

# Continued mining challenges

Interim Report Q1/2025



## HIGHLIGHTS

### January – March

- Net sales decreased by 19% to 69 MSEK (85 MSEK\*), driven mainly by lower metal production.
- EBITDA fell to -8 MSEK (17) and EBITDA margin fell to negative (20%).
- EBIT weakened to -24 MSEK (-1).
- Profitability decreased mainly due to continued mining challenges and lower silver production due to lower grade and lower volume of milled ore.
- Cash and cash equivalents amounted to 1 MSEK (38). The Company amortized the senior loan by 43 MSEK and paid 14 MSEK interest on the loan. The Company had unused credit facility of 22 MSEK.
- CAPEX was 16 MSEK (17) and consisted mainly of exploration and infill drilling, deepening the decline and CAPEX drifts.
- The production amounted to approximately 169,000 ounces of silver (309,000), 365 ounces of gold (717), 137 tonnes of lead (197), and 309 tonnes of zinc (338) in concentrates.
- We continued efforts to move on to better quality stopping areas during Q1, and at publication of this report (29 April 2025), we have been able to move our operation partially to more reliable and stable areas to ramp up volumes.

- As announced on 18 February 2025, production was temporarily halted as a vehicle caught fire in Sotkamo Silver's mine. The fire was successfully extinguished, employees evacuated safely, and production gradually started within one week after the incident.

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

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

## OUTLOOK

### Guidance for 2025 (unchanged)

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

### Continued Mining Challenges Reduced Production Volumes

Production challenges have continued at the beginning of the year. Issues in the bedrock were identified already in the latter part of last year, and we anticipated challenging conditions for the first quarter. Unfortunately, silver production turned out to be even weaker than expected, and the corrective measures to accelerate production did not have the desired impact. Ongoing issues related to the quality of the bedrock have continued to hamper mining, and, for example, we have not been able to open new stopes as planned, and silver grades have remained low. The goal is to urgently continue mining in accordance with the production plans.

In February, a vehicle fire in the main tunnel of the mine also caused a temporary reduction in production. This emergency highlighted the importance of preparedness and safety training. The personnel at the mine site acted in an exemplary manner according to safety procedures, and the cooperation with rescue authorities was seamless.

Demand for silver has remained strong, and during the quarter, the silver price increased from just under USD 29 to over USD 34.

The low production volumes caused a significant year-on-year decline in net sales, and both operating profit and cash flow from operations were weak. The weak cash flow also affected our financial position, along with EUR 5.2 million senior loan repayment, including interest, and EUR 0.4 million mining tax paid at the beginning of the year. After the repayment of EUR 4 million, the principal of the senior loan is EUR 8.1 million. As a result, the company's cash position is tight. We are continuing negotiations to secure financing and will communicate more of them when the negotiations are completed.

Our current focus is on increasing production volumes. We have updated our mining plan and allocated our resources to the most essential actions to resolve the situation quickly. At the time of publishing this report, we are already partially operating in more stable and production-secure mining areas, which improves both the availability and quality of ore.

The Company's key strategic focus in 2025 remains to ensure and strengthen operational reliability. We plan to open alternative mining areas and accelerate the preparation of new stopes earlier than before. We also aim to secure long-term growth. This goal is supported by the permit for expanding the mining concession granted by the authorities in March, which enables us to expand the underground mine to the eastern side of the previously permitted area.



**Mikko Jalasto, CEO**

## Key figures

	Q1/25	Q1/24	Change, %	1-12/24
Net sales, MSEK	69	85	-19%	412
EBITDA, MSEK*	-8	17		109
EBITDA margin %	-10.9	20.2		26.4
EBIT, MSEK	-24	-1		32
EBIT margin %	-34.8	-1.4		7.9
Equity ratio %*	41	44	-7%	41
Cash liquidity %*	35	94	-63%	75
Net debt-to-EBITDA ratio*	2.5	1,5	63%	1.6
Personnel at the end of the period	49	49	0%	51
Silver production, koz*	169	309	-45%	1,166
Mill feed, kt*	92	124	-25%	497
Average silver grade, g/tonne*	69	91	-25%	89

Alternative key performance measures are marked with asterisk. For more detailed definitions, please see section Definitions on page 24.



## Financial performance

During the first quarter, **net sales** decreased by 19% to 69 MSEK (85), driven mainly by lower metal production. The positive price development of silver, gold and zinc supported net sales.

**Other income** was 0.4 MSEK (9.4) during the quarter, including received subsidies and proceeds from recycling.

**EBITDA** fell to -8 MSEK (17) and EBITDA margin was negative (20). **EBIT** weakened to -24 MSEK (-1). Profitability decreased mainly due to continued mining challenges and lower silver production due to lower grade and lower volume of milled ore.

The Company's **CAPEX** 16 MSEK (17) in the quarter consisted mainly of exploration and infill drilling, underground decline and CAPEX drifts. With the investments made, the Company aims to extend the life of the mine and ensure efficient production.

During the first quarter **silver price** fluctuated in a range between \$29.4 and \$34.4 per ounce average being \$31.9 (\$23.3) per ounce. At the end of the quarter, the silver price was \$34.1 per ounce.

A change of one USD per ounce in the price of silver affects the Company's revenue by approximately 11 MSEK annually.

Based on the World Silver Survey 2025 by Silver Institute, Silver saw its fourth year of a major deficit in 2024 as a slight 2% rise in supply and 3% dip in demand still meant a shortfall of around 150Moz (4,600t). On top of the deficit, supportive macro-economic and geopolitical conditions boosted investment, helping lift the annual average silver price by 21%. With supply only forecast to rise by 2% and demand to ease by 1%, 2025 is set for another major deficit (117.6Moz/3,659t). Ongoing macroeconomic and geopolitical uncertainty, plus upcoming US rate cuts, are expected to sustain investor interest in precious metals, generating medium term price strength in silver.\*

In the first quarter, the **Euro** strengthened against the US dollar by 4.8 %, being at 1.03 at the beginning and 1.08 at the end of the quarter. The changes in the value of the Euro against the **US dollar** during the quarter had a negative impact of 2 MSEK on the Company's result. The Euro weakened during the first quarter against the **Swedish krona** from 11.49 to 10.85 average being 11.23 which had a minor effect on the Company's result.

\* [https://silverinstitute.org/wp-content/uploads/2025/04/World\\_Silver\\_Survey-2025.pdf](https://silverinstitute.org/wp-content/uploads/2025/04/World_Silver_Survey-2025.pdf)

## Market data

	Q1/25	Q1/24	1-12/24
Average silver price USD	31.9	23.3	28.3
Average EUR/USD	1.05	1.09	1.08
Average EUR/SEK	11.23	11.28	11.43



## Financial position and cash flow

During the first quarter, the Group's **cash and cash equivalents** decreased to 1 MSEK (38). The Company amortized the senior loan by 43 MSEK, paid 14 MSEK interest on the loan and 4 MSEK mining tax. The Company had an unused credit facility of 22 MSEK. The Company was 31 MSEK **cash flow** negative during the quarter.

The Company agreed with the senior loan holders to extend the maturity of the senior loan until 30 April 2026.

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% (44). **Net debt to EBITDA ratio** increased to 2.5 (1.5).

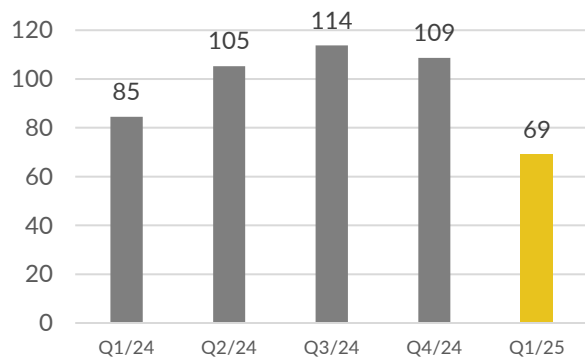
The Group's **equity** was 235 MSEK (294) which corresponds to 0.82 SEK (1.01) a share non-diluted, and 0.72 SEK (0.88) diluted.

We have continued negotiations to strengthen our financial position and will communicate more about financing as the negotiations are completed.

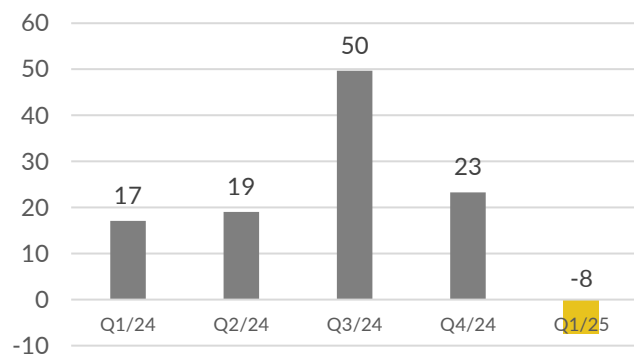


## Financial key figures

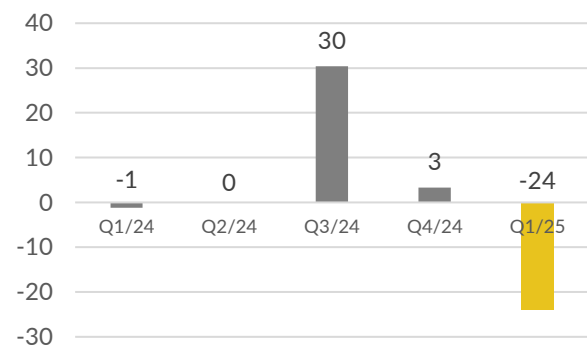
Net Sales, MSEK



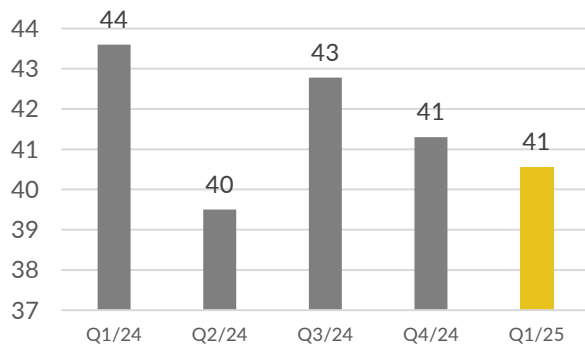
EBITDA, MSEK



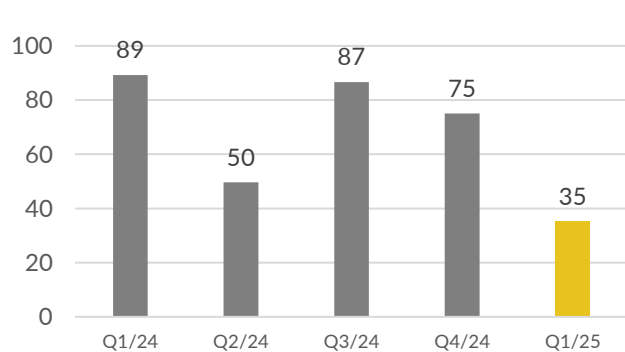
EBIT, MSEK



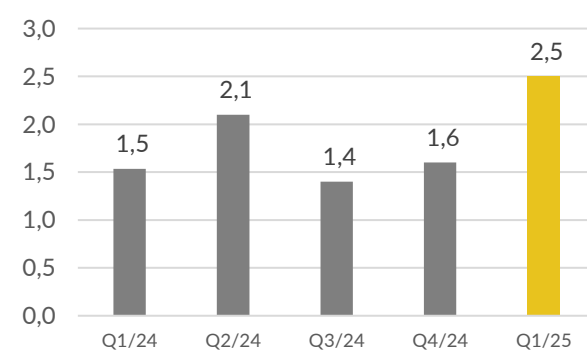
Equity ratio, %



Cash liquidity, %



Net debt-to-EBITDA



## Operational performance

During the first quarter of 2025, the total amount of milled ore decreased to 92,000 tonnes compared to the previous year's 124,000 tonnes. We expected a weak quarter, as we stated in our Q4 report, but volumes were even less than anticipated. After discovering the magnitude of rock mechanical challenges, we took corrective measures and redesigned the stopes and stoping sequences, but unfortunately this was not enough, ore was diluted and silver head grade stayed low. The lack of alternative stopes compounded the issue.

We fell short of our targeted volumes, and could not open redesigned stopes as planned as we continued to face severe rock mechanical challenges at the 440–460-meter level, which made safe mining unusually difficult. The mining challenges resulted in several unplanned down time periods at the concentration plant as well as dilution of the mined ore and therefore lower silver grade in the feed.

In total, our silver production amounted to 169,000 ounces (309,000), 365 ounces of gold (717), 137 tonnes of lead (197), and 309 tonnes of zinc (338) in concentrates during the quarter. The silver head grade for Q1 was 69 g/tonne (91).

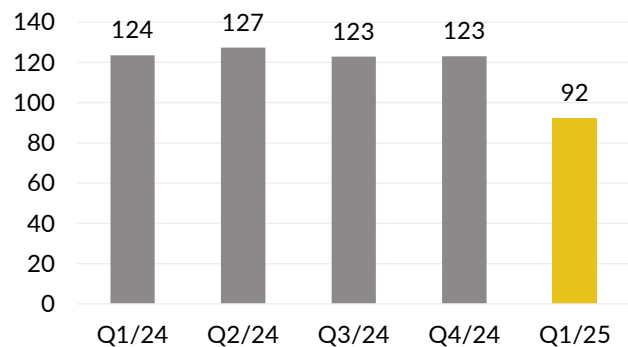
We continued efforts to move on to better quality stopes for the whole of Q1, and at the time of publication of this report (29 April 2025), we have finally been able to move our operation partially to more reliable and safe areas with better mining conditions.

We anticipate the silver head grade to return to the estimated 90-110 g/tonne during 2025. Opening new alternative mining areas in the underground mine 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.

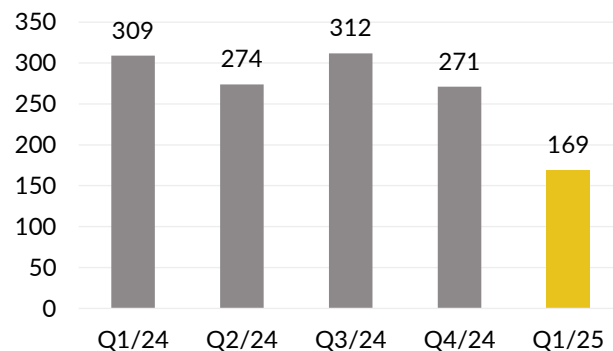


## Operational key figures

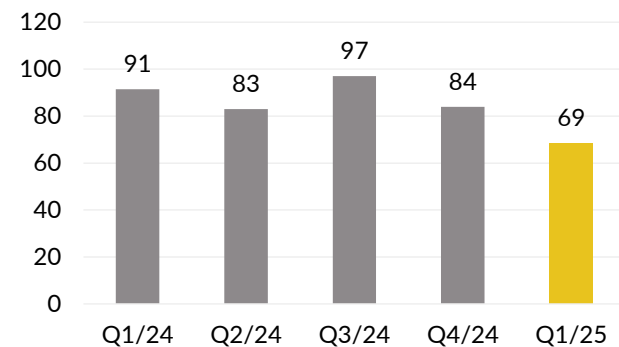
Milled ore, ktonnes



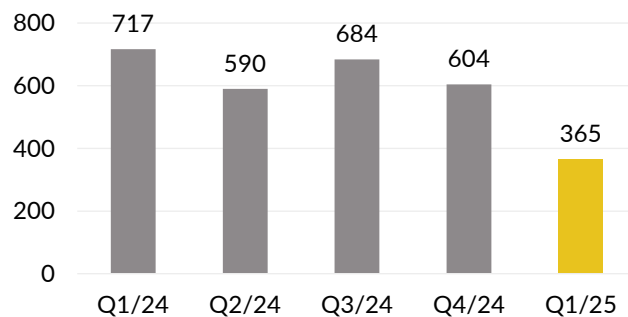
Silver production, koz



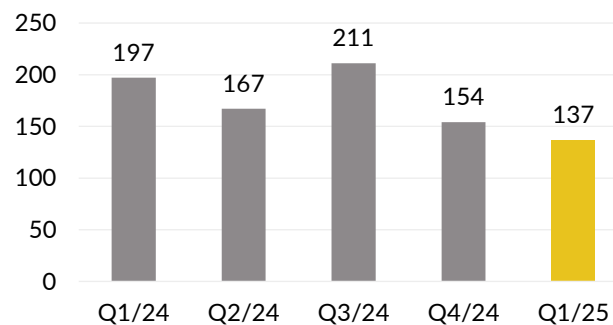
Silver head grade, g/tonne



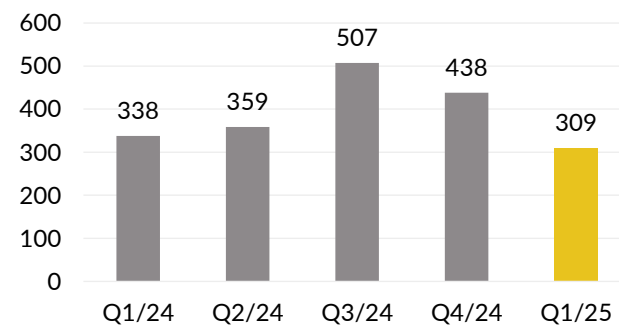
Gold production, oz



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, Q1/2025

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

We started the first LOM-related exploration drilling campaign in September 2024. Drilling has continued during the first quarter of 2025 and new LOM estimations will be announced at the end of 2025. However, in Q1 2025, our key focus has been in stabilizing the productions volumes.

### Exploration, broader Kainuu region

We focus 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 and the drill holes were analyzed at the end of last year. Based on these results, we are in a process to decide the next steps.

### Operational efficiency

In Q1 2025, our key focus has been in stabilizing the productions volumes. However, we fell short of our targeted volumes, and could not open redesigned stopes as planned as we continued to face severe rock mechanical challenges at the 440–460-meter level, which made mining unusually difficult.

### Financing of investments

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. We also continued negotiations on the refinancing of current loans due in 2026 and a financing solution to ensure sufficient working capital. We will communicate more about financing as the negotiations are completed

### Responsible use of natural resources

In March, we were granted an expansion permit for the mining concession by the authorities, enabling us to expand the underground section of the mine to a wider area than previously permitted.

In the end of last year, we reached AA level in one and A level in other TSM Finland mining responsibility protocols. In 2025, we will focus on maintaining the good practices of the responsibility system across our operations and continuously improve the processes related to it.

## 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 analyzed 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, predictability and 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 company announced on February 18, 2025, that a vehicle had caught fire in its underground mine, leading to a temporary suspension of production. The fire was successfully extinguished, employees evacuated safely, and damage assessment work began on the same day.

The lost time injury frequency rate (LTIFR), the number of lost time injuries for a million working hours) was 15 (19) at the end of the period, including all contractors. LTIFR of 15 corresponds to four 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 2 days without LTIs.

## Responsible mining

Companies committed to the Mining Responsibility System, established in 2016, adhere to sustainability principles that benefit the environment, people, and the economy. Sustainable mining encompasses the entire lifecycle of a

project, from mineral exploration to mine closure and post-closure monitoring.

At the time being, TSM Finland mining responsibility system includes 8 protocols. The protocols and their assessment scale are presented in the table below.

Protocol	Assessment scale	Performance level
Stakeholder Cooperation	C/B/A/AA/AAA	AA
Biodiversity Management	C/B/A/AA/AAA	A
Tailings Management	C/B/A/AA/AAA	A
Water Management	C/B/A/AA/AAA	A
Climate Change	C/B/A/AA/AAA	A
Occupational Health and Safety	C/B/A/AA/AAA	A
Crisis Management	compliant/non-compliant	compliant
Mine Closure	C/B/A/AA/AAA	A

In 2025, we will focus on maintaining the good practices of the responsibility system across our operations. We have reached A-level in all corresponding protocols in 2024 aim to maintain this level through continuous improvement of the processes.

In March, we were granted an expansion permit for the mining concession by the authorities, enabling us to expand

the underground section of the mine to a wider area than previously permitted. This enables the opening of new mining areas outside the old mining concession.

## Sustainability and environmental reporting

The company began preparing for the CSRD reporting requirements in 2024. However, the Omnibus proposal released by the European Commission in February has prompted a review and potential adjustment of the initial reporting plans to ensure alignment with the updated guidance. The company is actively monitoring the progress of the proposal to remain aligned with future regulatory developments and to adapt its reporting preparations accordingly.

The company continued its routine environmental activities during the first quarter, during which it also published the annual environmental monitoring report for the previous year. The report includes data on air and water quality, waste management, and regulatory compliance, with particular focus on water-related impacts. Monitoring results for both surface and groundwater are presented in detail.

The results indicate that the ecological health of local water bodies remains secured, supporting their continued use for recreation. The findings show that the group's operations remain within environmentally safe limits and do not pose a risk to local water resources.



## Personnel

The Company had 49 (49) own employees and 106 (97) contracted employees permanently working at the silver mine site.



## Shares and trading

Sotkamo Silver AB's share capital on March 31, 2025 was 275,880,781 SEK and the number of shares was 286,148,387.

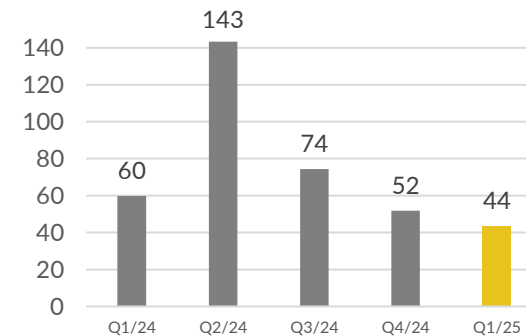
Sotkamo Silver AB's shares are traded on NGM Equity Stockholm and on Nasdaq Helsinki. The Company ticker code is SOSI at NGM Equity and SOSI1 at Nasdaq Helsinki. The shares' ISIN number is SE0001057910. The shares are also traded on Börse Berlin, Open Market, where the Company code number is A0MMF4 and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

During the first quarter 43,802,924 (59,766,728) shares were traded on NGM Equity in Stockholm and Nasdaq in Helsinki.

### Share information

	Q1/25	Q1/24
Share price, SEK	1.17	1.11
Highest share price during the period, SEK	1.24	115
Lowest share price during the period, SEK	0.98	0.73
Quota value, SEK	0.96	0.96
Market cap, MSEK	335	317
Number of shares	286,148,387	285,758,153
Number of shares, diluted	327,383,120	327,383,120
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 2024, p. 45–49.

## Events after the reporting period

The Company started at the beginning of April to hedge the price of delivered silver with derivative instruments.

The AGM made the following decisions on 24 April 2025:

- The Income Statement and the balance sheet for both the parent company and the group regarding the financial year 2024 were adopted by the AGM. The AGM decided that no dividend would be paid out for the financial year 2024. The members of the Board and the CEO were granted discharge from liability for the financial year 2024.
- The AGM decided that the Board would comprise of six ordinary members. Jukka Jokela, Joni Lukkaroinen, Kimmo Luukkonen, Sixten Sunabacka, Eeva-Liisa Virkkunen and Mauri Visuri were re-elected as directors. 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 2026.
- 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 2024.
- 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.

## Financial calendar

- Q2/2025: 31 July 2025
- Q3/2025: 23 October 2025
- Q4/2025: To be determined

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

### Stockholm, 29 April 2025

#### Sotkamo Silver AB's Board of Directors and CEO

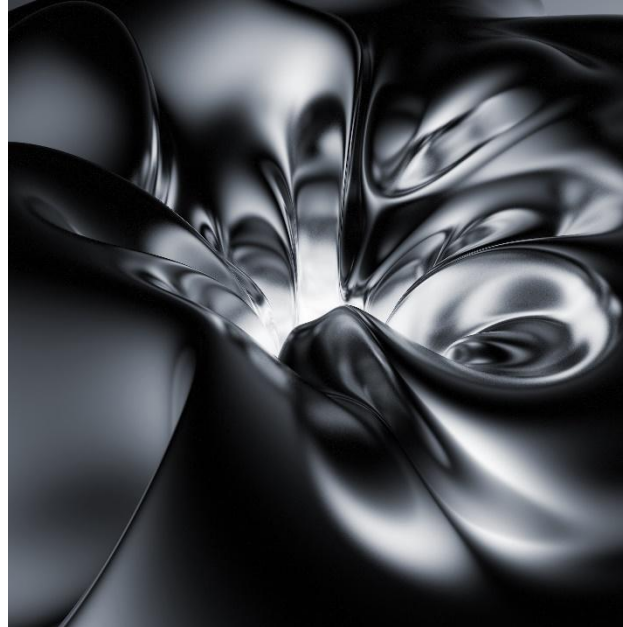
Eeva-Liisa Virkkunen (Chairperson)  
Jukka Jokela  
Joni Lukkaroinen  
Kimmo Luukkonen  
Sixten Sunabacka  
Mauri Visuri

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/](http://www.silver.fi/en/)



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The reports are available on  
the Company webpage:  
[www.silver.fi/en/investors](http://www.silver.fi/en/investors)

## Consolidated, condensed statement of income and other comprehensive income

Amount in MSEK	Q1/25	Q1/24	1-12/24
Net sales	68.9	84.5	412.2
Change of finished goods	1.3	2.1	13.5
Other income	0.4	9.4	1.4
Supplies and services	-53.2	-52.6	-220.1
Other expenses	-14.0	-16.4	-53.6
Employee expenses	-10.9	-9.9	-44.3
<b>EBITDA</b>	<b>-7.5</b>	<b>17.1</b>	<b>109.0</b>
Depreciation and amortization	-16.4	-18.3	-76.5
<b>EBIT</b>	<b>-24.0</b>	<b>-1.2</b>	<b>32.5</b>
Financial income	4.1	-2.4	6.4
Financial expenses	-19.8	-7.7	-40.8
Interest expenses on lease payments	-0.1	-0.1	-0.4
<b>Financial net</b>	<b>-15.7</b>	<b>-10.1</b>	<b>-34.8</b>
<b>Result after financial items</b>	<b>-39.7</b>	<b>-11.3</b>	<b>-2.3</b>
Taxes	0.0	0.0	-14.1
<b>Result for the period</b>	<b>-39.7</b>	<b>-11.3</b>	<b>-16.4</b>

## Result that may be reclassified to current period result:

Amount in MSEK	Q1/25	Q1/24	1-12/24
Translation differences	-13.6	10.0	9.4
Cash flow hedges	-0.5	-0.7	-2.1
Income tax of cash flow hedges	0.1	0.1	0.4
<b>Total comprehensive income</b>	<b>-53.7</b>	<b>-1.8</b>	<b>-8.7</b>
<b>Attributable to:</b>			
The parent company			
shareholders	-53.7	-1.8	-8.7
<b>Total</b>	<b>-53.7</b>	<b>-1.8</b>	<b>-8.7</b>
Earnings per share, non-diluted, SEK	-0.14	-0.04	-0.06
Earnings per share, diluted, SEK	-0.14	-0.04	-0.06

## Consolidated, condensed balance sheet

Amount in MSEK	31.3.2025	31.3.2024
Intangible fixed assets	0.3	0.3
Tangible fixed assets	510.9	537.3
Right of use assets	4.8	8.3
Financial fixed assets	2.5	37.8
Deferred tax assets	0.4	0.0
<b>Total fixed assets</b>	<b>518.9</b>	<b>583.7</b>
<b>Current assets</b>		
Inventories	18.2	6.4
Trade receivables	28.7	31.4
Other assets	11.3	16.6
Cash and cash equivalents	1.2	37.6
<b>Total current assets</b>	<b>59.4</b>	<b>92.1</b>
<b>Total assets</b>	<b>578.3</b>	<b>675.8</b>
<b>Equity</b>		
Share capital	275.9	275.5
Other contributed capital	236.6	236.3
Translation differences	10.6	25.0
Cash flow hedges	-1.6	-0.1
Retained earnings	-247.3	-231.0
Result of the period	-39.7	-11.3
<b>Total Equity</b>	<b>234.5</b>	<b>294.4</b>

Amount in MSEK	31.3.2025	31.3.2024
<b>Liabilities</b>		
Provision	40.4	35.4
Non-current borrowings	173.6	238.5
Non-current lease liabilities	1.6	4.3
Non-current derivative liabilities	10.8	7.1
<b>Total non-current liabilities</b>	<b>186.0</b>	<b>250.0</b>
Current borrowings	31.1	13.5
Current lease liabilities	3.9	5.2
Derivative financial instruments	2.0	0.1
Trade payables and other payables	80.5	77.2
<b>Total current liabilities</b>	<b>117.5</b>	<b>96.0</b>
<b>Total liabilities</b>	<b>343.8</b>	<b>381.4</b>
<b>Total equity and liabilities</b>	<b>578.3</b>	<b>675.8</b>
Equity ratio %	40.5	43.6
Cash liquidity ratio %	35.1	89.2
Equity per share, SEK	0.82	1.03
Equity per share, diluted, SEK	0.72	0.90

### Consolidated, condensed change in equity

Amount in MSEK	Share capital	Other contributed capital	Translation differences	Cash flow hedges	Retained earnings	Total equity
<b>Opening equity 1.1.2024</b>	<b>276</b>	<b>236</b>	<b>15</b>	<b>0</b>	<b>-231</b>	<b>296</b>
Period result					-16	-16
<b>Sum of period result</b>					<b>-16</b>	<b>-16</b>
<b>Other Comprehensive income</b>						
Translation difference			9			9
Cash flow hedges				-2		-2
Income tax of cash flow hedges				0		0
<b>Sum of other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>-2</b>	<b>0</b>	<b>8</b>
<b>Transactions with shareholders</b>						
Share issue and convertible loan conversion	0	0				1
Issuer costs		0				0
<b>Sum of transactions with shareholders</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>

Amount in MSEK	Share capital	Other contributed capital	Translation differences	Cash flow hedges	Retained earnings	Total equity
<b>Closing Equity 31.12.2024</b>	<b>276</b>	<b>237</b>	<b>24</b>	<b>-1</b>	<b>-247</b>	<b>288</b>
Period result					-40	-40
<b>Sum of period result</b>					<b>-40</b>	<b>-40</b>
<b>Other Comprehensive income</b>						
Translation difference			-14	0		-14
Cash flow hedges				-1		-1
Income tax of cash flow hedges				0		0
<b>Sum of other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-14</b>	<b>0</b>	<b>0</b>	<b>-14</b>
<b>Closing Equity 31.3.2025</b>	<b>276</b>	<b>237</b>	<b>11</b>	<b>-2</b>	<b>-287</b>	<b>235</b>

## Consolidated, condensed statement of cash flow

Amount in MSEK	1-3/25	1-3/24	1-12/24
<b>Operating activities</b>			
Result for the period	-39.7	-11.3	-16.4
Adjustments for items not effecting cash	30.6	27.1	118.3
Interest paid	-16.4	-17.6	-20.5
<b>Cash flow from operating activities before changes in working capital</b>	<b>-25.5</b>	<b>-1.8</b>	<b>81.5</b>
<b>Cash flow from changes in working capital</b>			
Change in inventories	-1.3	-2.3	-13.7
Change in operating receivables	3.3	2.2	41.8
Change in operating liabilities	-7.5	4.6	2.1
<b>Cash flow from operating activities</b>	<b>-31.0</b>	<b>2.7</b>	<b>111.6</b>

Amount in MSEK	1-3/25	1-3/24	1-12/24
<b>Investing activities</b>	<b>-15.1</b>	<b>-16.2</b>	<b>-69.7</b>
Repayment of lease liabilities	-1.2	-1.4	-5.3
Change in loans	-37.8	-28.2	-29.9
<b>Cash flow from financing activities including share issue</b>	<b>-39.0</b>	<b>-29.7</b>	<b>-35.2</b>
<b>Change in cash and cash equivalents</b>	<b>-85.2</b>	<b>-43.2</b>	<b>6.7</b>
Cash and cash equivalents in the beginning of the period	88.3	78.9	78.9
Translation differences in cash and cash equivalent	-1.9	1.9	2.7
<b>Cash and cash equivalents at the end of period</b>	<b>1.2</b>	<b>37.6</b>	<b>88.3</b>



### Parent company condensed statement of income

Amount in MSEK	1-3/25	1-3/24	1-12/24
Net sales	4.8	0.0	1.5
Other income	0.0	0.0	0.0
Supplies	0.0	-0.1	0.0
Other expenses	-2.7	-2.3	-11.5
Employee expenses	-0.5	-0.4	-2.5
<b>EBITDA</b>	<b>1.6</b>	<b>-2.7</b>	<b>-12.5</b>
Depreciation and amortization	0.0	0.0	-0.1
<b>EBIT</b>	<b>1.6</b>	<b>-2.7</b>	<b>-12.6</b>
Financial income	38.0	9.3	71.9
Financial expenses	-35.7	-1.6	-47.0
<b>Financial net</b>	<b>2.3</b>	<b>7.7</b>	<b>24.9</b>
<b>Result after financial items</b>	<b>3.9</b>	<b>5.0</b>	<b>12.3</b>
Group contributions	0.0	0.0	-13.3
Taxes	0.0	0.0	-14.1
<b>Result for the period</b>	<b>3.9</b>	<b>5.0</b>	<b>-15.1</b>

### Parent company condensed balance sheet

Amount in MSEK	31.3.2025	31.3.2024	31.12.2024
<b>Assets</b>			
<b>Fixed assets</b>			
Intangible fixed assets	0,0	0.0	0,0
Tangible fixed assets	0.1	0.2	0,1
Shares in subsidiaries	174.9	174.9	174,9
Financial fixed assets	163.5	141.7	165,6
<b>Total fixed assets</b>	<b>338.6</b>	<b>316.8</b>	<b>340,6</b>
Other assets	5.0	13.1	5,3
Cash and cash equivalents	1.2	5.8	0,7
Total current assets	6.2	18.9	6,0
<b>Total assets</b>	<b>344.7</b>	<b>335.8</b>	<b>346,7</b>
<b>Equity and liabilities</b>			
Equity	213.9	229.4	210,0
<b>Liabilities</b>			
Long term liabilities	68.0	72.5	72,0
Short term liabilities	62.8	33.8	64,7
Total liabilities	130.8	106.3	136,7
<b>Total Equity and liabilities</b>	<b>344.7</b>	<b>335.8</b>	<b>346,7</b>

## Exchange rates

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

	31.3.2025	31.3.2024	31.12.2024
Balance sheet day rate EUR/SEK	10.85	11.53	11.49
Balance sheet day rate USD/SEK	10.03	10.66	11.00
Average rate for the reporting period EUR/SEK	11.23	11.28	11.43

## 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 2024.

### Accounting principles

The interim report has been prepared in accordance with IFRS accounting standards 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 2024.

### 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.

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.

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

### 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.

#### **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 March 2025, the fair value of the convertible option component was 11 MSEK and the fair value of the liability component was 51 MSEK. The fair value change during 2024 for the conversion option liability was -4 MSEK, and the effective interest rate cost recorded for the liability component was -4 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 -2.0 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 and 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 March 2025, the fair value of accounts receivable amounted to 29 MSEK (31) 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.



