final invoicing are reported as net sales.

Silver concentrates are usually sold within pricing arrangements, which means that the final price is determined by quoted market prices for a specified period after the actual sale date. Regarding these sales, the Group must estimate the transaction price to be received at the sale date considering relevant commodity market prices. Adjustments due to movements in quoted commodity

prices are made up to the date of final pricing based on market prices.

Previously, the Group presented product price adjustments due to differences between preliminary and final metal content calculations based on laboratory assays in net sales. Adjustments to the final product price due to changes in the market price after the market price estimate made on the trade date were reported in other operating income/expenses.

As of the second quarter of the financial year, the Group has adopted a reporting procedure in which adjustments for both metal content and changes in market prices in the final sales revenue of products after an estimate made on the trade date are presented in the income statement in net sales. In the financial statements for the financial year, the cumulative difference between the estimated selling price on the trading date and the final actual selling price for the year, both in terms of metal content and market price changes, is disclosed in Table A below.

Revenue from activities outside ordinary activities is reported as other income.

The change in the reporting procedure corresponds to the general reporting practice of the industry and improves the comparability of financial statements with other operators

in the same industry. The change does not affect the reported profit or loss or equity for the financial year.

The information for net sales and other income for the comparison period 1.1.-31.12.2023 has been restated in accordance with the new reporting procedure in accordance with table B and C below, following the provisions of IAS 8.

MSEK	FY 2024	FY 2023
Metal content adjustment in Net Sales	-0.2	-1.0
Market price adjustment in Net Sales	-0.8	0.0
Total	-1.1	-1.0

Table A: Metal content and market price adjustment for metals included in Net Sales for the financial period 1.1.-31.12.2024 and the comparison period 1.1.-31.12.2023

MSEK	FY 2024	FY 2023
Net Sales	413.0	406.8
Other income	0.5	5.0

Table B: Net sales and other income in the financial statements presented in accordance with the previous reporting procedure

MSEK	FY 2024	FY 2023
Net Sales	412.2	410.3
Other income	1.4	1.5

Table C: Net sales and other income in the financial statements presented in accordance with the current reporting procedure

The new reporting procedure was applied in this interim report.

In the previous reporting procedure, the sales pricing accruals were recorded between net sales and other operating income at the end of the reporting period and have typically been below 5.0 MSEK depending on price development in the global metals market.

Inventories

The Company's inventories consist mainly of concentrate and ore. Inventories are reported at the lower of cost and net realizable value. The acquisition value is determined using the first-in, first-out method (FIFO). The acquisition value for concentrate consists of ore from the own mine, direct wages, other direct costs, and attributable indirect manufacturing costs, including attributable depreciation based on normal production capacity. The net realizable value is the estimated selling price of metal content in

accordance with applicable sales terms, less any applicable variable sales costs.

The Company recognized in Q3 2024 the value of its stocks of spare parts and consumables as a component of inventory. The change in accounting practice is consistent with the increase in the value of purchases of spare parts, consumables and maintenance services. Previously, spare parts and consumables purchases were expensed directly to the income statement, as the value of the inventory at the end of a reporting period was considered to be insignificant. The spare parts and consumables inventory value stated at the end of the third quarter was 8 MSEK, which was reflected on EBITDA through change of inventories.

Fair value of financial instruments and trade receivables

The Company implemented at the beginning of April 2022 a directed issue of convertibles of an aggregate nominal amount of up to 6.4 MEUR. During Q3/2024 convertibles in an aggregated nominal amount of 60,018 EUR was converted to shares. After the conversion, the aggregated nominal amount for the outstanding convertibles amounts to approximately 6.3 MEUR. The convertibles carry an annual interest of 8.0%. The term of the convertibles is 4.5 years with a maturity date on 30 September 2026, to the extent that conversion has not taken place before such

date. The conversion price at the time of issuance was 0.175 EUR per share and after the share issue the conversion price is 0.1538 EUR per share.

The convertible contains two components: a conversion option component that will be recognized at fair value using the Black-Scholes model through the income statement and a liability component that will be recognized at amortized cost using the effective interest rate method. At the inception date, the fair value of the convertible option liability was 34 MSEK and the fair value of the liability component was 32 MSEK. On 31 December 2024, the fair value of the convertible option component was 7 MSEK and the fair value of the liability component was 53 MSEK. The fair value change during 2024 for the conversion option liability was -3 MSEK, and the effective interest rate cost recorded for the liability component was -14 MSEK.

The Company uses electricity price-fixing contracts to hedge electricity price risk. Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Company designates certain derivatives as hedges of a

particular risk associated with the cash flow of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

At the inception of the hedge relationship, the Company documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Company documents its risk management objective and strategy for undertaking its hedge transactions. The fair values of derivative financial instruments designated in hedge relationships were -1.6 MSEK.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit and loss.

For other financial instruments, the carrying amount is a reasonable estimate of fair value. The fair value of embedded derivatives is found in Level 2 of the fair value

hierarchy. On 31 December 2024, the fair value of accounts receivable amounted to 30 MSEK (38) and is recognized in the item Trade Receivables in Current assets in the balance sheet. If there would have been any changes, the values would be reported in other operating income/expenses in the Consolidated statement of income. The fair value of accounts receivable is found in Level 2 of the fair value hierarchy.

Definitions

The financial statements provided include alternative performance measures that complement the measures defined or specified in applicable financial reporting rules such as revenue, profit or loss, or earnings per share. Alternative performance measures are indicated when they provide clearer or more in-depth information in their context than the measures defined in the applicable financial reporting rules. The starting point for the submitted alternative performance measures is that they are used by management to assess financial performance and are thus considered to provide analysts and other stakeholders with valuable information.

Group Management regularly uses alternative performance measures as a complement to the key performance measures defined in IFRS. The alternative performance measures are derived from the consolidated financial

statements and are not measures of financial results or liquidity in accordance with IFRSs, and therefore they should not be considered as alternatives to net result, operating profit or other performance measures derived in accordance with IFRS or as an alternative to cash flow as a measure of the Group's liquidity.

The definition and calculation of the key figures are described below.

EBITDA, Earnings Before Interest, Taxes and Depreciations & Amortizations

EBIT, Earnings Before Interest and Taxes

Equity ratio (%), The equity in relation to total Assets

Earnings per share, The Earnings divided by the number of shares

Cash liquidity (%), Short-term assets minus inventories in relation to short-term liabilities

Net debt-to-EBITDA ratio, Net debt in relation to rolling 12 months EBITDA

Silver production, The amount of silver produced in concentrates

Mill feed, Amount of ore fed to the concentrator plant

Average silver grade, Weighted silver grade in ore fed to the concentrator plant

LTIFR, Lost time injury frequency rate (LTIFR) means the number of lost time injuries for a million working hours

Ounce, Troy ounce which is 31.1035 grams

TSM Finland: The mining industry's sustainability is monitored and developed through the international Towards Sustainable Mining standard. The purpose of implementing the standard is to encourage the industry to adopt and develop more responsible practices. The Responsible Mining tools, such as social responsibility reporting and the mining responsibility systems, have been developed in collaboration with the Sustainable Mining Network.



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