

The image features several thick, expressive brushstrokes of silver paint on a light gray background. The strokes are curved and layered, creating a sense of movement and depth. They are located in the upper right and middle right portions of the frame.

Annual and Sustainability Report 2025

Tomorrow is made of Silver

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Where are we today?

We're living through uncertain times, and global instability is putting many industries under pressure.

In the midst of it all, mining has a solid foundation. In times like these, the importance of local and reliable raw material production becomes critical. At Sotkamo Silver, we have strong confidence in the future.

That's because the green transition simply cannot happen without mines.

The world needs more silver, as it is a critical element in solar panels, electric vehicles, and modern electronics, to name a few.

At Sotkamo Silver, we meet this demand with the only mine in the Nordic region that produces silver as its main product. Our mine is located in Kainuu and in addition to silver, it produces gold, zinc, and lead, all widely used from batteries to space technology.

At the core of everything is the mineralisation that formed 2.8 billion years ago – the very foundation on which our silver mine is built. A surface drilling campaign carried out already in the 1980s succeeded in outlining a 40–100 metre wide mineralised zone stretching 550 metres in length. Today, we know that the mineralisation continues down to at least 900 metres and to the west of it there is a similar mineralisation in the exploration phase. To put it simply: it is a significant deposit, and its full potential is still unknown.

What happens above ground is just as important. In recent years, we have taken a deep dive into our operating methods and systematically streamlined our processes, so that the mine's full potential can be realised.

The current life of the silver mine extends at least until 2035, with potential to continue beyond that. Sotkamo Silver is also exploring promising new prospects in the areas surrounding the existing mine. For now, investments in new exploration targets are made with careful consideration.

Mining inevitably affects its surrounding environment and it is essential to be open about that. It is important to us that the impact on nature is kept as small as possible. Continuous development and modern technology ensure that we operate with respect for nature.

For us, responsibility is not just about meeting requirements. It means collaborating closely with the local community and keeping an open dialogue with the authorities. Trust is key to sustainable mining. It's the way we believe mining should be done.

Through vision, systematic work, and the courage to renew ourselves, we are ready for the next steps. The accelerating green transition is on our side. We mine the metals the world needs. We have the capability for steady production, and the pace is picking up.

Tomorrow is made of silver, and we are ready for it.



Year in brief

HIGHLIGHTS

The Company significantly increased its mineral resources, extending the estimated life of the mine to at least 2035. Financially, the Company strengthened its position by extending loan maturities and converting debt into equity. Higher metal prices supported profitability while production volumes were lower than in the previous year.

- The production was approximately 803,077 ounces of silver (1,166, 065), 1,829 ounces of gold (2,595), 602 tonnes of lead (729), and 1,472 tonnes of zinc (1,642) in concentrates.
- Net sales decreased by 5 percent from the previous year. Lower metal grades and lower mill feed led to lower production. Higher silver and gold prices did not fully compensate for the decline in net sales .
- EBITDA weakened to SEK 80 million (109) and EBITDA margin to 20% (26). Inadequate mining resources and rock mechanical challenges led to lower silver production and decreased profitability especially during the first half of 2025.
- Average silver head grade decreased from previous year and was 71 (89) g/t in 2025.
- According to the estimates published at the end of 2025, mineral resources increased by more than four million tonnes, and the most accurate category, Measured, grew very significantly. Current resources and reserves are estimated to enable operations to continue at least until 2035. Mineralisation both at greater depth and west of the current operating area provides promising targets for continued exploration.
- The Senior Loan maturity was extended and of EUR 1 million additional financing was agreed. About half of the Company's EUR 6.3 million convertible loan 2022/2026 was exchanged for new shares in the Company EUR 2.6 million (30 MSEK) of the convertibles was exchanged for new convertibles 2025/2029. The maturity date of the new convertibles is 31 October 2029.
- Sotkamo Silver kept Level A in all categories of Finland's Towards Sustainable Mining (TSM) system.

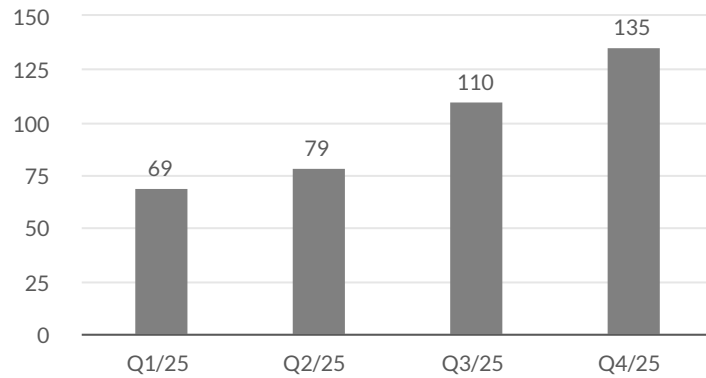


ANNUAL REVENUE 2025	BY-PRODUCTS
393 MSEK	Gold 1,829 oz
EBITDA 2025	Lead 602 t
80 MSEK	Zinc 1,472 t
SILVER PRODUCTION	
803,077 oz	
ENRICHING	SILVER GRADE
425,000 t	71 g/t
INVESTMENTS	
63 MSEK	

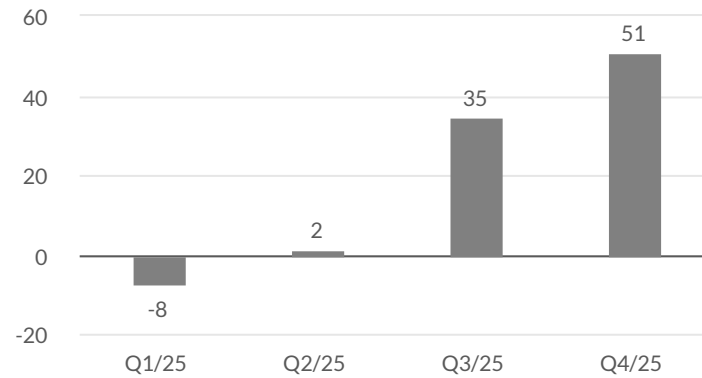
Comparative figures refer to the corresponding period of the previous year.

Financial key figures

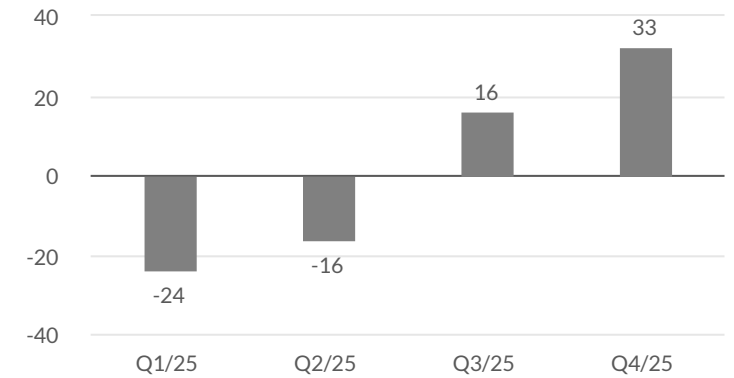
Net Sales, MSEK



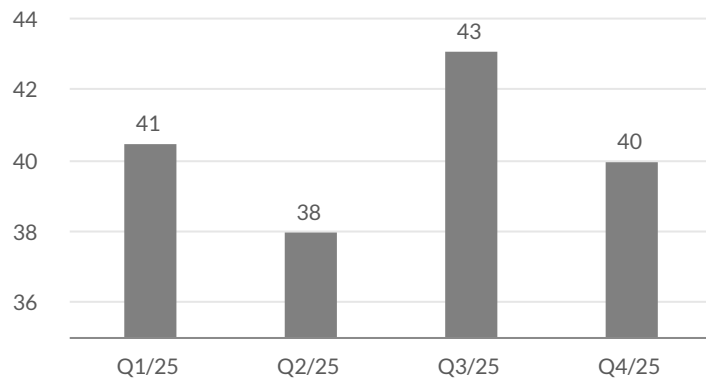
EBITDA, MSEK



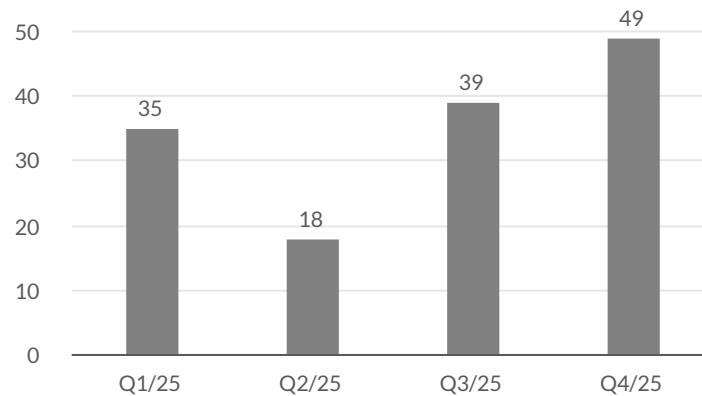
EBIT, MSEK



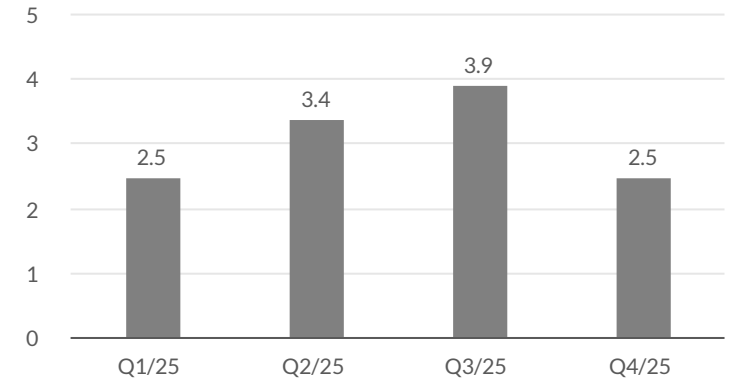
Equity ratio, %



Cash liquidity, %



Net debt-to EBITDA, %



CEO review

In 2025, Sotkamo Silver strengthened operational resilience by expanding underground development and advancing drilling programs to support more stable production. Improved silver market conditions and continued progress toward extending mine life underpin the Company's long-term value creation and profitability outlook.

The year 2025 was a year of contrasts for Sotkamo Silver. It tested our operational resilience during the first half, demanded decisive actions from management, and ultimately demonstrated the strength of our strategy as performance improved toward the end of the year. While the year was operationally challenging, it also laid a strong foundation for the future of the Company.

The beginning of the year was marked by continued underground mining challenges. Rock mechanical issues, limited access to planned stoping areas and inadequate mining capacity reduced production volumes and negatively impacted profitability during the first half of the year. In addition, an isolated safety incident early in the year temporarily disrupted production. These challenges were well understood, but their scale and duration proved more demanding than expected. As a result, silver production and grades remained below our targets, and cash flow was under pressure.

Despite these difficulties, our teams acted decisively. We revised mining plans, focused resources on stabilising production and prioritised access to more reliable mining areas. Throughout the year, our primary operational objective was to restore predictability and reliability in underground mining. This focus guided all key decisions taken during 2025.

From mid-year onwards, the outlook began to improve. Mining volumes increased, operational disruptions decreased, and access to new production areas improved. Although production for the full year remained below our long-term targets, the operational performance during the second half of the year was stronger than during the first half.

A significant positive factor was the strong development of silver and gold prices. Market conditions remained favourable, with demand exceeding supply, supporting higher price levels. Rising prices clearly strengthened our revenue, profitability and cash flow during the second half of the year.

In parallel with operational stabilisation, we made substantial progress in strengthening the Company's financial position. During the year, we successfully refinanced our long-term debt, extended loan maturities and completed the exchange of convertible loans. These actions improved our liquidity position, reduced refinancing risk and strengthened the balance sheet. Securing financing was a critical milestone in 2025 and an essential enabler for executing our strategy going forward.



Another important achievement in 2025 was the successful completion of extensive exploration and infill drilling programmes. Updated Mineral Resource and Ore Reserve estimates published at the end of the year confirmed a significant extension of the life of the mine, with current estimates supporting operations at least until 2035. Mineralisation at depth and to the west of the current mining area continues to show strong potential, providing attractive targets for future exploration and development.

Operational development continued beyond production stabilisation. Preparations for the transition to a new underground mining contractor were completed during the year, and the new contractor commenced operations at the beginning of 2026. This change is a key element in improving long-term mining performance, capacity and reliability. In addition, we strengthened our internal organisation by recruiting key personnel and launching structured operational development programmes to support sustainable performance improvements.

Safety and responsibility remained at the core of our operations throughout the year. We made meaningful progress in strengthening safety culture and procedures, and despite the challenges faced, our long-term safety performance improved during the year. We also continued to operate in line with the Towards Sustainable Mining framework, maintaining strong performance across environmental, social and governance areas. Responsible water management, environmental permitting and open dialogue with stakeholders remained our priorities.

In summary, 2025 was challenging yet crucial year. The first half highlighted the vulnerabilities in underground mining, while the second half demonstrated our ability to stabilise operations, strengthen finances and deliver improving results under challenging conditions. Most importantly, the actions taken during 2025 have created a solid platform for future growth.

I would like to thank our employees and service providers for their professionalism, commitment and resilience throughout the year. Their efforts were essential in navigating the challenges we faced and in building the foundation for a stronger future. With improved operational stability, extended mine life, a strengthened financial position and favourable market fundamentals, we enter the coming years with confidence.

Mikko Jalasto
Chief Executive Officer



Strategy and activities

Sustainability and active stakeholder work are at the heart of our strategy

Our mission is to "Discover, mine and create – metals and value"

STRATEGY

The cornerstones of Sotkamo Silver's strategy are:

Development of the existing silver mine and ensuring a solid foundation for the Company's expansion

Increase mineral resources by continuing exploration in the current mine and the Kainuu region

Responsible use of natural resources



During 2025:

- Zero lost time injury (LTI) on own personnel
- Successfully executed infill and exploration drilling programs and fulfilled the target of increasing life of the mine to 2035.
- A project was initiated to enhance the reliability of silver production by ensuring adequate mining capacity and developing processes and mining plan to better cope with unforeseen situations in underground mining
- Continued delivering pyrite (by-product) to reduce the environmental impacts and increase resource efficiency.
- Company's Finland's Towards Sustainable Mining (TSM) system on level A in each category.
- We signed an agreement to extend the maturity of the Senior Loan and of EUR 1 million additional financing.
- About half of the of the Company's EUR 6.3 million convertible loan 2022/2026 was exchanged for new shares in the Company. EUR 2.6 million (30 MSEK) of the convertibles was exchanged for new convertibles 2025/2029. The maturity date of the new convertibles is 31 October 2029.

KEY FOCUS AREAS IN 2026

Sotkamo Silver has invested in production and production management capabilities by recruiting key personnel, changing underground contractor and acquiring operational development consulting. The measures aim to increase silver production from the 2025 level and, on the other hand, to ensure stable production for the coming years. The capacity of underground production will be increased by preparing new underground mining levels for efficient production earlier than before and by creating alternative production areas to reduce operational risks. During the H1/26 development work, the open-pit ore will be utilised to supplement underground production to bring the necessary development measures to the level required for the targeted production.

Acceleration of underground mine development

Primary short-term focus is on ensuring the execution of drifting and infrastructure building -plans together with the new mining contractor. Acceleration in both is needed to provide adequate alternative and independent mining areas for the future. Being able to segregate mine development and production areas will provide more predictability for underground mining and resilience in case of any adverse events in the future.

Underground operational performance

The mining efficiency improvement project aims to enhance overall operational performance. Key areas for 2026 include resource reliability, work scheduling, follow-up, and daily management. Our focus, alongside the new mining contractor and external consultants, is achieving operational results that satisfy all stakeholders.

Safety

Significant advancements in our safety standards were achieved in 2025 through the implementation of several well-planned and executed safety initiatives. In 2026, as we accelerate mine development and operational activities, it will be essential to prioritise safety by incorporating lessons learned from previous years into the onboarding and training together with our new mining contractor.

Exploration activities for future growth

Sotkamo Silver continues exploration planning activities on Tipasjärvi greenstone belt and during 2026 focuses on exploration of very promising West mineralisation inside existing mining license area. We are also in process to strengthen our geology team to be better prepared to plan and timely execute detailed exploration activities in future years.

Financing of investments

After successful refinancing in 2025 our investment plan will continue to accelerate the underground mine development. We estimate that we can implement the investment plan with cash flow financing. However, we maintain a contingency funding plan to ensure access to alternative sources of liquidity in the event of unexpected disruptions. We will also work to renew the environmental guarantee.

Responsible use of natural resources

We will focus on completing the environmental permitting process for the tailings pond expansion and starting construction during the year. In parallel, we aim to increase the utilisation rate of tailings in our mining operations by developing and adopting

new methods in the underground mine backfilling process that support both material and operational efficiency.

We continue to work actively to protect the ecological health and recreational value of local water bodies through responsible water management. We are investing in measures to reduce nutrient loads and to keep the sulphur content of the tailings consistently at a low, environmentally sound level. We maintain open and transparent communication about the environmental impacts of our operations as part of our ongoing efforts to operate responsibly.



Why invest in Sotkamo Silver

A Strong Demand for Silver on the Market

Capability to Increase Production Volumes

Strong Profitability and Cash Flow Generation

Clear Potential for Resource Growth and Mine-Life Extension

Nordic Producer of Critical Metals with High ESG Standards

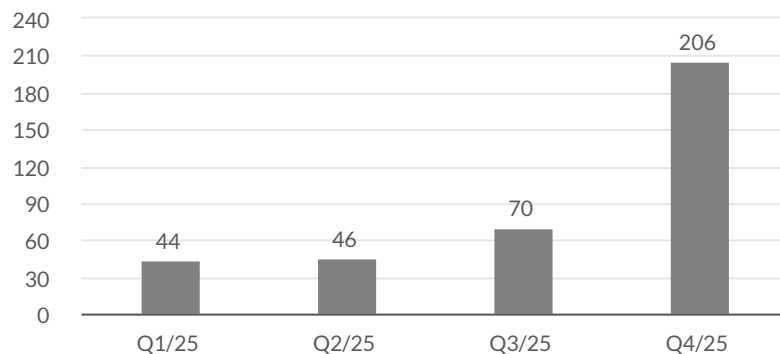
Share

Shares and trading

Sotkamo Silver AB's share capital on December 31, 2025, was 310,511,626 SEK and the number of shares was 322,068,107. 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 ISIN-number is the same as on NGM Equity Stockholm; SE0001057910. During 2025 367,162,503 (329,187,719) shares were traded on NGM Equity in Stockholm and Nasdaq in Helsinki.

The articles of association contain no restrictions on the transferability of the Company's shares, such as post-transfer acquisition rights clauses, and no other circumstances of that type have been identified that the Company is liable to disclose under the provisions in Chapter 6, Section 2a of the Swedish Annual Accounts Act. To the best of Company's knowledge, there are no shareholder agreements or other agreements between the Company's shareholders aimed at jointly influencing the Company. Neither does the Board of Directors know of any agreements or similar that could lead to a change in control of the Company.

Shares Traded (million)



Share information

	31 Dec 2025	31 Dec 2024
Share price, SEK	2.15	1.00
Highest share price during the period, SEK	2.15	2.09
Lowest share price during the period, SEK	0.85	0.73
Quota value; SEK	0.96	0.96
Market cap, MSEK	691	286
Number of shares	322,068,107	286,148,387
Number of shares, diluted	350,587,714	327,383,120
Share capital, MSEK	311	276

Largest shareholders 31 Dec 2025

Name	Number of shares	Ownership (%)
Hexof Oy	22,744,812	7.1
Sprott Asset Management	8,025,353	2.5
Esa Tauriainen	4,800,000	1.5
Mikko Leinonen	3,835,000	1.2
Avanza Pension	3,796,064	1.2
Antti Halonen	2,750,415	0.9
Others	276,116,463	85.7
Total shares	322,068,107	100.0

Targets and guidance

On 20 February 2026, Sotkamo Silver published guidance for 2026.

Guidance

- The Company expects to produce 0.9 – 1.2 million ounces of silver
- Annual EBITDA is expected to be over EUR 25 million
- Net debt-to-EBITDA is expected to be below 1.0 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 prices used in the guidance for silver and gold are slightly lower than at the time of publication of the guidance (20 February 2026).

Medium-term Targets

Medium-term targets until the end of year 2028.

- Annual silver production of 1.4 million ounces
- Annual EBITDA margin > 30%
- Net debt-to-EBITDA < 2.0
- Performance on A-level in Towards Sustainable Mining (TSM) standard



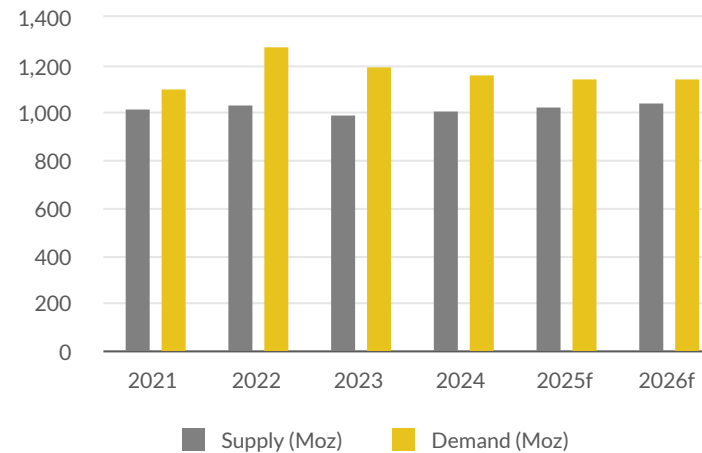
Silver market

Silver enables to use green, renewable energy, such as wind and solar power.

Silver plays a key role in the industry, in the continuous electrification of modern society and in many key renewable energy solutions. Silver has the best thermal conductivity of all metals, and its ability to conduct heat and electricity makes it a versatile material for the needs of the metal industry*. In 2025, the U.S. Geological Survey (USGS) added silver to its 2025 List of Critical Minerals. This marked a significant shift in U.S. policy, reclassifying silver from a traditional "precious metal" to a "strategic industrial asset" essential for national security and economic stability.

In its latest annual outlook, published on 10 February 2026, the Silver Institute notes that the rally comes after a year when silver saw its strongest annual performance since 1979. Investor interest accelerated into early 2026 and pushed the price to multiple record highs, driving the gold-silver ratio below 50 for the first time since 2012. Looking forward, global silver investment is expected to remain strong this year as the market posts its sixth consecutive annual deficit. The Institute's forecast, based on analysis by London-based consultancy Metals Focus, points to a 67 million ounce shortfall in 2026, with total demand once again outstripping total supply. Most of the world's silver supply (80%), comes from mines, and the remaining 20% is mainly derived from recycling. The industry is responsible for more than half of global silver demand, but silver is also used in the jewellery industry, in cutlery, in coins and as an investment.

Silver demand exceeds supply



Source: Silver Institute's World Silver Survey 2025 and press release on 10 February 2026

*Silver Institute An annual report on the global silver market, "World Silver Survey" has been published since 1990 by the Silver Institute. The Survey provides market participants with supply and demand statistics for key sectors of the silver market, as well price and trade data. Copies of each year's report are available in PDF format on the web pages of the Silver Institute and are freely downloaded: <https://www.silverinstitute.org/all-world-silver-surveys-2025/>. Silver Institute's 2026 supply and demand forecast: <https://silverinstitute.org/global-silver-investment-to-remain-strong-in-2026-against-the-backdrop-of-a-sixth-consecutive-annual-market-deficit/>

Electric Vehicles, Data Centers, Artificial Intelligence and Renewable Energy

- Silver and gold in semiconductors, sensors, cable harnesses, controllers, displays, etc.
- Silver carbonate anodes in solid electrolyte lithium batteries
- Concentrating solar power plants, wind turbines and new battery technologies

Photovoltaics

Silver plays a key role in the production of solar cells to be used as a source of green electricity.

Smartphones and Other Devices

Silver nanowires replace indium tin oxide in touchscreens.

Silver mine and production

Mining operations at the Sotkamo silver mine continued throughout 2025 under operationally challenging conditions, particularly during the first half of the year. The year was characterised by lower underground mining volumes and reduced silver grades compared to the previous year, mainly due to rock mechanical challenges and insufficient mining capacity in certain areas of the mine. During the second half of the year, operational performance improved, supported by higher metal prices, targeted development measures and the gradual transition to new mining areas.

Sotkamo Silver has continued to invest in improving the resilience and long-term sustainability of its mining operations. During the year, development work focused on increasing drifting, opening alternative mining areas and strengthening the foundation for future production stability. In parallel, the Company progressed with in-fill and exploration drilling aimed at extending the life of the mine and improving the quality of mine planning.

Silver remains the Company's primary product. In addition to silver, the mine produces gold, zinc and lead as by-products. The concentrates produced are sold to smelters in accordance with existing offtake agreements, and the Company does not engage in downstream processing or marketing activities beyond concentrate delivery. Sotkamo Silver employs around 50 people in its concentration plant, administration, planning, and supervision. A contractor with about 100 employees handles mining operations. Most personnel and production costs are variable.

Production and operational performance

In 2025, the total amount of milled ore decreased compared to the previous year, reflecting lower underground mining volumes, particularly in the first half of the year. Silver production was adversely affected by both reduced mill feed and lower average silver head grades, which were

influenced by the sequencing of available stopes and operational constraints in underground mining.

During the year, the total amount of milled ore decreased by 14% to 425,000 tonnes compared to the previous year (497,000). Silver production was below the Company's production plans, mainly due to inadequate mining resources and rock mechanical challenges especially during the first half of 2025. In total, the production amounted to 803,077 ounces silver (1,166,065), 1,829 ounces of gold (2,595), 602 tonnes of lead (729), and 1,472 tonnes of zinc (1,642) in concentrates.

During the first half of 2025, underground mining performance was below plan due to rock mechanical challenges and limitations in available mining areas. These issues led to ore dilution, lower silver grades and intermittent ore shortages at the concentration plant. In addition, a vehicle fire in the underground mine in February temporarily halted production and further affected mining volumes during the first quarter.

Operational performance improved during the second half of the year as mining activities gradually shifted towards more stable areas of the mine and development work began to deliver additional stoping options. Although production volumes remained below the previous year, the improved operational stability in the latter part of the year provided a stronger basis for future production.

Mine development and investments

To address the operational challenges encountered in 2025 and to strengthen long-term production reliability, Sotkamo Silver prioritize mine development and started improvement program to speed up the development investments as well as to improve the operational performance. Drifting volumes were increased to create additional mining flexibility and to reduce dependence on individual production

areas. This work is intended to improve resilience against geological uncertainties and to enable more consistent ore blending in the future.

Capital expenditure during the year focused primarily on underground development, infill drilling and exploration drilling. These investments are aimed at extending the life of the mine, improving the accuracy of mine planning and ensuring sufficient ore availability in the coming years.

As part of the long-term development of underground mining performance, preparations for a change of mining contractor were completed during 2025. The new mining contractor commenced operations at the beginning of 2026. The transition was carried out according to plan, and the Company expects the change to support improvements in operational efficiency, capacity and predictability over the medium term.

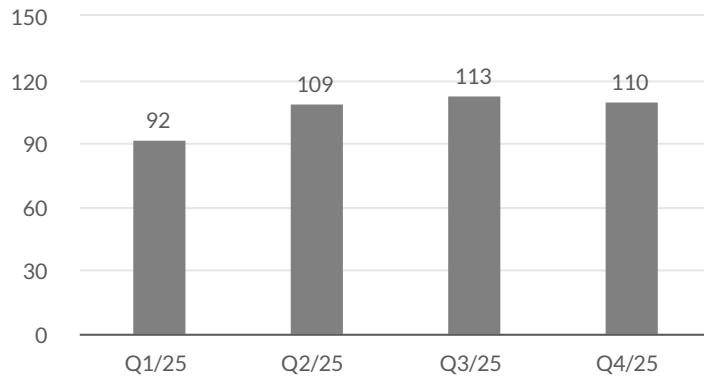
Exploration and life-of-mine development

Infill and exploration drilling progressed as planned during 2025. Infill drilling continued to support the conversion of mineral resources into ore reserves and to improve the quality of short- and medium-term mine planning. Exploration drilling in the current mine focused on extending known mineralisation to greater depths with objective of extending the life of the mine beyond 2035. Based on these drillings updated mineral resource and ore reserve estimates were published at the end of the year, supporting the targeted extension of the mine's life and strengthening the long-term outlook for the operation.

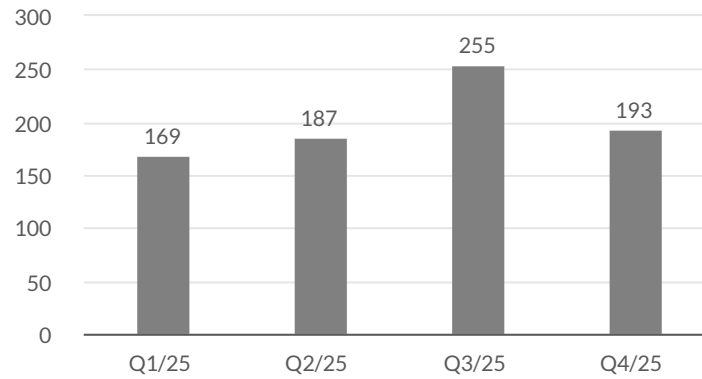
During the year, Sotkamo Silver also advanced exploration activities west of the existing ore body. The results obtained supported the Company's view of promising mineralisation in this area and provided a basis for further exploration planning.

Operational key figures

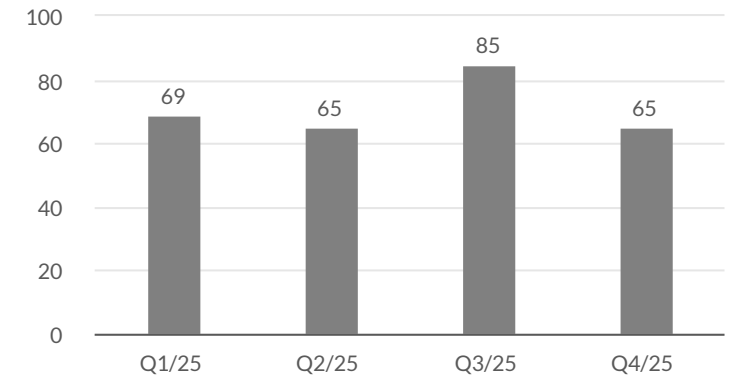
Milled ore, tonnes



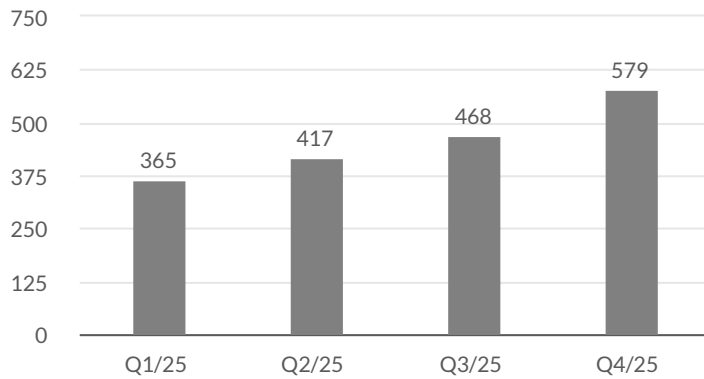
Silver production, koz



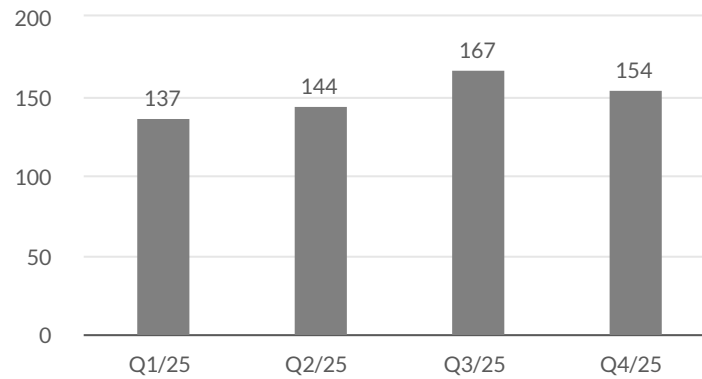
Silver head grade, g/tonne



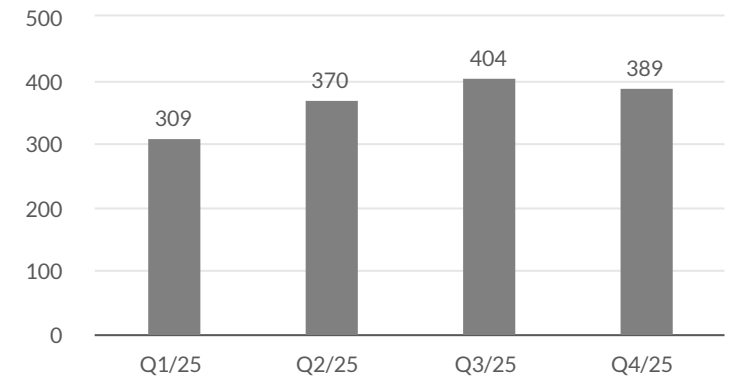
Gold production, oz



Lead production, tonnes



Zinc production, tonnes



Mine expansion, mineral deposits and ore reserves

DEFINITIONS IN BRIEF

Ore reserves represent the area where production is focused on in the short-term. Detailed infill drilling is conducted in this region to ensure optimized mine planning and to optimize silver grade in production. The objective of Sotkamo Silver is to ensure that ore reserves are annually increased by a minimum one year's worth of production with infill drilling.

Mineral resources represent resources which are fairly well-known, but not yet drilled in detail. The best-known resources in this area form the basis for estimating the current Life-of-Mine (LOM). Mineral resources are upgraded to Ore reserves with infill drilling.

Areas beyond the above-mentioned mineral resources represent further potential for exploration to expand the Life-of-Mine.

Mineral Resources and Ore Reserves are categorized based on the international JORC code.

The Company's classified mineral resources
12.7 million tonnes

Measured and indicated resources
9.1 million tonnes

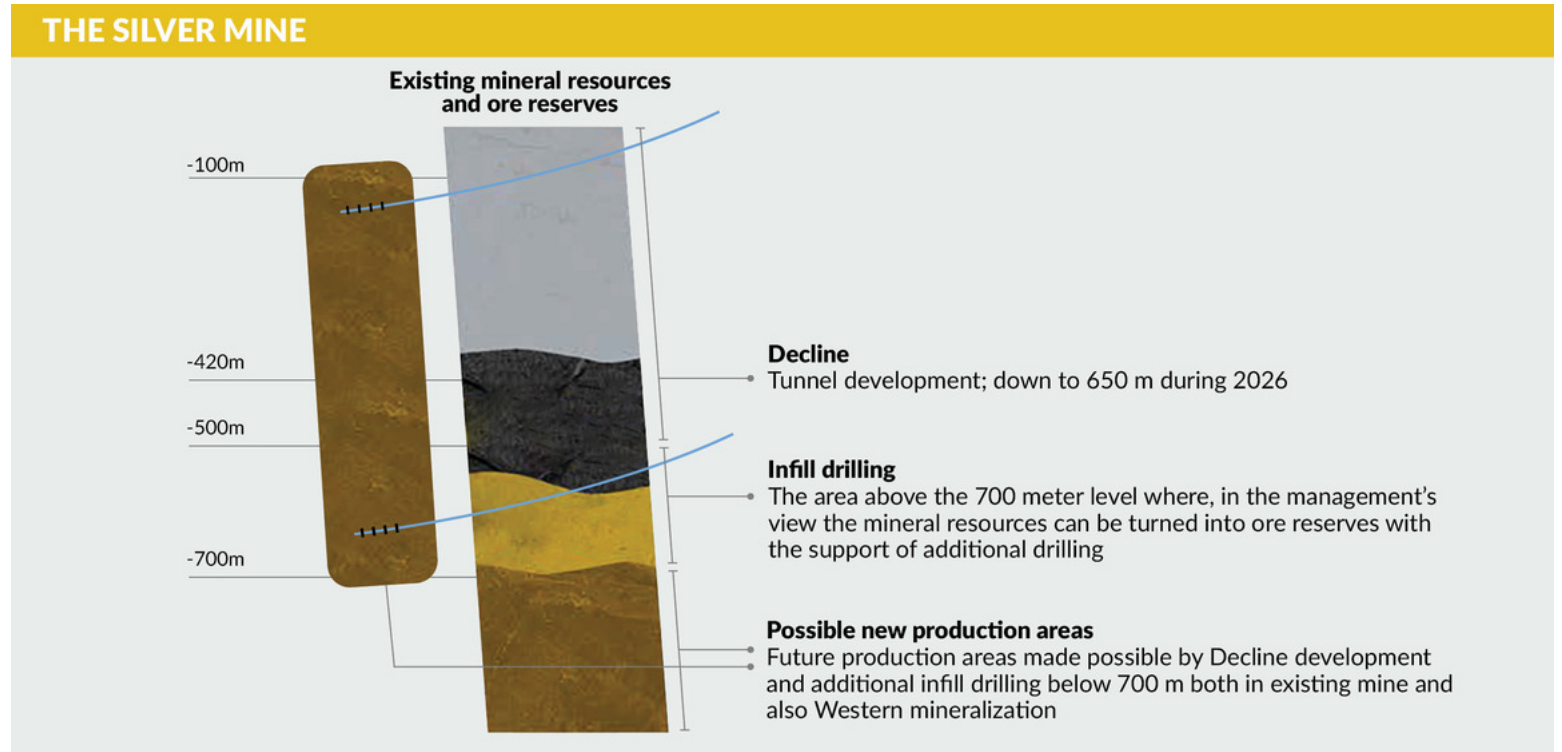
Silver equivalent content
91 g/t Ag

In accordance with its updated ore reserve estimate published on 31.12.2025, Sotkamo Silver estimates that the ore reserves of the silver mine total to 1.598 million tonnes and mineral resources have increased to 12,7 million tonnes, which includes silver, gold, lead and zinc.

The Company believes that the ore reserves and economically extractable mineral resources is now sufficient for at least 10 years of operations. It is possible to increase the reserves and resources further with planned infill- and exploration drilling.

The purpose of infill drilling is to enable the upgrade of the mine's currently known mineral resources to ore reserves. Exploration drilling aims to expand the known amount of mineral resources either in the current mine or in new ore exploration areas.

During 2026-2027 Sotkamo Silver will focus on increasing ore reserves within known mineral resources mainly in depth-direction. Second focus area is on developing very promising western mineralisation (Project WEST) towards separate operative mining area for future years.



The Company's classified mineral resources

Table 1
Mineral Resources Sotkamo Silver as of 31 Dec. 2025

Category	Tonne (kt)	Silver (g/t)	Gold (g/t)	Lead (%)	Zinc (%)	AgEq (g/t)	Silver (koz)	Gold (koz)	Lead (t)	Zinc (t)
Measured	7,335	58	0.23	0.19	0.45	92	13,755	54	13,625	33,191
Indicated	1,802	46	0.27	0.24	0.57	86	2,693	16	4,313	10,347
Sub total	9,136	56	0.24	0.20	0.48	91	16,447	70	17,939	43,538
Inferred	3,527	36	0.31	0.13	0.30	73	4,138	35	4,516	10,656
Grand Total	12,664	51	0.26	0.18	0.43	86	20,585	106	22,455	54,194

Table 2
Ore reserves Sotkamo Silver as of 31 Dec. 2025

Category	Tonne (kt)	Silver (g/t)	Gold (g/t)	Lead (%)	Zinc (%)	AgEq (g/t)	Silver (koz)	Gold (koz)	Lead (t)	Zinc (t)
Proven	1,463	86	0.22	0.22	0.51	120	4,021	10	3,262	7,520
Probable	135	76	0.20	0.20	0.60	110	330	1	270	803
Total	1,598	85	0.22	0.22	0.52	119	4,351	11	3,532	8,323

Ore exploration programme

Long term Ore exploration for Tipasjärvi greenstone belt – around the Silver Mine

In addition to the development projects of the silver mine, Sotkamo Silver also develops and searches for future growth paths in accordance with its strategy. Project REX is a local ore exploration programme to develop an attractive mineral resource portfolio and to find new exploitable ore reserves in the Kainuu region.

Sotkamo Silver has carried out preliminary interpretations based on existing data from previous geological and geophysical surveys. The work identified seven high-priority goals or target areas that were proposed for further work and follow-up. An assessment of the aforementioned data strengthens the potential of exploration in the greenstone belt, and management is confidently looking forward to the next phase of investigation. Rough roadmap for next steps has been created and will be further developed during 2026 for future years' project plan

Peura-aho and Hietaharju – nickel, copper, platinum and palladium

Sotkamo Silver Oy owns the mining and exploration rights for the Hietaharju and Peura-aho mining concessions and for the Hietaharju North exploration area in Suomussalmi from Boliden.

The Kiannanniemi nickel-copper-platinum-palladium deposits are located in the northern part of the Kuhmo greenstone belt and were discovered and investigated by Outokumpu in the early 1960s. The stone samples detected by a prospector were the first indication. The most recent work was carried out by Altona Mining Ltd in 2005–2011. Sotkamo Silver conducted pre-feasibility study during 2024 and planning phase for next feasible steps is ongoing.

Altona Mining Ltd prepared mineral resource calculations for the deposits in accordance with the Australasian JORC Code. The estimates are shown in table 3.

The estimates of the mineral resources are based on the results of core holes drilled in the area (21 kilometres overall). Metallurgical laboratory testing of Peura-aho and Hietaharju yielded marketable concentrates. In addition to nickel and copper, the concentrations of platinum and palladium are significant.

Local Ore Exploration Programme and Development

In short term the primary focus of exploration activities is concentrated within the current mining concession. The promising mineralisation target on the west side of the currently operated mine will be further mapped through exploration drilling. Next drilling campaigns have been planned during 2025.

Exploration of the broader Kainuu region



Table 3
Mineral resources in Peura-Aho and Hietaharju as of 31 Dec. 2025

Category	Million tonnes	Ni %	Cu %	Co %	Pt g/t	Pd g/t
Indicated	0.40	0.63	0.29	0.04	0.28	0.62
Inferred	0.09	0.48	0.23	0.04	0.21	0.42
Total Peura-Aho	0.49	0.60	0.27	0.03	0.27	0.58
Indicated	0.85	0.85	0.44	0.06	0.53	1.25
Inferred	0.24	0.59	0.27	0.04	0.34	0.89
Total Hietaharju	1.09	0.80	0.40	0.05	0.49	1.17

Sustainability Report

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INTRODUCTION

Sotkamo Silver's sustainability principles are the foundation of everything we do. We want to operate sustainably and responsibly from the perspective of the environment, our stakeholders, customers and shareholders.

This Sotkamo Silver Sustainability Report, the fourth of its kind, describes our operations in 2025. It outlines the main goals, measures and indicators of the Company's sustainability work. We focus our sustainability work and reporting on the themes that are most material to our operations.

The report follows the principles outlined in the guidelines of the Global Reporting Initiative (GRI). Sotkamo Silver complies with sustainability reporting requirements in accordance with the legislation in force at any given time and the timetable defined in legislation.

2025 IN BRIEF

We achieved our occupational safety target of zero lost-time injuries among our own personnel.

We strengthened our practices in line with the TSM Finland Mining Responsibility System to maintain the A-level rating verified by an independent third party the previous year, and we adopted the Equal, Diverse and Inclusive Workplaces assessment tool.

We advanced the integration of circular economy principles into extractive waste management and closure planning by initiating studies on the potential use of tailings in the cover structures of waste facilities.

Resource efficiency remained at a good level, with the amount of pyrite concentrate delivered to customers accounting for more than 70% of total production in 2025.

SOTKAMO SILVER AS A COMPANY

Sotkamo Silver Group consists of the parent company Sotkamo Silver AB and its Finnish subsidiary Sotkamo Silver Oy. Sotkamo Silver AB is listed on the NGM Main Regulated Equity in Stockholm and on the main listing on Nasdaq Helsinki.

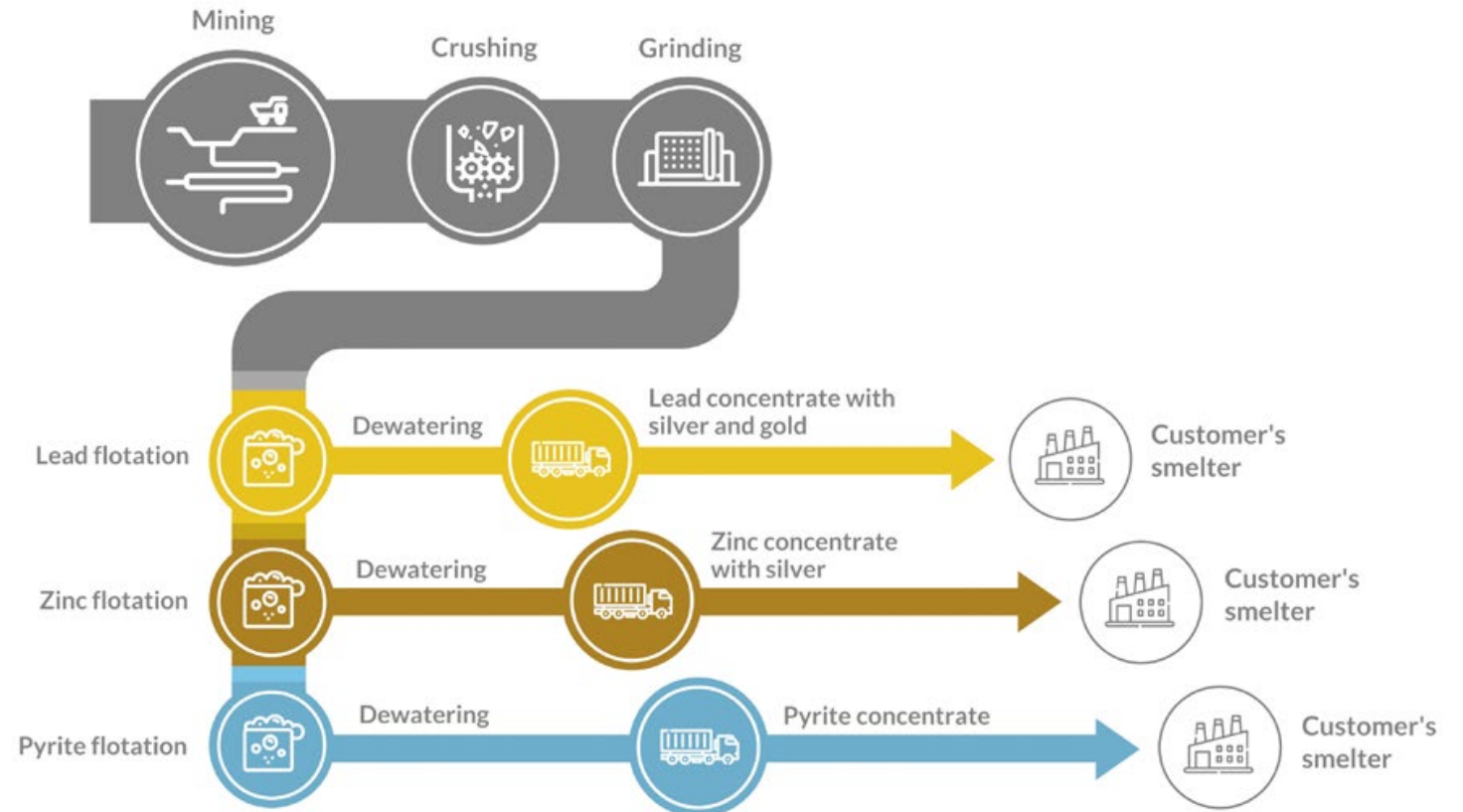
Sotkamo Silver's purpose is to produce precious metals responsibly and efficiently, and to develop its operations profitably on a long-term basis. The Company is guided by two strong values: responsibility and locality. The main principles in our everyday operations are sustainability, transparency, respect and reliability. Our operations generate well-being and value for our owners, our personnel and the local community.

Sotkamo Silver produces concentrates containing silver, gold, zinc, lead and pyrite. The Company's main project is the silver mine located in Sotkamo, Finland. The mine began production in March 2019. Its operations are divided into an underground mine and an open pit and include the mining, storing, crushing and transport of ore and waste rock as well as the concentration of ore.

In 2025 the Sotkamo Silver produced 803,077 ounces of silver. The mine also produces gold, zinc and lead. The ores are processed into concentrates, which are sold to smelters in accordance with a supply agreement.

By the end of 2025, Sotkamo Silver had invested SEK 870 million in the silver mine, of which about 15% represents environmental investments. In 2025, the Group's turnover was SEK 393 million.

Sotkamo Silver's business has significant positive regional economic and social impacts. More than 50% of the turnover is estimated to remain in the local economy in Eastern and Northern Finland through services and goods procured and wages paid. The mining tax, property taxes, employer-related tax-like payments, and employee income taxes totaled SEK 14.5 million in 2025.



OUR STAKEHOLDERS

At Sotkamo Silver, we are committed to transparent and open operations. We want to build trust and strong relationships with our stakeholders.

We actively collaborate with our stakeholders and we present our operations and their impacts to them. Identified stakeholders are interested in our operations and they expect continuity of our operations. Our main stakeholders, their expectations and engagement methods are listed in Table 4.

A monitoring group, made up of representatives of local communities, met four times in 2025. The monitoring group includes persons from both permanent and summer residents of the area near the mine, landowners, village associations, fisheries associations, the Kainuu district of the Finnish Association for Nature Conservation, the municipality of Sotkamo, Metsähallitus and the local authorities.

The meetings covered the mine's environmental impacts and other current topics, including the ongoing stream restoration project in the nearby watercourses of the Silver Mine area, which aims to improve habitat conditions for migratory fish.

Stakeholder	Expectations	Engagement methods
CUSTOMERS	<ul style="list-style-type: none"> • High quality • Ethical and responsible operations 	<ul style="list-style-type: none"> • Customer meetings • Visits to the mine • Open interaction
PERSONNEL	<ul style="list-style-type: none"> • Responsible operations • A safe and healthy working environment • Stable employment relationships 	<ul style="list-style-type: none"> • A quarterly employee survey • Performance appraisals • Training • Continual improvement of safety
LOCAL COMMUNITY AND ORGANIZATIONS	<ul style="list-style-type: none"> • Minimising environmental impacts • Transparency • Employment opportunities 	<ul style="list-style-type: none"> • Open interaction • Regular meetings of the joint monitoring group • Annual reporting
LICENSING AUTHORITIES	<ul style="list-style-type: none"> • Compliance with permit decisions • Open proactive communication 	<ul style="list-style-type: none"> • Continuous monitoring and reporting • Regular meetings with the authorities
SHAREHOLDERS	<ul style="list-style-type: none"> • Responsible and profitable operations • Continuous improvement of responsibility and risk management • Value creation 	<ul style="list-style-type: none"> • Financial reporting • Disclosures according to stock exchange rules • Investor meetings
SUPPLIERS AND SUBCONTRACTORS	<ul style="list-style-type: none"> • Responsible operations • A safe working environment • Long-term partnerships • Local collaboration opportunities 	<ul style="list-style-type: none"> • Open interaction • Continual improvement of safety • Code of Conduct
OTHER FINNISH MINING COMPANIES	<ul style="list-style-type: none"> • Industry collaboration • Implementation of responsible mining 	<ul style="list-style-type: none"> • Active participation in the activities of the trade association (Finnish Mining Association)

Table 4. Sotkamo Silver's stakeholder collaboration

THE GOALS OF OUR SUSTAINABILITY WORK

Safety and the development of a positive safety culture are at the core of our sustainability policy. We identify and assess risks and impacts to the environment, safety, and the community before taking action.

We are committed to preventing the degradation of habitats, biodiversity, and ecosystem services caused by our operations and to compensating for any negative impacts through biodiversity offset measures. We continuously improve the efficiency of energy and natural resource use.

We are actively and openly in contact with those affected by our operations and strive to take their views into account. In our operations, we respect the habits, interests and rights of our stakeholder communities.

We uphold ethical practices. We offer our employees and contractors a working environment in which everyone is treated fairly and respectfully.

We are committed to the TSM Finland Mining Responsibility System.

Our sustainability work is focused on three themes:

- Responsible operations
- Safety and commitment
- Caring for the environment

Our activities and performance in these topics are later presented in this report in their respective sections.

Responsible operations



- We are a reliable partner and uphold ethical business practices
- Risk management is a central part of building a sustainable business

We are number one in our size category in terms of responsible mining

Safety and commitment



- We ensure a safe and healthy working environment
- Committed and satisfied personnel is a prerequisite for our success

We are constantly and systematically improving our safety culture

Caring for the environment



- We minimize the environmental impact of our operations
- We are taking action to achieve carbon neutrality by 2035

We are committed to the goal of the Paris Climate Agreement

RESPONSIBLE OPERATIONS

“We are number one in our size category in terms of responsible mining”

We are a reliable partner and follow ethical practices. Risk management is central to the development of our responsible operations. Sotkamo Silver’s sustainability management is based on the Company’s own responsibility policy, the TSM Finland Mining Responsibility System and the principles of the international ISO 9001, ISO 14001 and ISO 45001 standards for quality, environment and occupational health and safety.

The Company’s operations are guided by the Code of Conduct, which is based on the principles of the UN Global Compact initiative and defines the key ethical practices for the Group’s personnel and Board. The Code of Conduct describes the principles and procedures to which the organisation is committed, including respect for human rights and the prevention of corruption and bribery.

The ethical principles are supplemented by more detailed guidelines, such as the personnel manual, administrative regulation, and insider policy.

Sotkamo Silver’s Code of Conduct is available on the Company’s website: <https://www.silver.fi/en/sustainability/code-of-conduct-en>

Rating A in TSM Finland Mining Responsibility System

In 2025, Sotkamo Silver continued the actions required under the Mining Responsibility System to maintain the performance level that was externally verified in 2024. In addition, the Company adopted the assessment tool on Equal, Diverse and Inclusive Workplaces, the results of which will be reported publicly after the next external verification in 2027. The results externally verified in 2024 are presented below:

Protocol	Performance level
Crisis management	compliant
Stakeholder Co-operation	AA
Tailings Management	A
Water Management	A
Occupational Health and Safety	A
Climate Change	A
Biodiversity Management	A
Mine Closure	A

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

The performance is assessed in the protocols on scale from C to AAA (C, B, A, AA and AAA), of which the lowest, Level C, corresponds to compliance with legal requirements. In general, reaching A in rating requires developing and implementing the processes defined in the protocols. At Level A, communications regarding the management systems must be transparent and the reporting must be public. The Crisis management performance level is assessed as compliant/non-compliant instead of the rating system.

TSM standard creates a concrete basis for the development of responsible operations. Companies report their results annually, and their performance is verified by an external expert every three years.

More information on TSM Finland: www.kaivosvastuu.fi

ESG risk management (Environmental, Social and Governance)

We are continuously assessing ongoing and potential risks to our operations. The CEO and the Board of Directors are responsible for operational risk management procedures and for ensuring that the risks are taken into account in strategic planning.

Mining operations cause environmental risks, which are being constantly assessed and monitored. The provisions of the environmental permit issued for the operations also set a benchmark for risk management. The most significant risks are related to water management and solid mining waste. These, as well as emissions to the air, vibration and noise are monitored carefully according to a detailed monitoring programme.

In occupational safety, we invest in the continuous identification of hazards and risk management. We conduct occupational safety risk assessments regularly and use this information to prepare our annual action plan. We have conducted risk assessments for routine work and based our work instructions on them. Hazards related to the task at hand are always reviewed prior to the start of work.

SAFETY AND COMMITMENT

“We are constantly and systematically improving our safety culture”

Occupational health and safety

We are committed to zero lost time injury goal in occupational safety. The employer is responsible for enabling safe working conditions. It is the collective responsibility of all personnel and contractors working at the mine to use appropriate protective equipment and follow safe working procedures, as well as to report safety deficiencies and other observations.

In our occupational health and safety management system the responsibilities, duties and other tasks of the Company’s management and personnel are clearly documented. We base our safety work in systematic approach by identifying the potential hazards and assessing the risks related in the work tasks. Safety orientation and training is mandatory for everyone working at the mine, and occupational health and safety are part of the selection criteria for contractors and suppliers. We have created a detailed monitoring and reporting method for safety observations, near miss situations and lost time injuries. The targets and their achievement rate, needed corrective actions and their follow-up is regularly reported to the management.

We monitor occupational safety every month with the Lost Time Injury Frequency Rate (LTIFR), which measures the number of accidents leading to absences per million hours worked. Sotkamo Silver monitors the accident frequency of both its own personnel and its regular contractors’ personnel.

At the end of 2025, the LTIFR of Sotkamo Silver’s personnel was 0 and that of its contractors 20.8. At the end of the year, the LTIFR of everyone

working at the Silver Mine was 14.4. The development of the LTIFR presented in Figure 1.

In 2025, we strengthened our safety work by enhancing hazard identification and root cause analysis in our daily safety practices. For our own personnel, we achieved our target of zero lost-time injuries.

In 2026, we will continue to strengthen the measures initiated in the previous year, particularly with regard to our long-term contractors. We will also further enhance the systematic implementation of hazard identification, risk assessment and safety measures before work begins, supporting the continuous improvement of our proactive safety efforts.



Lost Time Injury Frequency Rate (LTIFR) at the silver mine 2020–2025

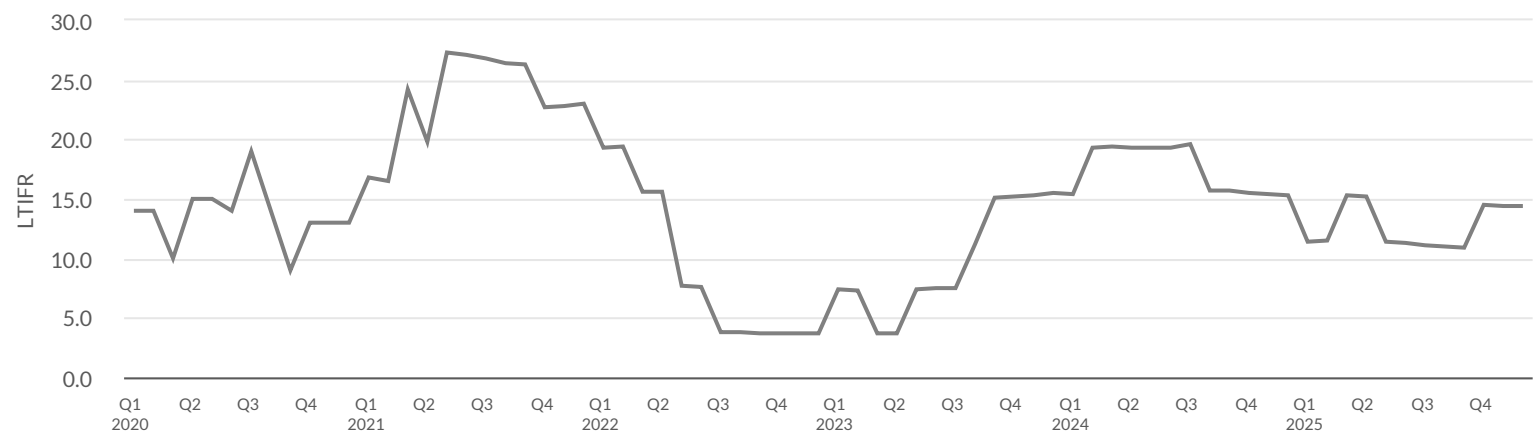


Figure 1. LTIFR at the silver mine 2020–2025

Employee satisfaction and commitment

The Company supports employee well-being by fostering an open and respectful work community, effective collaboration, and continuous competence development. Well-being at work is further strengthened through voluntary employee benefits and shared activities. In addition to statutory requirements, the Company continuously develops its occupational health and well-being practices to meet the needs of its operations.

We carry out employee satisfactory surveys four times a year. The results are used for monitoring employee satisfaction and identifying development areas as well as for daily management and its development.

As metrics for employee satisfaction, we use indicators describing the success of leadership and ability to work, as well as the eNPS engagement index. The questions in the personnel survey are answered on a scale of 1 to 5, in which 3.5 to 4 is considered good and 4 to 5 excellent.

The indicator describing the leadership success (Figure 2) is affected by the responses to the questions “I know what is expected of me in my

work”, “I have a clear understanding of my role and responsibilities”, “My immediate manager supports me in succeeding in my tasks” and “I get sufficient feedback about my work” in the employee satisfactory survey.

The December 2025 result of 3.86 fell slightly short of the target level of 4.0, which reflects excellent performance. Development measures have included supervisor training as well as strengthening communication and feedback practices.

Ability to work indicator (Figure 3) is examined with the following questions: “there is a caring atmosphere at our workplace”, “My employer cares about the personnel’s well-being at work”, “My job does not put my health or safety at risk”, and “I feel healthy enough to work in my current position in two years’ time”. The work ability indicator was below the targeted excellent level (4.0) in 2025. We develop occupational safety and well-being continuously in cooperation with the occupational health and safety committee and occupational health care.

Employee engagement is tracked with the eNPS (Employee Net Promoter Score) engagement index (Figure 4), which is based on how likely the employees would recommend the Company as a workplace. Based on the responses, the personnel is divided into three groups: promoters, passives and detractors. The eNPS is obtained by subtracting the percentage of detractors from the percentage of promoters. The minimum promoter score is -100 (everyone is a detractor) and the maximum score is 100 (everyone is a promoter). The net promoter score was below the target level 30 in 2025

The Company has a workplace well-being development team with representatives from all employee groups. The team promotes an inclusive organisational culture and aims to strengthen employee satisfaction and commitment. Based on the team’s initiatives, development actions are implemented to enhance leadership capabilities, internal communication, work ability, and inclusive ways of working.

Leadership success indicator

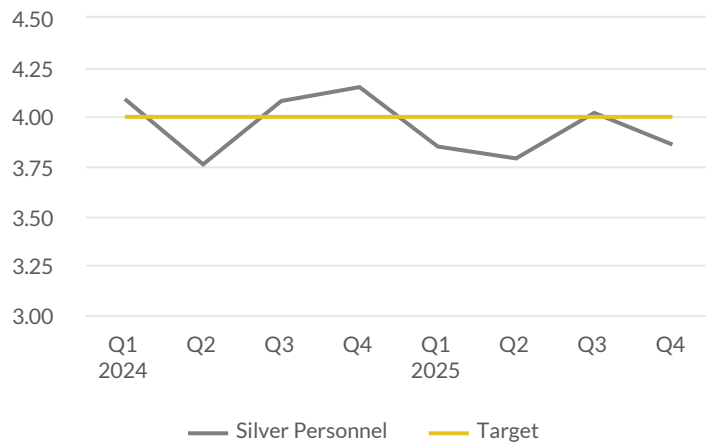


Figure 2. Leadership success indicator, scale 1 to 5

Ability to work indicator

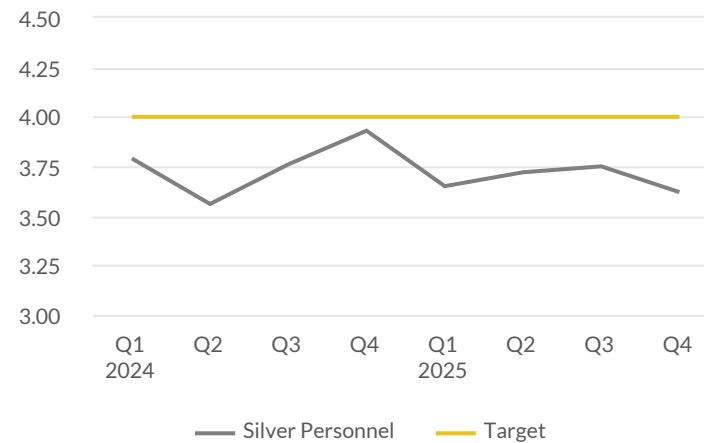


Figure 3. Ability to work indicator, scale 1 to 5

eNPS

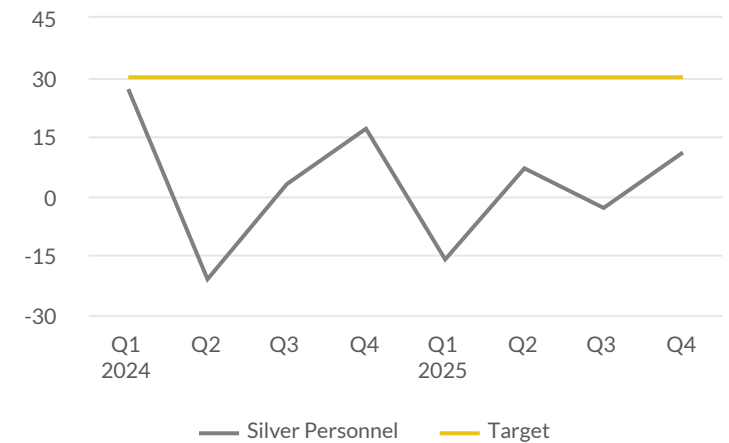


Figure 4. Net promoter score eNPS, scale -100 to 100

CARING FOR THE ENVIRONMENT

”We are committed to the goal of the Paris Climate Agreement”

Our environmental work is guided by the Company’s sustainability policy and the valid environmental permit. We are also aware of our stakeholders’ high expectations regarding environmental protection. We develop our operations so that we can operate within the limits set by the environmental permit and meet the expectations of our stakeholders.

Carbon footprint and energy consumption

We calculate our company’s carbon footprint in accordance with the Greenhouse Gas Protocol of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), as well as the supporting guidance.

Scope 1 emissions include greenhouse gas emissions caused by the fuels used in the Company’s own and contractors’ vehicles, machinery, and equipment within the mining area, as well as by explosives used in the mine.

Scope 2 includes emissions from purchased electricity, which are reported using both market-based and location-based approaches. The market-based approach takes into account renewable energy guarantees of origin, while the location-based approach is based on a nationally determined emission factor that is internationally comparable.

For Scope 3, we have considered the most relevant categories as listed in Table 5. Emissions from upstream energy production are reported using both the market-based and location-based approaches.

In 2025, the market-based carbon dioxide emissions were 17% lower than in 2024, mainly due to a lower emission factor for purchased electricity affecting Scope 2 emissions.

	2025	2024
SCOPE 1		
Use of explosives	100	91
Vehicles	2,501	2,543
Own heat production	457	625
Scope 1 in total	3,057	3,259
SCOPE 2		
Electricity purchased – market-based	9,716	13,872
Electricity purchased – location-based	1,231	2,332
SCOPE 3		
Materials and services purchased	5,353	4,790
Capital goods	370	696
Upstream energy - market based	2,704	3,274
Upstream energy - location based	1,259	1,640
Transport and distribution (incoming)	451	415
Operational waste	113	94
Business Travel	8	5
Commuter traffic	196	195
Transport and distribution (outgoing)	564	562
Scope 3 in total (location-based)	8,314	8,397
CO₂ EMISSIONS IN TOTAL		
Scope 1, 2 & 3 (market-based)	22,531	27,162
Scope 1, 2 & 3 (location-based)	12,601	13,988

Table 5. CO₂ emissions (tCO₂e). Calculation method: <https://www.silver.fi/en/sustainability/greenhouse-gas-emissions-calculation>.

Energy Consumption

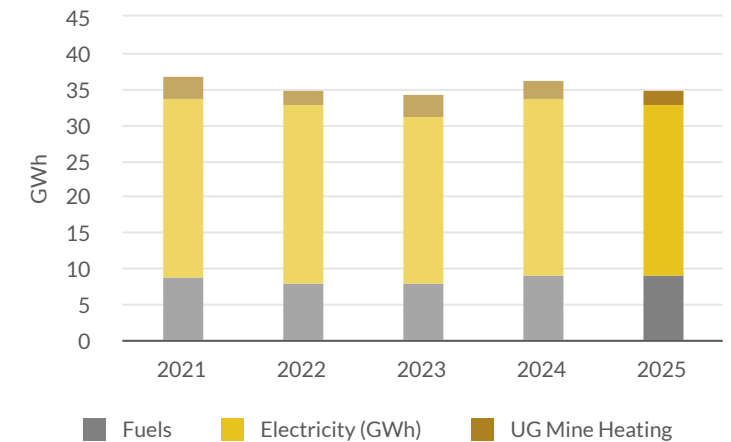


Figure 5. Energy consumption in gigawatt-hours (GWh).

Energy consumption (Figure 5) includes the use of fuels and electricity across the entire mine site. Our infrastructure and production machinery are mainly electricity-powered, but fuel oil and diesel are also used in mining, excavation and transportation. Propane is used for heating the ventilation air in the underground mine during winter.

In 2025, the energy consumption of underground mine heating was reduced by improving the efficiency of control and regulation systems. Electricity consumption decreased slightly, while fuel consumption remained at the previous year’s level.

Mining waste

Sotkamo Silver's mining operations generate waste rock and tailings as mining waste. The management of mining waste is guided by the requirements of the environmental permit and the Company's principles of minimizing waste generation and promoting reuse.

We prevent waste generation by careful planning and scheduling of mining operations. The excavation of waste rock is timed so that we can utilise the materials as efficiently as possible in the backfill of the underground mine. The tailings are used as construction material for the dam raises of the tailings pond and as backfill material in the mine.

Mining waste is deposited in designated mining waste areas, such as the waste rock area and the tailings pond. Unutilised tailings are finally disposed of in the tailings pond, which will be closed in accordance with the mine's closure plan.

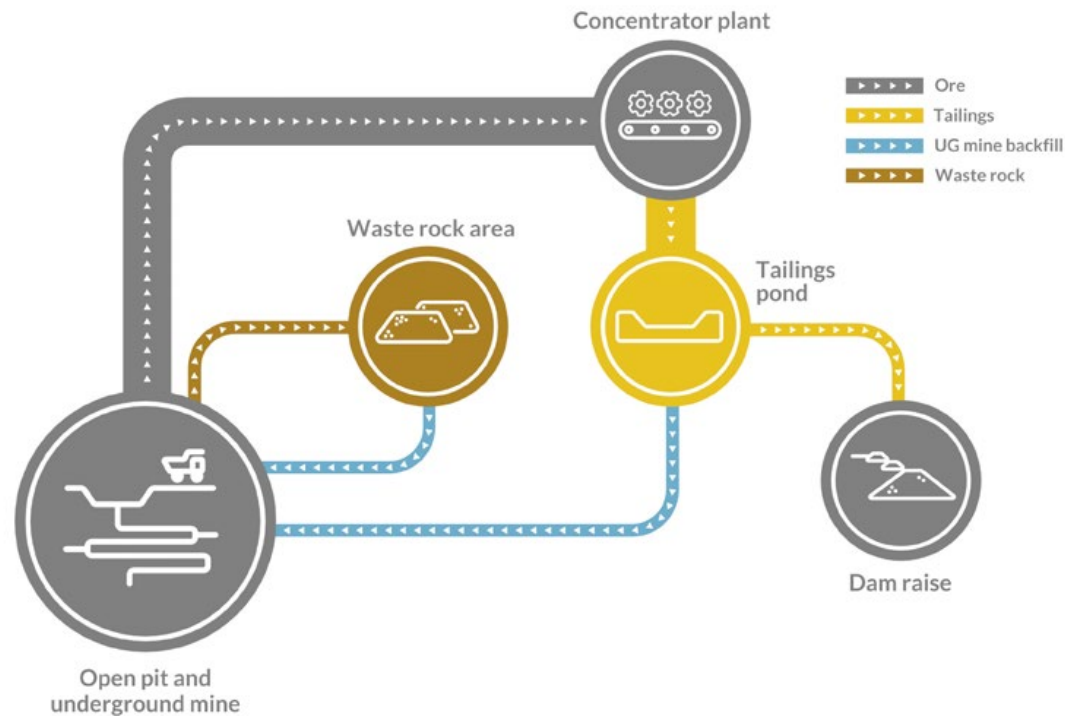
After the mine closure, no waste rock will remain in the waste rock area, as all material will be fully utilised as underground backfill during operations. The utilisation of extractive waste, the amounts generated, and the corresponding utilisation rates are presented in Table 6.

In 2025, the volume of waste rock extracted was higher than in the previous year, as ore was mined both from the underground mine and

from the open pit, whereas in 2024 all ore was produced from underground operations. Open-pit mining typically generates more waste rock per tonne of ore than underground mining.

In 2025, we initiated studies on the potential use of tailings in cover structures of mining waste areas as part of the mine's closure planning, with the aim of strengthening circular-economy integration.

In 2026, our objective is to increase the utilisation rate of tailings by advancing the development and implementation of new backfilling methods in the underground mine.



	2025		2024	
	Waste rock	Tailings	Waste rock	Tailings
Quantity produced (kt)	354	409	218	478
Underground mine backfill (kt)	260	10	218	26
Dam raise (kt)	0	45	0	63
Quantity utilised (kt)	260	55	218	89
Utilisation rate (%)	73	14	100	19

Table 6. Quantities of mining waste (kt=kilotonnes=1,000 t) and the utilisation rate (%)

Other waste for recovery and final disposal

Recoverable waste materials generated at the Silver Mine include scrap metal & other recyclable materials, mixed waste utilised for energy recovery, and clean wood waste. Construction waste that cannot be used for energy recovery is directed to final disposal. Waste classified as hazardous consists almost entirely of waste oils and oily waste, which are delivered to external waste treatment facilities for compliant processing. The amount of hazardous waste increased slightly from the previous year due to the removal of stored waste during a contractor change. The quantities of the generated waste fractions are presented in Table 7.

	2025	2024
Recycled materials (t)	205	227
Waste to energy and clean wood waste (t)	49	47
Construction waste (t)	30	35
Waste classified as hazardous (t)	40	31

Table 7. Other waste generated in the mine for recovery and final disposal (t=tonnes)

Promotion of the circular economy

Sotkamo Silver's goal is to minimize the amount of waste generated in its operations and to use natural resources efficiently. We follow the key principles of the circular economy, and our most significant actions to promote it are presented in Table 8.



Sale of pyrite concentrate

The ore mined at the Sotkamo Silver mine contains 3 to 5 % pyrite, a sulphur-rich mineral. Pyrite concentrate is one of Sotkamo Silver's products, which is the result of a three-stage concentration process. During the first stage, the precious metals and galena are separated by flotation from the ground ore. During the second stage, sphalerite containing silver is separated from the ore. During the last stage, the sulphur-containing minerals, pyrite and pyrrhotite, are separated to pyrite concentrate, which also contains some gold and silver.

Aspect	2025
Closed loop	Continuously high level of recycled water used in production
	The utilisation of waste rock in underground mine backfill
	Use of tailings as a building material for dam raises and underground mine backfill
Resource efficiency	Optimisation of mine ventilation and heating
	Sale of pyrite concentrate
Utilisation of an industrial by-product	Use of a circuit board manufacturing by-product as a flotation chemical

Table 8. Examples of promoting the circular economy

The pyrite concentrate production has several benefits. The three-stage concentration process enables removing the mineral with the highest sulphur content from the tailings. This reduces the environmental risks of piled tailings during mining and increases their recovery potential.

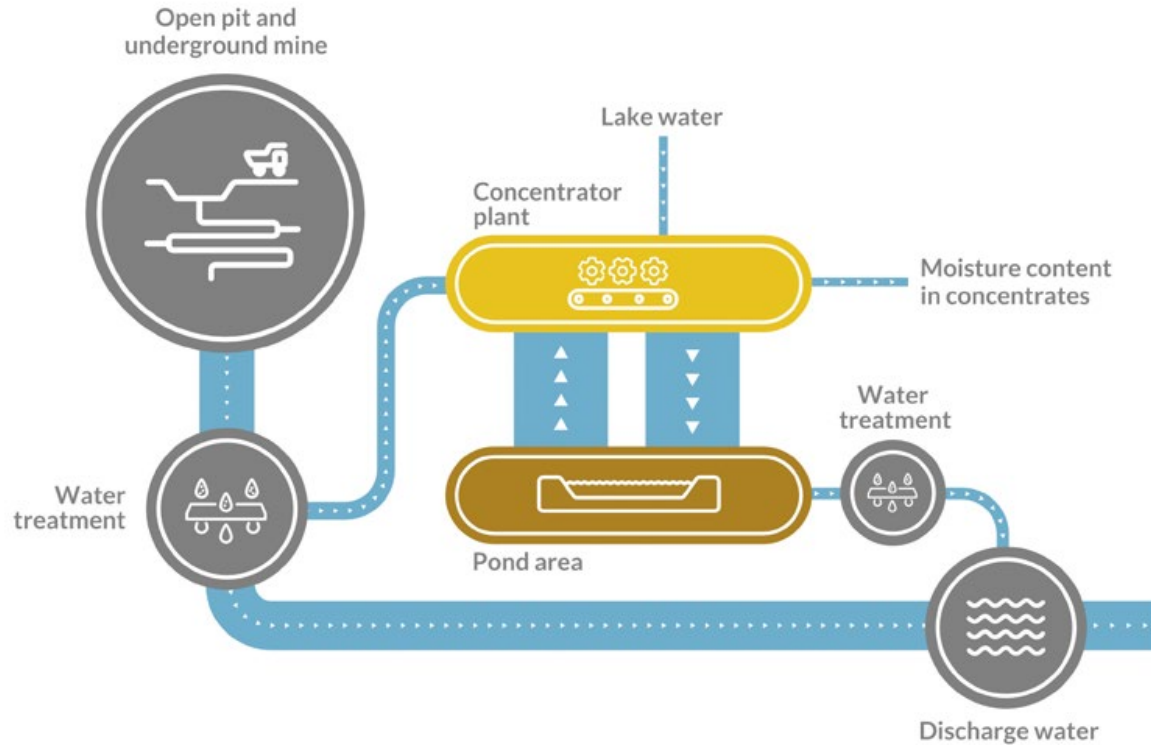
Pyrite is used, for example, as the main raw material in the production of sulphuric acid and as an auxiliary material in copper, lead and nickel smelters. In total, 8,700 tonnes of pyrite concentrate were delivered, representing more than 70% of the pyrite produced in 2025.

Water management

Responsible water management is a cornerstone of our operations and the high recycle rate of water in our concentrate production reflects this. We operate our concentrate production with almost solely recycled water and minimize the lake water intake. We recycle the water from the tailings management facility back to the concentrate production and use treated mine water as a fresh water in the process. Combined, these water streams account for 99 % of the water usage at Silver Mine.

The recycling rate is presented in Figure 6. The amount of lake water used in production is presented in Figure 7. In 2025, the recycling rate remained at the same level as in the previous year.

The water discharged from the mine area is treated to minimize environmental impacts on natural waters.



Recycling rate of water used in production, %

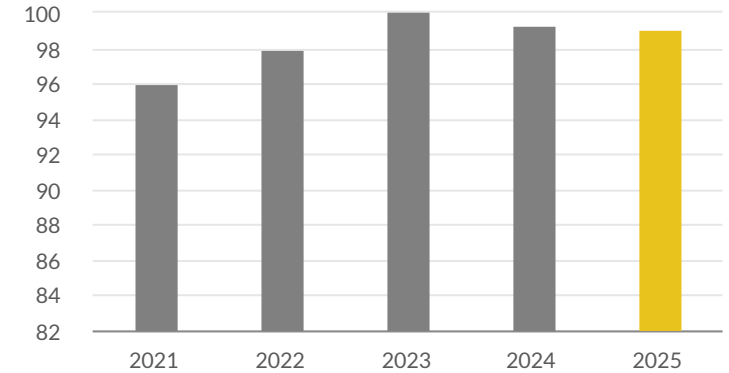


Figure 6. Recycling rate of water used in production, %

Use of lake water in production

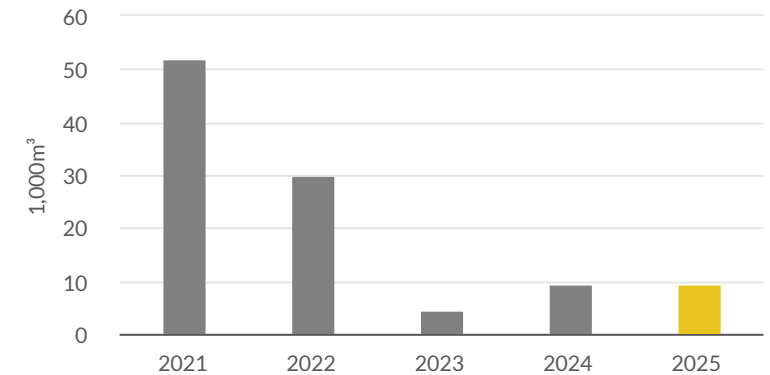


Figure 7. Use of lake water in production, 1,000 m³

Environmental permitting and impacts

Our operations are guided by environmental permits. In 2025, we supplemented the permit application for the tailings pond expansion with, among other things, an updated mining waste management plan and an updated mine closure plan.

We monitor the level of environmental protection in accordance with the authority approved monitoring programme and publish the reports on the Company's website.

In 2025, we reported two exceedances of permit limits. In addition, we reported three environmental deviations with no impacts outside the mine area. We recorded one inquiry from a resident living near the mine concerning vibration caused by blasting. The resident was provided with previous vibration measurement reports, and the next measurements were agreed upon. The annual permit limits for nitrogen and phosphorus loads were exceeded; however, we succeeded in reducing both nutrient loads compared with the previous year. Despite the exceedances, monitoring data continue to indicate an excellent ecological status, with no signs of eutrophication in the nearest classified lakes. The annual permit limits for nutrient loads and the sulphur content of tailings are presented in Table 9.

We continue to develop explosives management and water treatment methods to reduce the nitrogen load in 2026. We are awaiting the permit authority's decision on our application for a higher permit limit for phosphorus load, as our phosphorus emissions consist mainly of phosphinate-phosphorus, which does not pose a eutrophication risk to the receiving water bodies. To ensure the protection of the receiving waters, we will nevertheless continue our development work to reduce the phosphorus load.

We participate in a local watercourse project aimed at improving the living conditions of migratory fish by removing barriers and restoring spawning areas. We also continue the wetland project, which aims to enhance the development of favourable habitats for bird species.

Load	Permit limit	Actual level in 2025	Actual level in 2024
Total nitrogen (kg/year)	7,000	7,858	8,070
Total phosphorus (kg/year)	40	65	90
Sulphur content of the tailings (%)	0.30	0.20	0.26

Table 9. Annual permit limits and actuals in 2025 and 2024.



TARGETS FOR 2026

In occupational safety, our target is zero lost-time injuries. We aim to strengthen proactive safety work by ensuring that hazard identification, risk assessment and the required safety measures are carried out systematically before starting each task.

We will continue our active work to protect the ecological status and recreational use of the local water bodies through responsible water management. Our focus is on reducing nutrient loads and on keeping the sulphur content of tailings consistently low and environmentally sustainable. We will maintain open and transparent communication on the environmental impacts of our operations as part of our ongoing commitment to responsible practices.

We aim to ensure performance at Level A in the TSM Finland Mine Responsibility System and will prepare for the next external verification by carrying out internal audits and developing our practices based on the audit findings.

We seek to increase the utilisation rate of tailings in mining operations by developing and applying new methods.

The Board of Directors and the CEO approve Sotkamo Silver AB's (publ) Sustainability Report for 2025, which is published as part of the Annual Report. The report describes the company's work on economic, environmental and social aspects. It has been prepared in accordance with the Annual Accounts Act.

This is a translation from the Swedish original report

Auditor's opinion regarding the statutory sustainability report

TO THE GENERAL MEETING OF THE SHAREHOLDERS IN SOTKAMO SILVER AB (PUBL), CORPORATE IDENTITY NUMBER 556224-1892

Engagement and responsibility

It is the board of directors who is responsible for the sustainability report for the year 2025 on pages 20-32 and that it is prepared in accordance with the Annual Accounts Act in accordance with the older wording that applied before 1 July 2024.

The scope of the examination

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Stockholm, 31 March 2026

KPMG AB

Ola Larsmon
Authorised Public Accountant

Board of Directors' Report

The Board of Directors and the CEO of Sotkamo Silver AB, business ID 556224-1892, with a registered office in Stockholm, Sweden, hereby issues the financial statements for the Group and the parent company for the financial year 2025.

THE YEAR IN BRIEF

- Sales revenue SEK 393 million (412).
- EBITDA SEK 80 million (109).
- EBIT SEK 9 million (32).
- Profit for the year amounted to SEK -53 million (-16).
- Result per share SEK -0.16 (-0.06).
- Cash and cash equivalents decreased to SEK 14 million (88).
- Investments amounted to SEK 63 million (70).
- During the year, 425,000 (497,000) tonnes of ore were enriched, and the average silver grade was 71 (89) g/t.
- During the year, Sotkamo Silver produced:
 - 0.80 (1.17) million ounces of silver, equivalent to 25 tonnes
 - 1,829 (2,595) ounces of gold
 - 602 (729) tonnes of lead
 - 1,472 (1,642) tonnes of zinc.
- The Company generated cash flow from operating activities SEK 28 million (112). Cash and cash equivalents decreased to SEK 14 million (88). According to the company's estimate, its liquidity is adequate for at least the next 12 months of operations, including loan instalments and interest payments. However, the Company's cash position was at the year-end still weak and as there is uncertainty about the future liquidity, the Company partly manages this risk by committed credit facility, and by continuously monitoring forecasted and actual cash flows.
- The Company continued infill drilling to enable cost-effective detailed planning for the coming years. On 31st December 2025, Sotkamo Silver updated the silver mine's mineral resources and ore reserve estimates which support significant extension of the life of the mine. Based on the drillings, Sotkamo Silver's reported mineral resources have increased to 12.7 million tonnes. Previously, at the end of 2024, reported mineral resources totaled 8.5 million tonnes. Notably, the most precise category, Measured, grew significantly from 0.9 million tonnes to 7.3 million tonnes. Current ore reserves and estimated economically mineable mineral resources give a strong base to continue mining operations for at least next ten years, and the aim is to extend the mine lifetime by additional exploration drilling.
- As per 31 December 2025, LTIFR (Lost Time Injury Frequency Rate) totalled 14 (15).



Operations

Mining and production

Sotkamo Silver's mining operations experienced difficulties in 2025, mainly caused by rock mechanics and limited capacity, which led to reduced underground volumes and lower silver grades. Later in the year, performance rebounded thanks to higher metal prices, new mining zones, and focused development efforts. To tackle ongoing challenges, the company launched an accelerated investment program alongside a development initiative to enhance underground mining performance. Investments focus on expanding the mine and its infrastructure, aiming to increase future mining volumes and provide sufficient mining areas. The targeted development project concentrates on planning and overseeing underground contractors, ensuring both contractor and company teams are properly resourced and capable. Preparations to bring in a new contractor were completed, with the transition scheduled for early 2026 to improve efficiency and reliability.

Infill and exploration drilling was carried out as planned and updated resource estimates were published at year's end. Company's mid term target for extending the life of mine to 2035 was fulfilled and area west of the current ore body was identified promising mineralisation for future development.

Sotkamo Silver has also continued planning longer-term exploration of the Kuhmo-Suomussalmi greenstone belt in the Kainuu region. The preparations for the close by exploration areas will continue in 2026, while the potential within the current mining concession remains priority for the exploration activities.

Good development in work safety was reached and during 2025 there was zero loss time incidents within Sotkamo Silver own personnel. The Company maintained the Level A in all categories of Finland's Towards Sustainable Mining (TSM) system and licensing for the tailings area expansion was started.

Result

EBIT for 2025 was SEK 9 million (32). Inadequate mining resources and rock mechanical challenges led to lower silver production and decreased profitability especially during the first half of 2025.

14 February 2025 the Company set a goal of producing 1.2- 1.4 million ounces of silver, annual EBITDA margin to be at least 30% and net debt-to-EBITDA to be below 1.5 at year end. 12 June 2025 the Company relased that the silver production is expected to fall slightly below the lower end of the previously estimated production range and the EBITDA margin and the net debt relative to EBITDA are also expected to fall slightly short of the targets. In 31 July, the Company updated the silver production guidance to 1.0-1.2 million ounces, annual EBITDA margin to at least 22% and net debt relative to EBITDA below 2.5 at year-end. In 21 November, the Company updated the silver production guidance to 0.8-0.9 million ounces, annual EBITDA margin to 16% and net debt relative to EBITDA below 2.5 at year-end. During the year, 425,000 ore tonnes were processed, and 0.8 million ounces of silver was produced. The EBITDA margin was 20%. The net debt-to-EBITDA ratio was 2.5.

Changes in management

No changes took place in management.

2025 and beyond

Sotkamo Silver aims to increase production by ensuring adequate resources in underground mining and enhancing the processes and mine planning. Accelerated investments will provide stability and alternatives for future underground mining.

Exploration activities are planned for Tipasjärvi greenstone belt, with short term focus on promising West mineralisation within the current mining concession.

The Company made notable safety improvements in 2025 and strong focus on safety along with responsible use of natural resources is maintained.

After refinancing in 2025, Sotkamo Silver will continue investing in mine development, relying on cash flow while having contingency plans in place. Environmental efforts include renewing environmental guarantee, completing permitting and construction for tailings pond expansion and maintaining responsible water management. The company is committed to transparency about environmental impacts and ecological protection.

Changes in equity

Convertibles in an aggregated nominal amount of SEK 32.7 million was converted to shares.

Events after the reporting period

As part of the long-term consistency and development of underground mining performance, a new mining contractor started the operations from the beginning of 2026.

During January, the number of shares and votes in Sotkamo Silver AB has increased as a result of the conversion of convertibles of series 2022/2026. Before the conversion, there were a total of 322,068,107 shares and votes in the Company. At the end of January, there was a total of 322,718,497 shares and votes in the Company. The conversion reduced the principal of the convertible loan from EUR 0.54 million (SEK 5.7 million) to EUR 0.44 million (SEK 4.6 million).

During February, the number of shares and votes in Sotkamo Silver AB has increased as a result of the conversion of convertibles of series 2025/2029. Before the conversion, there were a total of 322,718,497 shares and votes in the Company. At the end of February, there was a total of 333,517,189 shares and votes in the Company. The conversion reduced the principal of the convertible loan from EUR 2.64 million (SEK 28.2 million) to EUR 1.50 million (SEK 16.0 million).

Other information

Company in brief

Sotkamo Silver is a mining and ore prospecting company that develops and utilizes mineral deposits in the Kainuu region in Finland.

Employees

As of 31 December 2025, the Group employed 48 (51) people.

Remuneration of senior executives

The primary purpose of remuneration is to attract, retain and motivate people and provide a competitive remuneration package. To ensure that remuneration is in line with the interests of shareholders, remuneration is based on the achievement of specific individual targets that are set annually by Board of Directors. If the award levels are close to the maximum, the Board of Directives may delay part of the payment (max 50%) for the following year. The Company's remuneration levels are systematically compared to the industry's general remuneration practices and long-term incentive programmes based on the development of the Company's objectives.

The 2025 Annual General Meeting renewed the guidelines that essentially mean the Company will offer its management team market-based remuneration, enabling the Company to recruit and retain qualified employees. Remuneration can consist of the following components: (i) a fixed base salary, (ii) variable remuneration, (iii) pension benefits and (iv) other customary benefits. Variable remuneration is based partly on the profit targets set for the Company as a whole and partly on the targets achieved by the individual. Variable remuneration may not exceed 40% of the fixed salary. Pension benefits are contribution-based and can amount to a maximum of 20% of the base salary.

The Board was also authorised, under special circumstances, to deviate from these remuneration guidelines in individual cases. Should this take place, information about the reasons for the deviation must be provided at the following Annual General Meeting.

In 2025, the Company has complied with the guidelines for remuneration adopted by the Annual General Meeting.

The CEO and management have severance agreements from three to six months. On the CEO's side, the notice period is three months. The Company may terminate the CEO contract with immediate effect. The notice period for other management is three months on both sides.

Proposal on guidelines for senior executives for the 2026 Annual General Meeting

The Board's proposed guidelines concerning the salary and other remuneration of Company management for the General Meeting on 21 April 2026 is in accordance with the provisions in chapter 8 of the Companies Act.

A successful implementation of Sotkamo Silver's business strategy and the safeguarding of Sotkamo Silver's long-term interests, including its sustainability, requires that Sotkamo Silver is able to offer its senior executives market-based remuneration that enables the Group to recruit and retain qualified employees. Company management and senior executives include the CEO and other members of the management team. The guidelines do not cover remuneration decided by the Annual General Meeting such as the remuneration to the members of the Board of Directors.

The remuneration to the Company management may consist of the following components: (i) a fixed base salary, (ii) variable salary, (iii) pension benefits, (iv) customary benefits. Variable salary is based on the achievement of profit targets set for the Company as a whole and on the targets achieved by the individual and the completion of specific projects. Variable salary may not exceed 40% of the fixed base salary. Pension benefits are contribution-based and can amount to a maximum of 20% of the base salary.

In the case of termination by the employer, the notice period is a maximum of six months, and in the case of termination by the senior executive, the notice period is three months.

The Board of Directors may decide to temporarily deviate from the guidelines in whole or in part if there are special reasons to do so in an individual case and a deviation is necessary to meet the long-term interests, including sustainability, of the Sotkamo Silver Group or to safeguard the Group's financial viability.

Parent company

The parent company's business consists of managing group-wide functions and handling stock market-related issues. Net result for the year was SEK -2 million (-15). The relevant figures can be found in the parent company's balance sheet and income statements.

Company information

Company name: Sotkamo Silver AB

Business ID: 556224-1892

Address: Box 5216, SE-102 45 Stockholm, Sweden

Registered office: Stockholm, Sweden

Branch

The parent company has a branch in Finland whose business consists of administering group-wide functions.

Company information

Company name: Sotkamo Silver AB, Branch in Finland

Business ID: 2946859-8

Address: Hopeatie 20, 88600 Sotkamo, Finland

Registered office: Sotkamo, Finland

Impact of operations on external environment

The Group reports in its annual report in accordance with the Swedish Accounting Act (Årsredovisningslagen, ÅRL Chapter 6, Section 1) on its permit- and notification-required activities and their environmental impact. The Group's operational activities take place primarily in Finland, and it adheres to Finnish environmental legislation in its operations. The reporting covers the status of permit- and notification-required activities, any missing permits, the Group's dependence on them, and significant requirements under Finnish environmental legislation.

The Group reports in the sustainability report on the main environmental impacts, such as emissions to air, water, and soil, as well as waste and noise. The nutrient load limits for water were exceeded for nitrogen and phosphorus in 2025. This is also detailed in the sustainability report.

The Silver Mine's environmental permit covers its operations and is valid indefinitely. The Company obtained the expansion permit for the silver mine concession from the mining authority, enabling us to extend the underground mine into a wider area and to utilize the known ore body more efficiently. The environmental permit from the authority was also obtained to raise the existing tailings storage facility dam. The permitted and planned raises secure sufficient tailings deposition capacity until the planned commissioning of the tailings pond expansion in 2027. The permit process for the tailings pond expansion progressed during the year through close collaboration with the authorities and stakeholders.

In addition to the tailings storage facility permit applications, the Group has applied for a higher annual total phosphorus emission limit. The requested change does not pose a risk to the ecological status or recreational use of nearby water bodies. With the increase in the total phosphorus emission limit as outlined in the permit application, the Group can continue using its current phosphorus-containing but environmentally safe chemical in its production.

Sustainability report

The statutory sustainability report in accordance with the Annual Accounts Act (ÅRL (1995:1554)) comprises pages 20–32.

Significant risks and uncertainties

Significant risks and uncertainties facing the Company are described in the Corporate Governance Report on pages 45-49.

Treasury shares

The Company does not hold any own shares.



Key performance measures

Amount in million SEK

Group	2025	2024	2023	2022	2021
Sales revenue	393.4	412.2	410.3	370.9	386.8
Other income	1.8	1.4	1.5	11.1	0.6
Result for the year	-52.8	-16.4	27.2	-27.8	-17.5
Balance sheet total	609.3	698.7	697.4	642.5	663.6
Result per share, before dilution (SEK)	-0.16	-0.06	0.10	-0.14	-0.09
Result per share, after dilution (SEK)	-0.16	-0.06	0.08	-0.14	-0.09
Equity per share, before dilution (SEK)	0.76	1.01	1.04	1.22	1.24
Equity per share, after dilution (SEK)	0.69	0.88	0.91	1.03	1.18
Equity/assets ratio, %*	40.0	41.3	42.5	37.9	37.5
Quick ratio, %*	49.0	75.0	100.9	46.4	27.2
Cash and cash equivalents	13.7	88.3	78.9	0.8	36.7
Average number of employees	50	51	46	51	53

Parent company	2025	2024	2023	2022	2021
Sales revenue	0.0	1.5	0.0	0.0	0.0
Other income	0.0	0.0	0.0	0.0	0.6
Result for the year	-2.1	-15.1	-171.9	-292.0	32.7
Balance sheet total	350.1	346.7	324.2	440.3	713.5
Result per share, before dilution (SEK)	-0.01	-0.05	-0.60	-1.46	0.16
Result per share, after dilution (SEK)	-0.01	-0.05	-0.60	-1.46	0.16
Equity per share, before dilution (SEK)	0.75	0.73	0.79	1.84	3.29
Equity per share, after dilution (SEK)	0.69	0.64	0.70	1.55	3.13
Equity/assets ratio, %*	69.3	60.6	69.2	83.6	92.5
Quick ratio, %*	10.0	9.0	67.0	224.0	68.0
Cash and cash equivalents	3.3	0.7	2.9	0.7	31.5
Average number of employees	0	0	0	0	0

Alternative key performance measures are marked with *. For more detailed definitions, please see section Definitions on pages 85-87.

Proposed allocation of the parent company's result, SEK

Share premium reserve	503,305,617
Retained earnings	-585,334,925
Result for the year	-2,047,145
Total	-84,076,453

The Board of Directors proposes that the share premium account, the retained earnings and the result for the year, totalling SEK -84,076,453, be carried forward.

Corporate Governance Report 2025

Sotkamo Silver AB (“Company or Sotkamo Silver”), a limited liability Company incorporated in Sweden, is governed under the provisions of the Swedish Companies Act and its Articles of Association. The Board of Directors (“Board”) has responsibility for control and management of the Company, and the Chief Executive Officer holds the day-to-day responsibility. Shareholders participate in the control and management of Sotkamo Silver through actions taken at general meetings.

The Board of Directors at Sotkamo Silver sets the standard for the Company’s business. The importance of good corporate governance is implicit in this philosophy. It is the duty of the Board of Directors to serve as a prudent fiduciary for shareholders and to oversee management. To fulfil its responsibilities and to discharge its duty, the Board of Directors follows the procedures and standards that are outlined in the Swedish Corporate Governance Code and the Guidelines issued by NGM Equity stock exchange, Stockholm. Sotkamo Silver applied the Code in 2025.

The Company applies the Swedish Corporate Governance Code. The Swedish Corporate Governance Code is available at bolagsstyrning.se.

The foremost aims of corporate governance are to promote active and responsible ownership; to uphold a transparent and sound balance of power between owners, board and corporate management; and to ensure correct and accessible corporate information for the shareholders, the capital market and society.

The Board of Directors is responsible for ensuring that the Company’s organisation is structured in such a way that the Company’s financial circumstances can be adequately controlled and that external financial information such as interim reports and annual reports are prepared in accordance with the relevant accounting standards, legal requirements and other rules and directives applicable to listed companies. Sotkamo

Silver applies to the IFRS Accounting Standards as adopted by the European Union.

The Company has also chosen to report on mineral resources and ore reserves according to the 2012 JORC Code.

Interim reports are issued by the Chief Executive Officer (“CEO”) on behalf of the Board and examined by the Audit Committee and then by the Board as a whole. The CEO ensures that financial accounting in the group companies is carried out in compliance with legal requirements and that financial management is conducted in a satisfactory manner.

The Board ensures the quality of the Group’s financial reporting and deals not only with the Company’s financial reports and significant accounting matters, but also matters related to internal control, compliance with rules, reliability of reported values, events after the balance sheet date, changes in estimates, judgments and other conditions that affect the quality of the financial statements.

Risks management

Sotkamo Silver works continuously to assess and evaluate risks that the Group is, and may be, exposed to.

The CEO and the Board are responsible for specifying and implementing day-to-day risk management procedures and for ensuring that risks are taken into account in the Group’s strategic planning.

The Chief Financial Officer (“CFO”) coordinates risk management activities and risk reporting.

Sotkamo Silver divides its risks into three main categories: financial, operational and other risks.

Direct or indirect shareholdings in the Company, representing at least one-tenth of the voting rights of all shares in the Company

A list of the Company’s largest shareholders is available on page 11 and is updated on an ongoing basis on the Company’s website.

Nomination Committee

The Annual General Meeting adopts the following guidelines for the nominating process. The owner that holds the largest number of shares and voting rights, based on statistics from Euroclear Sweden AB on 31 August appoints a Nomination Committee of three people after consultation with the three next biggest shareholders. The Nomination Committee for the 2026 Annual General Meeting comprises Vesa Heikkilä, Matti Saarikoski and Harri Widing. Lawyer Peter Vennerstrand is the secretary of the Nomination Committee. Peter Vennerstrand receives initiatives and proposals and answers shareholders questions regarding the Nomination Committee. The Nomination Committee’s task is to present proposals to the Annual General Meeting regarding the number of Board members, the composition of the Board and fees payable to Board members as well as any special fees payable for Committee assignments.

The Nomination Committee presents proposals for the Chair of the Board and the Chair presiding over the Annual General Meeting and, where applicable, on auditors and their fees. The Chair of the Nomination Committee is appointed by the Nomination Committee. The Nomination Committee’s mandate continues until the appointment of a new Nomination Committee. If a member of the Nomination Committee leaves the Committee before its assignment has been completed, or if a material change occurs in the ownership after the appointment of the Committee, the Nomination Committee’s composition is changed in accordance with the above principles.

Changes in the composition of the Nomination Committee are published on the Company's website.

The Nomination Committee applied as a diversity policy rule 4.1 of the Code, according to which the Board is to have a composition appropriate for the Company's operations, phase of development and other relevant circumstances. The Board members elected by the shareholders meeting are collectively to exhibit diversity and breadth of qualifications, experience and background. The Company is striving for gender balance on the Board. The Nomination Committee's proposals are publicly announced in connection with the publication of the notice of the Annual General Meeting. In connection with its assignment, the Nomination Committee is required to fulfil the duties which, according to the Swedish Corporate Governance Code are to be considered in the Company's nominating process, and at the Committee's request, Sotkamo Silver must provide personnel resources, such as a secretarial function for the Nomination Committee, to facilitate the Committee's work. If required, Sotkamo Silver must also bear reasonable costs for external consultants, which the Nomination Committee deems necessary for the Committee to fulfil its assignment.

The Nomination Committee has met four times during the year and has also been in contact by telephone. Information on how shareholders can submit proposals to the Nomination Committee has been available on the Company's website. The Nomination Committee's task is to ensure that the Board is made up of members who together have the knowledge and experience that shareholders require from senior management. The Nomination Committee's work also includes preparing the election of auditor.

Annual General Meeting 24 April 2025

The following decisions were made at the meeting: The income statements and balance sheets for the parent Company and the Group for the financial year 2024 were adopted. The meeting decided that no dividend would be paid. The members of the Board of Directors and the CEO were discharged from liability for the financial year.

The meeting decided that the Board would consist of six members without deputies. Jukka Jokela, Joni Lukkaroinen, Kimmo Luukkonen, Sixten Sunabacka, Eeva-Liisa Virkkunen and Mauri Visuri were re-elected as Board members. Eeva-Liisa Virkkunen was re-elected as Chair of the Board.

The meeting decided to elect the auditing Company KPMG as the Company's auditor until the end of the 2026 Annual General Meeting with authorised auditor Ola Larsmon as auditor in charge until further notice. The meeting resolved not to authorise the Board of Directors to issue new shares or other financial instruments.

The Company is governed by the General Meeting, the Board of Directors and the CEO in accordance with the rules and regulations of the law or other statutes.

The General Meeting is the Company's highest decision-making body. The General Meeting elects the members of the Board of Directors, adopts the income statement and balance sheet, decides on the allocation of profits and discharge from liability for the members of the Board of Directors, and adopts the remuneration to the Board of Directors and the auditor, as well as the terms of remuneration for the Company's senior executives.

The General Meeting authorises the Board of Directors to make decisions on matters that do not concern day-to-day operations. All the shares in Sotkamo Silver have the same voting rights, with one vote per share. All shareholders who are registered in the share register and who have notified the Company of their participation in the meeting by the date specified in the notice have the right to participate in the Company's meetings and vote their shares. Shareholders may also be represented by proxy at the meeting

Extraordinary General Meeting 23 July 2025

The Extraordinary General Meeting decided on 23 July 2025 to authorise the Board to resolve new issues of shares, warrants and/or convertibles. The authorisation covered a maximum dilution of the number of shares that, at the time of the first issue resolution under this authorisation, corresponded to 35 percent of the total number of

outstanding shares in the Company, based on the total number of shares in the Company at the time when the Board of Directors first exercised the authorisation. The purpose of the authorisation was to enable the completion of the offer to the holders of the Company's convertible loan of EUR 6.3 million 2022/2026 to exchange their existing convertible debentures for either new shares or new convertible debentures in the Company.

Articles of Association

The Articles of Association regulate the Company's operations, share capital, appointment and dismissal of Board members. The Board of Directors must consist of at least three and no more than seven members. The Articles of Association also regulate how and within which period notice of meetings must be given.

Members of the Board of Directors

The Company's Board of Directors consists of six members. The work of the Board is led by Chair Eeva-Liisa Virkkunen. Jukka Jokela, Joni Lukkaroinen, Kimmo Luukkonen, Sixten Sunabacka and Mauri Visuri are members.

Board of Directors

The Board is elected at the Annual General Meeting for the period until the next Annual General Meeting. The Board of Directors is responsible for the Company's organisation and management. At the constitutive Board meeting immediately following the Annual General Meeting, the Board adopts rules of procedure that regulate its work and responsibilities of the Chair in greater detail. The Chair leads the work of the Board and monitors the business through continuous dialogue with the CEO, who manages the day-to-day administration. The division of work between the Board of Directors and the CEO is stated in the CEO's instructions, which are adopted at the constitutive meeting of the Board of Directors.

Each year, the Board is required to hold at least six meetings, one constitutive and five regular Board meetings. At its regular meetings, the Board discusses the CEO's report on operations regarding the Company's economic and financial position, the report on the subsidiary

and the report on operations. In addition, it adopts interim reports and year-end reports and approves the annual report with proposals for profit allocation. The Board also reviews the rules of procedure, considers the budget for the coming year and decides on meetings and reporting for the coming year.

The Board of Directors plays the main role in internal control and risk management.

At the beginning of each year, the Board determines the themes to be addressed in addition to reviewing the business. Examples of such themes include interim reporting and budget work, visits to the mine and meetings with the auditor.

During 2025, the Board held 23 board meetings. In addition, the Board of Directors has been in continuous contact about the Company's operations and development. The year's board meetings mainly discussed

- The mining investment, performance of the mining contractor and cost development
- Cash flow development
- Sustainability and
- Financing.

All board members participated in all Board meetings.

Remuneration of the Board of Directors

Decisions on the remuneration to the Board are made by the Annual General Meeting. The Annual General Meeting on 24 April 2025 decided that a total of EUR 169,600, excluding meeting fees, would be paid in remuneration to the Board of Directors and that the Chair would receive an annual remuneration of EUR 45,000, the Vice Chair would receive an annual remuneration of EUR 28,600 and the other Board members not employed by the Sotkamo Silver Group would receive an annual remuneration of EUR 24,000 each. In addition, it was decided that meeting fees of EUR 500 per meeting would be paid to each board member. A meeting fee of EUR 500 per meeting is paid to each member for work in the Audit Committee and other board committees.

Remuneration of senior executives

The primary purpose of remuneration is to attract, retain and motivate people and provide a competitive compensation package. To ensure that remuneration is in line with the interests of shareholders, remuneration is based on the achievement of specific individual targets. The Company's remuneration levels are systematically compared to the industry's general remuneration practices and long-term incentive programmes based on the development of the Company's objectives. The 2025 Annual General Meeting renewed the guidelines that essentially mean the Company will offer its management team market-based remuneration, enabling the Company to recruit and retain qualified employees. Remuneration can consist of the following components: (i) a fixed base salary, (ii) variable remuneration, (iii) pension benefits and (iv) other customary benefits. Variable remuneration is based partly on the profit targets set for the Company as a whole and partly on the targets achieved by the individual. Variable remuneration may not exceed 40% of the fixed salary. Pension benefits are contribution-based and can amount to a maximum of 20% of the base salary.

The Board was also authorised, under special circumstances, to deviate from these remuneration guidelines in individual cases. Should this take place, information about the reasons for the deviation must be provided at the following Annual General Meeting.

In 2025, the Company has complied with the guidelines for remuneration adopted by the Annual General Meeting.

MEMBERS OF THE BOARD OF DIRECTORS



Eeva-Liisa Virkkunen

Chair since 2020 and member of the Board since 2018

Eeva-Liisa Virkkunen (b. 1957) holds a master's degree in economics from the Helsinki School of Economics. Eeva-Liisa is the Chair of Fingrid Board and the Remuneration Committee, Vice Chair of West Railway Board and a Member of Robit Board. Eeva-Liisa is also the Chair of the Audit Committee in West Railway Ltd and Robit Plc. In 2014–2020, she held the position of senior vice president, group finance and control at Metso Corporation in Helsinki. Previously she has been member of the Board of Directors of Destia, Finland, and has handled board duties in several companies of the Metso Group and Rettig Group in Finland.

Shareholding (own or related party): 0. She is independent in relation to the Company and management and major shareholders of the Company.



Sixten Sunabacka

Board member since 2020

Sixten Sunabacka (b. 1960) holds a master's degree in forestry from the University of Helsinki and an Executive MBA from Aalto University. He is the founder of SuFor Oy and the Chair of the Board of Oy Stockfors Ab and the Finland's Forest Museum Foundation. He is also a board member of Oy Arbonaut Ltd and Senior Advisor at MW Group AB in Sweden. Previously, Sixten was CEO of Tornator Oyj and served as director of the forest sector and bioeconomy for the Finnish government. He has also held senior management and board positions at UPM Oyj. He has been honored with the title Forstråd/Metsäneuvos by the President of Finland.

Shareholding (own or related party): 0. He is independent in relation to the shareholders of the Company.



Kimmo Luukkonen

Board member since 2021

Kimmo Luukkonen (b. 1957) has a master's degree in mining engineering from the Helsinki University of Technology. Kimmo is senior adviser at X3 Advisors Group in Finland. Kimmo has a total of 35 years of experience in management positions in the mining industry in Finland and abroad. Kimmo was managing director of Pyhäsalmi Mine Oy in Finland in 2009–2020 and during the period 2001–2009 he held managerial positions in Inmet Mining Corporation in Turkey, Nalunaq Gold Mine A/S in Greenland and Tara Mines Ltd and Outokumpu Oyj in Ireland.

Shareholding (own or related party): 0. He is independent in relation to the Company and management and major shareholders of the Company.



Jukka Jokela

Board member since 2022

Jukka Jokela (b. 1954) has a master's degree in geology and mineralogy from the University of Turku. Jukka has long and comprehensive experience in the international exploration and mining industry. Jukka is the managing director and founder of Joexco Oy, Finland; senior advisor at FinEx Metals Ltd, Canada; and board member of Endomines Oyj, Finland. He was previously CEO of Anglo American Sakatti Mining Oy, Finland; VP Finnish operations of Northland Resources AS, Norway; and CEO of Northland Mines Oy, Finland. Jukka has also held various senior positions at Store Norske Gull AS, Norway; Polar Mining Oy, Finland; and Outokumpu Mining Oy, Finland.

Shareholding (own or related party): 0. He is independent in relation to the Company and management and major shareholders of the Company.



Mauri Visuri

Board member since 2023

Mauri Visuri (b. 1957) has a master's degree in economics from the University of Vaasa and a degree in mechanical engineering. Mauri is the CEO and Chair of Teknoventure Oy Board. Mauri has been active in the financial and capital markets for several years and has extensive experience in the mining and process industry. In addition, he has held over twenty-five positions as board member (chair or member) of listed and unlisted companies. Mauri has been CEO of four different companies since the late 1980s.

Shareholding (own or related party): 105,957 through companies. He is independent in relation to the Company and management and major shareholders of the Company.



Joni Lukkaroinen

Board member since 2024

Joni Lukkaroinen (b. 1965) has a master's degree in engineering from the Helsinki University of Technology. Joni is the Chair of Laania Oy, Ductor Oy, Aurajoki Oy and Extron Engineering Oy. Joni has over 35 years leadership experience in the heavy base industries - Metals and Mining, Oil and Chemicals and Forest Products. Last 8 years Joni was the CEO of Terrafame Oy, before that CEO of Kronochem Group and before that various leadership positions at Finnforest Oyj, Dynea Oy and Neste Oy.

Shareholding (own or related party): 0. He is independent in relation to the Company and management and major shareholders of the Company.

COMPANY MANAGEMENT



Mikko Jalasto
CEO and Managing Director of Sotkamo Silver AB and Sotkamo Silver Oy since 2022

Mikko Jalasto (b. 1976) has a MSc (Eng.) from the University of Technology in Helsinki. Mikko has strong industrial experience gained both in Finland and abroad.

Mikko worked as Chief Operating Officer (COO) from January 2021 before becoming CEO.

Shareholding (own or related party): 250,000.



Tommi Talasterä
Group Chief Financial Officer (CFO) since 2021

Tommi Talasterä (b. 1973) has a master's degree in business administration from Hanken School of Economics in Helsinki. Tommi has over 25 years of experience in managerial positions in finance in both the mining and service sectors.

Shareholding (own or related party): 187,500.



Arttu Ohtonen
Chief Sustainability Officer (CSO) since 2021

Arttu Ohtonen (b. 1983) has a MSc (Eng.) in process and environmental engineering from the University of Oulu. From 2012, Arttu worked as the subsidiary's Environmental Manager.

Shareholding (own or related party): 25,000.



Pasi Määttä
Chief Operating Officer (COO) since 2022

Pasi Määttä (b. 1970) has a MSc (Eng.) from the University of Oulu. Pasi has over 20 years of experience in various positions in the mining and process industry. Pasi worked as a mine manager from September 2021 before becoming the Chief Operating Officer (COO).

Shareholding (own or related party): 56,117.

Committee work

Audit Committee

The Board appoints Audit Committee to assist in its work. The Audit Committee consists of Eeva-Liisa Virkkunen, Joni Lukkaroinen and Kimmo Luukkonen. Joni Lukkaroinen joined the Audit Committee in April. During the year, the Committee held nine meetings. Eeva-Liisa Virkkunen and Kimmo Luukkonen participated in each committee meeting and Joni Lukkaroinen in six meetings. The Committee reviews and examines the quarterly reports, and also ensures the Company's internal control, primarily regarding the financial statements. In 2025, the Committee and companies followed the same IFRS accounting rules as in the previous year, which the Company is required to apply. The signing audit partner attended three of the Audit Committee's meetings during the year.

The Audit Committee's tasks include:

- Monitoring financial reporting and ensuring its reliability
- Ensuring the effectiveness of the internal control system
- Planning and determining the scope of and following up on the year's external audit
- Evaluating the independence of the statutory audit firm
- Preparing the proposal for resolution on the election of the auditor.

Remuneration Committee

The Remuneration Committee consists of the entire Board of Directors. All matters relating to the remuneration of employees in the Group are considered to be of the utmost importance. Thus, the Board of Directors is of the opinion that these matters are best addressed by the Board as a whole together with the CEO.

Technical Committee

The Technical Committee consists of the entire Board of Directors. All matters relating to exploration and mining are considered to be of the utmost importance. Thus, the Board of Directors is of the opinion that these matters are best addressed by the Board as a whole.

Internal control

Definition of internal control

Internal control is the process influenced by the Board of Directors, management and other personnel designed to provide the Board of Directors with reasonable assurance that the Company's targets are achieved in the following areas:

- Purposeful and efficient operations
- Reliable financial reporting
- Compliance with applicable laws and regulations.

A description of how internal control over financial reporting is organised:

Control environment

The foundation for internal control over financial reporting is laid by the control environment, including the organisation, decision paths, powers and responsibilities. This has been documented and communicated in governing documents such as internal guidelines, manuals and codes, including, for example, the division of tasks between the CEO and the other bodies established by the Board, as well as instructions for authorisation and accounting and reporting instructions. The Company works actively on risk assessment and risk management to ensure that the risks to which the Company is exposed are managed within the established framework.

In the risk assessment, attention has been paid to matters such as significant balance sheet and income statement items, where the risk of material error could arise. Control activities are carried out monthly based on this risk assessment, both in the form of preventive guidelines and observation reconciliations.

Information and communication

Guidelines and manuals are continuously updated and communicated internally within the Group.

Follow-up

The Board receives monthly financial reports and discusses the financial situation of the Company and Group at each Board meeting.

In 2025, special emphasis was placed on the follow-up of the operational performance, liquidity forecast and profitability development. Production has been a particular focus area, with follow-ups of revenues and costs as well as liquidity forecasts.

Evaluation and position regarding a special internal audit function

Due to the limited scope of operations, the Board of Directors is of the opinion that no special internal audit function is needed and that internal control can be performed through the organisation and working methods described above.

Audit

The Company's auditors review the financial statements and the management of the Company by the Board of Directors and the CEO.

The auditors are appointed annually by the General Meeting. The audit firm KPMG was elected auditor at the Annual General Meeting on 24 April 2025, with Ola Larsmon as auditor in charge, for the period until the end of the 2026 Annual General Meeting. According to the resolution of the Annual General Meeting, reasonable audit fees shall be paid based on an invoice. In 2025, remuneration to the auditor amounted to SEK 2.0 million (2.2). During the year, the auditor participated in six meetings of the Audit Committee.

The Company's auditor performed a limited review of the interim report for the period January–September 2025.

RISK FACTORS

Sotkamo Silver operates in an international cyclical industry that is exposed to fluctuations in metal prices. The business affects the surrounding environment, and working environment and safety risks are associated with many of the processes. Sotkamo Silver has a strong focus on the environment and safety work. In general, the risks to which Sotkamo Silver's operations are exposed can be divided into operational and financial risks. These risks and Sotkamo Silver's approach to managing them are described below.

<i>Risk</i>	<i>Risk description</i>	<i>Risk mitigation and comments for the year</i>
Operational risks		
Mineral resources and ore reserve risk	Estimates of mineral resources and ore reserves are inherently uncertain. Uneven distribution of metals in the mineralisation, density of drilling and samples, bias, inaccuracy and precision of sampling and analysis of the impact on the accuracy of the data used for interpolating the ore model. Consequently, the ore model and mining plans are best estimates and may contain misinterpretations and errors	Increasing the confidence level of mineral resources and ore reserves through continuous exploration, mining facility and development mitigates the risk and ensures the long-term viability of operations. Sufficient drilling and use of industry best practices in combination with quality assurance and quality control practices minimise the risk of data-driven errors in estimates.
Geotechnical risk in underground mining	Fall of ground in a decline or connecting drift can interrupt production, limit access to mining areas and put people working in the mine at risk. A cave-in in one of the stopes in production will cause delays, possible ore losses and dilution, and extra costs due to handling oversize and installing additional support to regain access to one or more stopes but does not prevent operations in other areas of the mine.	The Company utilizes geotechnical data (RQD and Q') and other applicable information in operational planning and installs engineered support for the tunnel network and for the stopes. The measures taken and their adequacy are monitored. The Company aims to the situation where it has several independent operating areas in the mine.
Risk of unplanned interruption of production	Large and highly developed machinery and equipment are used in mining operations. Unplanned interruptions can occur, for example, due to technical problems, injuries, accidents or strikes. This, in turn, can lead to delays and failure to reach production and cost targets.	Great emphasis is placed on training and maintenance as well as on identifying critical elements to minimise these risks during production. The Company aims to minimise the total cost of the Group's damage risks. This is done by continuously developing damage prevention and damage limitation in the operations and by introducing and developing insurance solutions. The Company has chosen to employ qualified personnel, most of whom have long experience in the position in question.

Risk	Risk description	Risk mitigation and comments for the year
Operational risks		
Environmental risk	<p>Environmental risk management and risk assessment consider both inherent and external environmental risks. Inherent risks are direct risks in mining operations. External risks include, for example, climate change and extreme weather conditions that could affect the mining area.</p> <p>The results of mining operations have a direct impact on the environment. The operations generate waste streams that must be processed in accordance with circular economy principles to minimize the environmental impacts of the operations and maximize resource efficiency. The unutilized mining waste must be deposited in the designated mine waste areas to ensure environmental safety.</p> <p>Releases into water may contain residues of chemicals and explosives, oil, leachate from the processed ore and waste rock. Releases into air may contain soot, dust, greenhouse and related gases. These releases are monitored according to environmental and other related legislative requirements.</p>	<p>The Company has invested in the latest technology for water treatment and in mining waste deposition sites. The facilities fulfill the authorities' requirements, planning and executing follows BAT principles. Environmental operations are being regularly assessed by the TSM Finland (Towards Sustainable Mining) standard protocols.</p> <p>Extreme weather conditions have been taken into account in the planning of environmental investments. Water quality is sampled on an ongoing basis. Work on emissions is based on risk analyses, ongoing control and maintenance. The Company is in regular contact with the environmental authorities.</p>
Occupational health and safety risks	<p>Mining work and following processes are carried out in a demanding environment including several known dangers and risk-factors. The operations involve, for example, handling chemicals, heavy machinery, vehicles and explosives that can injure workers. Accidents can occur and if they do, they will have a direct impact on the Company's opportunities and value.</p>	<p>The Company has invested in the development of safety culture and employs roles like Working Safety Manager and Mine Safety Manager . Mine Safety Manager is a certified mine safety officer. In order to control down the risks associated to all operations , systematic risk assessment together with safety audits are carried out. Systematic investigations of near-misses and workplace accidents with lessons- learned culture is in place.</p> <p>Main KPI, the number of lost time injuries for a million working hours (LTI), is discussed also at each Board meeting. The Company's goal is to reach zero LTI.</p>

<i>Risk</i>	<i>Risk description</i>	<i>Risk mitigation and comments for the year</i>
Operational risks		
Risk of skills supply	The Company is dependent on qualified personnel in different positions. The ability to retain current personnel and recruit new employees is central to the Company's future development.	The Company is working continuously on being an attractive employer to help it retain and recruit qualified personnel. The Company maintains good cooperation with recruitment and staffing companies. As regards service providers, the Company chooses the best available partners with good credentials and a strong financial standing.
Supply of goods and services	All of the Company's operations depend on the continuous supply of equipment, supplies and services. Suppliers' goods and service production as well as logistics chains for inbound and outbound deliveries are sensitive to external influences and disturbances.	The Company works actively to reduce these risks by having several qualified suppliers in each category and area. In cases where only one supplier is available, the risk is reduced through safety stocks and by identifying alternative supply solutions. Preventive risk management takes place on a continuous basis, but the organisation's ability to quickly adapt is also important in the management of supply risks.
Permit risks	Sotkamo Silver currently has all the necessary permits in place for the Silver Mine. Delays in the authorities' processing of permits may affect the Company's production volumes.	The Company has always maintained good communication with the relevant authorities and stakeholders. The Company has implemented sustainability standard TSM Finland to further improve its operations according to the environmental and other permit requirements placed on the Company.
Image risk	Negative publicity in national, local and/or social media and general opposition to the mining industry or the Company itself. Deliberate media attacks.	Transparent communication and public relations with the media and other relevant stakeholders. Open and transparent information via press releases and the Company's website.
Risk of losing social licence	The social license and acceptance of businesses and mining by all stakeholders are critical to successful operations. Undesired environmental impacts, conflicts with local stakeholders or failures regarding health and safety may affect stakeholder acceptance.	A sustainable and responsible approach to environmental issues and impacts, as well as transparent and timely reporting, are key factors in maintaining the social license and acceptance of the various stakeholders. Active collaboration with the local stakeholders, regular monitoring group meetings with the representatives from the local communities.
Exchange rate and metal price risks	Pricing terms for products are based mainly on metal exchanges, and ours are priced in USD. As a result, transaction exposure arises as exchange rates fluctuate between the moment the transaction is agreed and the moment it is settled. Changes in exchange rates and metal prices have a major impact on Sotkamo Silver's profit and cash flow	The Company implemented silver metal price risk hedging with euro-denominated instruments in 2025 according to hedging policy approved by the Board of Directors.

<i>Risk</i>	<i>Risk description</i>	<i>Risk mitigation and comments for the year</i>
Financial and market risks		
Translation risk	The Group's balance sheet consists mainly of assets and liabilities in euros. Consequently, the Company has an exposure of the net in the balance sheet in EUR/SEK as the Parent Company's accounting currency is SEK	Under the company's Treasury Policy, the Company does not actively eliminate the effect of translation exposure through equity hedging.
Refinancing and liquidity risks	The risk that the Company will be unable to obtain the requisite financing or meet its payment obligations due to insufficient liquidity.	<p>The Company limits refinancing risk through diversification of counterparties, financing sources and maturities, and through good governance to ensure compliance with loan agreement terms. Current liquidity is available in the form of unutilised credit facility and is reviewed regularly.</p> <p>The Company's cash position decreased during the year and was at the year-end still weak and as there is uncertainty about the future liquidity, the Company partly manages this risk by committed credit facility, and by continuously monitoring forecasted and actual cash flows. As the current cash position is not sufficient to run the operations for 12 months without positive cash flows, the Company conducts regular stress testing under various market and operational scenarios to assess the impact on liquidity to strengthen resilience. In addition, a contingency funding plan is in place to ensure access to alternative sources of liquidity in the event of unexpected disruptions.</p>
Interest rate risk	The change in the market value of the debt and current cost in the event of a change in interest rates.	The Company's senior loan is tied to a variable interest rate, which exposes the Company to interest rate risk. The convertible loan and other minor loans are tied to a fixed interest rate. The Company does not currently work with interest rate derivatives. Smaller agreements as leasing agreements are dependent on market interest rates. The Company has chosen not to secure them.
Energy price risk	Changes in energy prices constitute a risk for our financial performance.	The Company has hedged partially the electricity purchase price according to the policy approved by the Board of Directors.
Credit risk	Risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations.	The Company's credit risk arises principally from the Company's receivables from customer and silver price hedging counterparty. The Company manages this risk by monitoring the creditworthiness of its counterparties and credit control procedures.

Risk	Risk description	Risk mitigation and comments for the year
Other risks		
Geopolitical risks	<p>Instability and the emergence of new geopolitically unstable areas can also disturb manufacturing and deliveries, affect the Company's raw material and transport costs as well as exchange rates and metal prices, which in turn affect the Group's financial results.</p>	<p>The Company closely monitors events that may have a negative impact on the macroeconomic or geopolitical factors affecting its markets.</p> <p>The geopolitical landscape of 2025 was defined by a decisive shift into a competitive age characterised by structural fragmentation and the erosion of the rules-based international order. This transition marks the end of market-led globalisation, replaced by a geoeconomic confrontation where states utilise trade, subsidies, and export controls as primary instruments of national security.</p> <p>The global power balance was undergoing a political revolution centered in the United States, where a move toward transactional diplomacy and isolationist doctrines has created a leadership vacuum in traditional alliances. This shift is compounded by aggressive techno-nationalism, as governments treat Artificial Intelligence and critical minerals as vital sovereign infrastructure. Consequently, the competition for "future-tech" inputs like lithium and high-end semiconductors is driving a wedge between major economies, forcing a decoupling that complicates global supply chains.</p> <p>Operational environments are increasingly shaped by gray-zone tactics, including infrastructure sabotage and sophisticated disinformation campaigns that target corporate stability.</p> <p>The Company works continuously on business continuity plans based on the possible consequences of such events.</p>
Cyber risks	<p>Various cyber risks ranging from identity fraud to attacks on the IT network and IT services and even process control systems have become increasingly common and may hit the Company, causing financial damage and disruption to operations.</p>	<p>The Company has taken steps to control the access and identity of the users who have access to the IT systems. Data networks are segmented and protected by security zones. In addition, virus protection, firewalls, and other technological methods for software and hardware are kept up to date, and best practices are applied to ensure cybersecurity. Staff are trained and kept aware of risks, and they alerted if the level of risk is found to be elevated.</p>

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Consolidated statement of comprehensive income

Amount in million SEK	Note	2025	2024
Net sales		393.4	412.2
Other income		1.8	1.4
Total	2	395.1	413.6
Change in inventories		-0.8	13.5
Purchases of raw materials, services and supplies		-222.1	-220.1
Other external expenses	3	-48.3	-53.6
Employee expenses	4	-44.3	-44.3
Depreciation and amortization	5	-71.0	-76.5
EBIT		8.8	32.5
Financial income	6	5.1	6.4
Financial expenses	7	-66.7	-41.2
Net financial items		-61.6	-34.8
Income after financial items		-52.8	-2.3
Taxes	8	0.0	-14.1
Result for the year		-52.8	-16.4

Amount in million SEK	Note	2025	2024
Other comprehensive income			
<i>Items that may be reclassified to the income statement</i>			
Translation differences		-15.2	9.4
Cash flow hedges		-11.9	-2.1
Income tax on cash flow hedges		2.4	0.4
Total comprehensive income for the year		-77.5	-8.7
Comprehensive income for the year attributable to:			
Parent company's shareholders		-77.5	-8.7
Earnings per share, non-diluted (SEK)	16	-0.16	-0.06
Earnings per share, diluted (SEK)	16	-0.16	-0.06
Total number of shares		322,068,107	286,148,387

Consolidated balance sheet

Amount in million SEK	Note	31 Dec. 2025	31 Dec. 2024
ASSETS			
Fixed assets			
Intangible fixed assets	9	0.2	0.3
Right-of-use assets	23	2.7	4.7
Tangible fixed assets	10	499.1	541.3
Deferred tax assets	8	2.6	0.3
Other non-current receivables	13, 25	1.4	2.3
Total fixed assets		506.1	548.9
Current assets			
Inventories		16.1	17.9
Trade receivables	25	63.1	30.3
Other current receivables	14, 25	6.5	9.0
Derivative instruments	28	0.0	0.0
Accrued income and prepayments	15	3.8	4.4
Cash and cash equivalents	19, 25	13.7	88.3
Total current assets		103.2	149.8
Total assets		609.3	698.7

Amount in million SEK	Note	31 Dec. 2025	31 Dec. 2024
EQUITY AND LIABILITIES			
Equity			
Share capital	16	308.6	275.9
Other contributed capital		236.6	236.6
Translation differences		8.9	24.4
Cash flow hedges		-10.5	-1.3
Retained earnings		-247.3	-231.0
Result for the year		-52.8	-16.4
Equity attributable to the parent company's shareholders		243.5	288.3
Total equity		243.5	288.3
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	17	148.9	190.0
Non-current lease liabilities	17	0.3	1.7
Non-current derivative liabilities	17, 25	0.0	0.0
Provision for restoration of land	24	39.0	42.4
Total non-current liabilities		188.1	234.1
Current liabilities			
Interest-bearing liabilities	17	64.7	71.6
Current lease liabilities	17	2.9	3.8
Derivative instruments	28	13.1	1.6
Trade payables		57.7	53.0
Other current liabilities		17.2	18.0
Accrued expenses and deferred income	18, 25	22.2	28.3
Total current liabilities		177.7	176.3
Total liabilities		365.8	410.4
TOTAL EQUITY AND LIABILITIES		609.3	698.7

Consolidated statement of changes in equity

Equity attributable to the parent company's shareholders

Amount in million SEK	Share capital	Other contributed capital	Translation differences	Cash flow hedges	Retained earnings incl. result for the year	Total equity
Opening equity on 1 Jan. 2024	275.5	236.3	15.0	0.4	-230.9	296.3
Comprehensive income						
Result for the year					-16.4	-16.4
<i>Other comprehensive income</i>						
Translation differences			9.4	0.0		9.4
Cash flow hedges				-2.1		-2.1
Income tax on cash flow hedges				0.4		0.4
Total comprehensive income	0.0	0.0	9.4	-1.7	-16.4	-8.7
Share issue and convertible loan conversion	0.4	0.3				0.7
Bonus issue	0.0				0.0	0.0
Share issue	0.0	0.0				0.0
Total transactions with shareholders	0.4	0.3	0.0	0.0	0.0	0.7
Closing equity on 31 Dec. 2024	275.9	236.6	24.4	-1.3	-247.3	288.3
Comprehensive income						
Result for the year					-52.8	-52.8
<i>Other comprehensive income</i>						
Translation differences			-15.5	0.3		-15.2
Cash flow hedges				-11.9		-11.9
Income tax on cash flow hedges				2.4		2.4
Total comprehensive income	0.0	0.0	-15.5	-9.2	-52.8	-77.5
Share issue and convertible loan conversion	32.7	0.0				32.7
Bonus issue	0.0				0.0	0.0
Share issue	0.0	0.0				0.0
Issue cost		0.0				0.0
Total transactions with shareholders	32.7	0.0	0.0	0.0	0.0	32.7
Closing equity on 31 Dec. 2025	308.6	236.6	8.9	-10.5	-300.1	243.5

Consolidated cash flow statement

Amount in million SEK	Note	2025	2024
Operating activities			
Result for the period		-52.8	-16.4
Items not affecting cash flow	20	128.0	118.3
Interest paid		-24.4	-20.5
Cash flow from operating activities before changes in working capital		50.8	81.5
Increase (-)/Decrease (+) in inventory		0.8	-13.7
Increase (-)/Decrease (+) in operating receivables		-29.0	41.8
Increase (+)/Decrease (-) in operating liabilities		5.2	2.1
Cash flow from operating activities		27.8	111.6
Investing activities			
Acquisition of tangible fixed assets	10	-58.2	-69.7
Cash flow from investing activities		-58.2	-69.7
Financing activities			
Expenses for convertible loan conversions		-1.6	0.0
Amortisation of lease liabilities	17	-4.7	-5.3
Loans raised	17	11.1	0.0
Repayment of loans	17	-45.5	-29.9
Cash flow from financing activities		-40.7	-35.2
Cash flow for the year		-71.1	6.7
Cash and cash equivalents as at the beginning of the year		88.3	78.9
Foreign exchange differences in cash and cash equivalents		-3.4	2.7
Cash and cash equivalents as at the end of the year		13.7	88.3

Parent company income statement

Amount in million SEK	Note	2025	2024
Net sales	2	0.0	1.5
Other income	2	0.0	0.0
Total income		0.0	1.5
Supplies		0.0	0.0
Other external expenses	3	-7.9	-11.5
Employee expenses	4	-2.6	-2.5
Depreciation	5	-0.1	-0.1
EBIT		-10.6	-12.6
Financial income	6	31.8	71.9
Financial expenses	7	-14.6	-47.0
Net financial items		17.2	24.9
Result before tax		6.6	12.3
Group contributions		-8.6	-13.3
Tax for the year	8	0.0	-14.1
Result for the year		-2.1	-15.1

As the parent company has no transactions attributable to Other comprehensive income, no Statement of comprehensive income has been prepared.

Parent company balance sheet

Amount in million SEK	Note	31 Dec. 2025	31 Dec. 2024
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Mining rights	9	0.0	0.0
Tangible fixed assets			
Machinery and equipment	11	0.1	0.1
		0.1	0.1
Financial assets			
Shares in Group companies	12	191.0	174.9
Receivables from Group companies		150.8	165.6
Other non-current receivables	13	0.0	0.0
		341.8	340.6
Total fixed assets		341.8	340.6
Current assets			
Receivables from Group companies		4.1	4.3
Other current receivables	14	0.8	0.7
Accrued income and prepayments	15	0.1	0.3
Cash at bank and in hand	19	3.3	0.7
Total current assets		8.3	6.0
TOTAL ASSETS		350.1	346.7

Amount in million SEK	Note	31 Dec. 2025	31 Dec. 2024
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	16	310.5	275.9
Reserve account		16.1	16.1
		326.7	292.0
<i>Unrestricted equity</i>			
Share premium account		503.3	503.3
Retained earnings		-585.3	-570.2
Result for the year		-2.0	-15.1
		-84.1	-82.0
Total equity		242.6	210.0
Provisions		0.0	0.0
Liabilities			
<i>Non-current liabilities</i>			
Long-term convertible loan	17	27.1	72.0
Total non-current liabilities		27.1	72.0
<i>Current liabilities</i>			
Trade payables		0.2	0.3
Short-term convertible loan	17	5.5	0.0
Other payables		68.1	62.4
Accrued expenses and deferred income	18	6.7	2.0
Total current liabilities		80.5	64.7
Total liabilities		107.5	136.7
TOTAL EQUITY AND LIABILITIES		350.1	346.7

Parent company change in equity

Amount in million SEK	Share capital	Reserve account	Share premium account	Retained earnings incl. result for the year	Total equity
Opening equity on 1 Jan. 2024	275.5	16.1	502.9	-570.2	224.4
Comprehensive income					
Result for the year				-15.1	-15.1
Other comprehensive income					
Translation differences					
Total comprehensive income				-15.1	-15.1
Transactions with shareholders					
Bonus issue					
Share issue	0.4		0.3		0.7
Issue costs					
Decrease in equity					
Total transactions with shareholders	0.4		0.3		0.7
Closing equity on 31 Dec. 2024	275.9	16.1	503.2	-585.3	210.0

Amount in million SEK	Share capital	Reserve account	Share premium account	Retained earnings incl. result for the year	Total equity
Comprehensive income					
Result for the year				-2.0	-2.0
Other comprehensive income					
Translation differences					
Total comprehensive income					
Transactions with shareholders					
Bonus issue					
Share issue	34.6				34.6
Issue costs					
Decrease in equity					
Total transactions with shareholders					
Closing equity on 31 Dec. 2025	310.5	16.1	503.2	-587.3	242.6

Parent company cash flow

Amount in million SEK	Note	2025	2024
Operating activities			
EBIT		-10.6	-12.6
Adjustment for items not included in cash flow	20	0.1	0.1
Interest paid		-5.3	-5.8
Other financial expenses		0.0	0.0
Interest received		17.2	0.2
Taxes paid		0.0	0.1
Cash flow from operating activities before changes in working capital		1.3	-18.0
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in operating receivables		0.3	-0.5
Increase (+)/Decrease (-) in operating liabilities		2.6	5.2
Cash flow from operating activities		4.2	-13.3
Investing activities			
Investment in tangible assets			0.0
Loans raised		0.0	0.0
Cash flow from investing activities		0.0	11.0

Amount in million SEK	Note	2025	2024
Financing activities			
Share issue		0.0	0.0
Expenses for convertible loan conversions		-1.6	0.0
New loans raised		0.0	0.0
Repayment of loans receivable		0.0	0.0
Cash flow from financing activities		-1.6	0.0
Cash flow for the year			
Cash and cash equivalents at the beginning of the year		0.7	2.9
Foreign exchange gains/losses on cash and cash equivalents		0.0	0.0
Cash and cash equivalents at the end of the year		3.3	0.7

Notes to the financial statements

Note 1 Key accounting and valuation principles

GENERAL ACCOUNTING PRINCIPLES

Sotkamo Silver AB, business ID 556224-1892, is a limited liability Company registered in Sweden. The Company's registered office is in Stockholm, and the address is Nybrogatan 34, 102 45 Stockholm. Sotkamo Silver's share is listed on NGM Equity in Stockholm. The Company has a secondary listing on NASDAQ Helsinki and on Börse Berlin, Open Market.

The Company is the parent company of Sotkamo Silver Group, which engages primarily in mining and related activities.

The annual report was approved for issuance by the Board of Directors on 31 March 2026. The balance sheets and income statements will be presented for adoption by the Annual General Meeting on 21 April 2026.

BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards as approved by the EU as well as IFRIC Interpretations. Furthermore, the Group also applies the Swedish Corporate Reporting Board's recommendation RFR 1 Supplemental Accounting Rules for Groups, which specifies the additions to IFRS disclosures required by the provisions of the Annual Accounts Act.

The parent company's accounting currency is the Swedish Krona (SEK), which is also the reporting currency for the Group and the parent company.

In the Group's accounting, items are measured at cost, with the exception of certain financial assets that are measured at fair value.

The parent company's accounting principles follow those applied by the Group except for the rules set out in the Swedish Corporate Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The parent company's accounting principles are described under the heading Parent company's accounting principles.

The key accounting principles applied are described below. These principles have been applied consistently for the year presented, unless stated otherwise.

NEW AND AMENDED STANDARDS APPLIED BY THE GROUP

The new standards that entered into force in 2025 did not have any significant impact on the Group's financial reporting nor any impact on the Group's result or financial position. The Group has not proactively applied new amended standards and amendments and interpretations of existing standards that have not yet entered into force.

ESTIMATES AND JUDGEMENTS

To prepare financial statements in accordance with the IFRS, assessments and assumptions must be made that affect the disclosed asset and liability amounts, income and expense amounts, and other information disclosed in the financial statements. The estimates and judgements of the Board of Directors and management are based on past experience and forecasts of future development. The actual outcome may differ from these judgements.

Valuation of inventory

The Group's inventories mainly consist of concentrate, spare parts and ore. Inventories are reported at the lower of cost and net realisable value. The acquisition value is determined using the first in, first out method (FIFO). The acquisition value for concentrate consists of ore from the Company's own mine, direct wages, other direct costs and attributable indirect manufacturing costs, including attributable depreciation based on normal production capacity. The net realisable value is the estimated selling price of metal content in accordance with the applicable sales conditions less any applicable variable selling expenses.

Revenue recognition

Silver concentrate is usually sold under pricing arrangements which means that the final price is determined based on quoted market prices for a specified period after the actual date of sale. Regarding these sales, the Group must estimate the transaction price to be received on the date of sale, considering relevant commodity market prices. Adjustments to the receivable due to changes in the quoted commodity prices are made up to the date of final pricing.

Legal disputes

Sotkamo Silver regularly analyses and assesses outstanding legal disputes using external advisors to assess the need for provisions. See Note 22, Pledged assets and contingent liabilities.

Asset retirement obligation (ARO)

The Company has made a provision for the restoration of the mining area. In the balance sheet, this reserve is recorded as a provision and a fixed asset, respectively. The asset is depreciated according to the same principle as the mining asset with production units (units-of-production method). Provisions for reclamation are made based on an assessment of future costs on the basis of current conditions.

Provisions are reviewed regularly, and updates are made if necessary when assessments of useful life, costs, technical requirements, regulations or other conditions change. See Note 10, Tangible fixed assets and Note 24, Provisions for land restoration.

Valuation of fixed assets

Impairment tests for tangible and intangible assets are based on the Company's internal business plan and assumptions about the future development of, for example, metal prices, smelting and refining wages and exchange rates. Changes in the market prices of metals, smelting and refining fees and exchange rates have a major impact on the Group's future cash flows and thus on estimated impairment.

Assumptions about the price development of metals, refining costs and exchange rates are made by Company management with the support of external experts. Assumptions are reviewed annually and adjusted if required. For more information, see Note 10, Tangible fixed assets.

Capitalised preparations, facilities and equipment in mines are depreciated at the rate at which the ore extracted from the underlying mines is used, that is, using the unit-of-production method. The depreciation rates are based on ore reserves and the mineral resources that are expected to be extracted from these. In turn, these estimates are highly dependent on ore reserves and consequently, on matters

such as expected future metal prices. Changing circumstances may cause changes in the future depreciation rate.

Fixed assets are depreciated based on the useful life of individual assets. Changes in estimates of ore reserves and mineral resources typically affect the estimated life of mine, depending on the volume of ore fed to the concentrator. Furthermore, variations in the quantities of ore reserves and mineral resources directly influence depreciation under the unit-of-production method, whereas changes in the estimated life of mine affect the depreciation of other property, plant and equipment based on their useful lives.

MINERAL RESOURCES

Sotkamo Silver's mineral resources are divided into the categories probable or proven. The assessment is based on geological measurements and assumptions explained in more detail on pages 16–18. Sotkamo Silver's assessment of the size of its mineral resources affects the annual depreciation costs and impairment tests.

ACCOUNTING PRINCIPLES

Consolidated financial statements

The consolidated financial statements comprise the parent company and all the companies over which the parent company exercises a dominant influence through direct or indirect ownership. Dominant influence refers to companies in which Sotkamo Silver has influence, is exposed to or is entitled to variable returns from its involvement, and can use its influence over the Company to affect its return. This is usually the case if the ownership and voting rights exceed 50%. The existence and impact of potential voting rights, which are currently exercisable or convertible, are taken into account when assessing whether the Group can exercise a dominant influence over another company. Subsidiaries are included in the consolidated financial statements from the date on which a dominant influence is acquired, and divested companies are included in the consolidated financial statements until the date of divestment, that is, until the date on which dominant influence ceases.

The consolidated financial statements are prepared in accordance with the acquisition method, which means that the acquisition cost of a business is the fair value of the consideration issued (including the fair value of any assets, liabilities and equity instruments issued). The acquired identifiable assets, liabilities and contingent liabilities are recognised at fair value at the acquisition date. For each acquisition, a decision is made whether to recognise non-controlling interests at fair value or at the proportionate share of the acquired Company's net assets. If

necessary, the subsidiaries' accounts are adjusted to comply with the same principles applied by other Group companies. All internal transactions between the Group companies and Group holdings are eliminated when preparing the consolidated financial statements.

Translation of foreign subsidiaries and other foreign operations

The functional currency is the currency of the primary economic environment in which the subsidiaries operate. Upon consolidation into the reporting currency, the balance sheets of foreign subsidiaries are translated at the exchange rates prevailing at the end of the reporting period and the income statement is translated at the average rates of the reporting period. Accrued exchange differences and accumulated translation differences related to the translation of subsidiaries are reported under other comprehensive income.

Revenue recognition

The Group's revenue consists primarily of the sales of silver concentrates and by-products. Sales are recognised 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 related to the flotation concentrate, the transaction price is calculated based on preliminary data on the amount of concentrate, metal content and metal price, less reimbursement for treatment costs and contaminant content. Final invoicing takes place when all the input parameters (concentrate quantity, metal content and price, contaminant content, etc.) have been determined. Any changes in the amount of concentrate and metal content in final invoicing are reported as net sales.

Silver concentrate is usually sold under pricing arrangements which means that the final price is determined based on quoted market prices for a specified period after the actual date of sale. Regarding these sales, the Group must estimate the transaction price to be received on the date of sale, considering relevant commodity market prices. Adjustments to the receivable due to changes in the quoted commodity prices are made up to the date of final pricing. 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 that are not part of ordinary activities is reported under other income.

FINANCIAL INSTRUMENTS

Valuation principles

Fair value

Trade receivables are measured at fair value using market prices for metals from trading venues for metal derivatives, that is, the London Metal Exchange (LME) and the London Bullion Market Association (LBMA). The discount rates are based on current market rates per the currency and time to maturity of the financial instrument. Exchange rates are taken from the Riksbank, Sweden's central bank. Trade receivables are measured at level 2, that is, as instruments that are not traded in an active market but for which observable market data are used as the basis for the instrument's measurement (either directly or indirectly).

The fair value of other current receivables and trade payables is considered to be the same as the carrying value due to short maturity. For reasons of materiality, the fair value of other financial instruments is assessed to be essentially the same as the carrying value.

The Company uses swaps to hedge silver price risk and electricity price fixing agreements to hedge the electricity price risk. Derivatives are initially recognised at fair value on the day the derivative contract is entered into and subsequently remeasured at fair value at the end of each reporting period. The recognition of subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if it is, the nature of the item being hedged. The Company identifies certain derivatives as hedges of a certain risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

At the inception of the hedging relationship, the entity documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of hedging instruments are expected to offset changes in the cash flows of hedged items. The Company documents its risk management objective and strategy to complete its hedging transactions. The fair value of derivative instruments designated in hedging relationships were SEK-13 million (silver price hedges) and SEK -0.2 million (electricity price hedges) at the end of the year.

The effective portion of changes in the fair value of derivatives that are designated and meet the conditions for cash flow hedges is recognised in the cash flow hedge reserve in equity. The gain or loss attributable to the ineffective portion is recognised immediately in the income statement, under other gains/(losses). The cumulative amounts in equity are reclassified in the periods when the hedged item affects profit or loss.

Amortised cost

Amortised cost is calculated using the effective interest method. This means that any premiums or discounts as well as directly attributable costs or income are accrued over the term of the contract using the calculated effective interest rate. The effective interest rate is the interest rate that gives the instrument's acquisition value as a result of the present value calculation of future cash flows.

Classification and measurement category

Sotkamo Silver assigns financial instruments into the following measurement categories and classifies the instruments at amortised cost, fair value through profit or loss or fair value through other comprehensive income, see also Note 25. The classification depends on the characterisation of the instrument and the business model within which it is held.

Financial assets at amortised cost

Financial assets categorised as amortised cost include cash and cash equivalents and other long- and short-term receivables. These financial instruments are characteristically debt instruments held within a "hold to collect" business model with the purpose of receiving cash flows from payments of principal and any interest.

Cash and cash equivalents include short-term investments with a maturity of no more than three months from the date of acquisition that can easily be converted into cash. Financial instruments in this category are initially recognised at fair value plus transaction costs and in subsequent periods at amortised cost. The expected maturity of other current receivables is short, which is why they are recognised at nominal amount without discounting in accordance with the amortised cost method.

Sotkamo measures the future expected credit losses related to investments in debt instruments recognised at amortised cost based on forward-looking information. The Group chooses the provisioning method based on whether there has been a significant increase in credit risk.

Financial assets at fair value through profit or loss

Financial assets in this category consist of trade receivables arising from the sale of silver. These trade receivables are initially recognised at fair value with any transaction costs directly in the income statement. In subsequent periods, changes in fair value are recognised as other income. Further details are provided under "Revenue recognition", discussed above.

Financial assets are included in current assets except for items with maturities more than 12 months after the end of the reporting period, which are classified as non-current assets.

Convertible loans

Convertible loans are initially recognised at fair value and in subsequent periods at amortised cost. Where the convertible loan note has a separate equity component, the fair value of the debt component is determined using a discount rate based on the market rate of a loan with the same terms but without the share conversion right. The amount is recognised as a liability at amortised cost using the effective interest rate method until the loan note is converted or matures. The conversion right is initially recognised as the difference between the fair value of the financial instrument as a whole and the fair value of the debt component. The difference is reported under equity net of tax, or alternatively, if the conversion right does not meet the definition of equity under IFRS standards, as a liability.

At the beginning of April 2022, the Company carried out a directed issue of convertibles with an aggregate nominal amount of up to EUR 6.4 million (SEK 71 million). During Q3 2024 convertibles in an aggregated nominal amount of EUR 60,018 (SEK 0.7 million) and during Q3 2025 EUR 3,160,948 (SEK 34.6 million) were converted to shares. After conversions, the aggregated nominal amount for the outstanding convertibles amounts to approximately EUR 0.5million (SEK 5.5 million). 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 (1.951 SEK) per share and after the share issue the conversion price is 0.1538 EUR (1.714 SEK) per share. The Company carried out in August 2025 an exchange offer to the holders of the Company's convertible loan 2022/2026 to exchange their convertibles for either new shares or new convertibles in the Company. 41.6 percent (nominal value EUR 2,640,792 (SEK 29.5 million)) of the convertibles was exchanged for new convertibles 2025/2029. The convertibles carry an annual interest of 9.0%. The maturity date of the new convertibles is 31 October 2029, to the extent that conversion has not taken place

before such date. The conversion price at the time of issuance was 0.1056 EUR (1.1782 SEK) per share.

Both convertibles contain two components: a conversion option component that will be recognised at fair value under the Black-Scholes model through profit and loss and a debt component that will be recognised at amortised cost using the effective interest method. At the inception date, the fair value of the conversion option was SEK 34 million and the fair value of the debt component was SEK 32 million. On 31 December 2025, the fair values of the convertible option components were SEK 37 million and the value of the liability components measured at amortized cost were SEK 20 million. The changes include the conversion made in August 2025 into shares and a new convertible bond. Of these, non-recurring financial expenses of SEK 4 million were recorded. The fair value changes during 2025 for the conversion option liabilities were SEK -24 million, and the effective interest rate cost recorded for the liability components was SEK 12 million.

Recognition and measurement

Purchases and sales of financial assets are recognised on the business day – the date on which the Group undertakes to buy or sell the asset. Financial assets are derecognised when the right to receive cash flows from the instrument has expired or been transferred, and the Group has transferred substantially all of the risks and rewards of ownership.

However, liabilities to credit institutions are not recognised until the settlement date. A financial liability is derecognised when the obligation in the contract has been fulfilled or if significant parts of the loan terms have been renegotiated.

Other financial liabilities

Financial liabilities mainly consist of liabilities to credit institutions and trade payables. The expected maturity of trade payables is short, which is why they are recognised at nominal amount in accordance with the amortised cost method when the amount is considered to correspond to the fair value. Liabilities to credit institutions are initially measured as the funds received less any set-up fees and are later valued at amortised cost.

Interest expenses are recognised on an ongoing basis in the income statement except for the part that is included in the acquisition value of tangible fixed assets. Accumulated set-up fees are recognised directly for the loan to the extent that the loan agreement's underlying loan commitment has been utilised and is accrued in the income statement as other financial expenses over the contractual loan term.

Assets and liabilities in foreign currency

Receivables, liabilities and derivatives in foreign currencies are converted into SEK at the rate on the balance sheet date. Exchange differences from operating receivables and operating liabilities are included in EBIT. Exchange differences from other financial assets and liabilities, including any income, are recognised under financial items.

Government grants and subsidies

Government subsidies refer to aid and support, the purpose of which is to provide an economic advantage, while government grants provide companies with resources that can be allocated to an undertaking. Government grants attributable to assets are recognised either as deferred revenue or as an item reducing the carrying amount of the asset.

Intangible fixed assets

Intangible fixed assets include licences, other similar rights and exploration rights obtained in business combinations.

Separately acquired intangible assets are recognised at cost. Intangible assets acquired through a business combination are recognised at fair value on the acquisition date.

Intangible assets have a determinable useful life and are recognised at cost less accumulated amortisation and impairment losses. Other intangible fixed assets, excluding exploration rights, are amortised over an estimated useful life of 10 years. For exploration rights, see below.

Exploration rights and research and development costs related to exploration and evaluation assets

Sotkamo Silver's research and development mainly consists of exploration. The Company also engages in the development of mining and concentration processes. Research expenditure is expensed when it arises. Where the economic potential has been determined for the extraction of a mining deposit, the expenditure is expensed up to this point. Exploration and evaluation assets are measured at cost. The following are examples of expenses that can be included in the acquisition cost of exploration and evaluation assets: acquisition of prospecting rights; topographical, geological, geochemical and geophysical studies; exploratory drilling; trenching; sampling; and activities related to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource. Additional principles are described under tangible and intangible fixed assets.

Exploration rights obtained in business combinations have been treated as intangible assets.

Tangible fixed assets

Land, plant and equipment and associated costs for development, preparatory production measures and future reclamation costs are recorded at acquisition cost less depreciation and any impairment. Repair and maintenance costs are expensed, major improvements and replacements are capitalised.

Projected future costs for the dismantling and removal of a tangible asset and the restoration of the place or area where the tangible asset is located (reclamation costs) are capitalised. The capitalised amount consists of projected discounted costs which are simultaneously reported as provisions. The effects of subsequent events that result in costs exceeding the provision are discounted, capitalised as fixed assets and increased provisions and depreciated over the remaining life of the asset.

Deferred mining costs consist partly of waste rock excavation to access the ore body, and partly of work related to infrastructure facilities, roads, tunnels, shafts and inclined drifts, as well as service, electricity and air distribution facilities. Costs for preparation incurred to expand mining capacity, develop new ore bodies and prepare mining areas for future ore production are capitalised.

DEPRECIATION POLICIES FOR TANGIBLE FIXED ASSETS

Depreciation is based on the acquisition cost and estimated useful life. Depreciation of an asset begins when it can be used.

Facilities and capitalised values included in preparations are depreciated according to the unit-of-production method that is based on the ore reserves and partly on the mineral resource in the ore body. Depreciation is carried out to the estimated residual value. The estimated residual values and production capacity are regularly tested. Facilities that are not directly linked to production capacity are depreciated based on asset's expected life. The estimated useful life is based on the assumption that the necessary environmental permits can be obtained. The following estimated useful lives are applied to tangible fixed assets, including future reclamation costs: Preparations and capitalised restoration costs in parallel with metal extraction.

- Buildings 60–135 months
- Land improvements 135 months
- Machinery 12–135 months
- Equipment, tools and installations 12–135 months

Sotkamo Silver applies component depreciation, which means that larger process facilities are divided into sub-components with different useful lives and thus different depreciation periods.

IMPAIRMENT

On each reporting date, an assessment is made to determine whether there is any indication of impairment of the Group's assets. If this is the case, the asset's recoverable amount is calculated. Intangible assets are subject to annual impairment tests even if there is no indication of impairment. The recoverable amount of an asset is the higher of its value in use and the value received if the asset were sold to an independent party, calculated as the fair value less costs to sell. The value in use is the present value of all incoming and outgoing payments attributable to the asset during its expected use in operations, plus the present value of the net realisable value at the end of the asset's useful life. The period the asset is expected to be used is based on the assumption that the necessary environmental permits can be obtained. If the estimated recoverable amount is less than the carrying amount, a write-down is made to the asset's recoverable amount. Impairment losses are recognised in the income statement. Impairments are reversed if changes in the assumptions leading to the original impairment mean that the impairment is no longer warranted. Impairments are not reversed to such an extent that the carrying amount exceeds the value that would have been reported, after deduction of planned depreciation and amortisation, if no impairment had been made. Impairment reversals are recognised in the income statement. Goodwill impairment is not reversed. See also the section on Valuation of fixed assets.

LEASING

The Group leases various buildings, mining machinery, equipment for concentration plants and crushing plants.

Leases are recognised as right-of-use assets and corresponding liability on the date on which the leased asset becomes available for use by the Group. Each lease payment is divided into debt amortisation and financial expense.

The financial expense must be distributed over the lease period so that an amount corresponding to a fixed interest rate for the liability reported in the respective period is allocated to each accounting period. The right of use is depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term.

Assets and liabilities arising from leases are reported initially at present value.

Lease liabilities comprise the present value of the following lease payments:

- fixed fees (including fees that are fixed in substance), less incentive receivables
- Amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a call option, if it is reasonably certain that the lessee will exercise the option, and the lease payments are discounted at the implicit interest rate if it can be determined, and otherwise at the margin loan rate.

Right-of-use assets are measured at cost and include the following:

- the amount the lease liability was originally valued at SEK 71.6 million
- leasing fees paid on or before the commencement date, after deduction of any benefits received in connection with the signing of the lease
- initial direct expenses

Payments for short-term contracts and leases of lesser value are expensed on a straight-line basis in the income statement. Short-term contracts are contracts with a lease term of 12 months or less.

Options to extend or terminate contracts are included in the asset and liability when it is reasonably certain that they will be exercised.

Terms are applied to maximise flexibility in the management of contracts.

TAXES

The tax expense (income) for the period comprises current tax and deferred tax. Taxes are recognised in the income statement, other comprehensive income or equity depending on where the underlying transaction has been recognised.

Current tax is the tax calculated on the taxable profit (loss) for the period. The taxable profit (loss) for the year differs from the reported profit (loss) for the year before tax in that it has been adjusted for non-taxable and non-deductible items as well as temporary differences. The Group's current tax is calculated according to the tax rates prescribed or announced at the balance sheet date.

Deferred tax is reported using the balance sheet method. According to it, deferred tax liabilities are reported in the balance sheet for all taxable temporary differences between the reported and fiscal values of assets and liabilities. Deferred tax assets are recognised in the balance sheet in respect of losses carried forward and all deductible temporary differences to the extent that it is probable that the amounts can be used to offset future taxable surpluses. The carrying amount of deferred tax assets is tested at each closing date and reduced to the extent that it is no longer probable that sufficient taxable surpluses will be

available. Deferred tax is calculated according to the tax rates expected to apply for the period in which the asset is recovered or the liability is settled. Both deferred and current tax assets and tax liabilities are offset when they are related to income tax levied by the same tax authority.

PROVISIONS

Provisions are recognised when the Group has or can be assumed to have an obligation as a result of past events and it is probable that payments will be required to fulfil the obligation. A further prerequisite is that it is possible to reliably estimate the amount to be paid.

When a significant effect arises as to the point at which a provision is made, the provision is measured at the present value of the amount expected to be required to settle the obligation. Here, a pre-tax discount rate is used that reflects current market assessments of the time value of money and the risks associated with the provision. The increase due to the passage of time is reported as an interest expense. Provisions are divided into a current and non-current part.

With the exception of pensions (see separate section), Sotkamo Silver's provisions primarily refer to reclamation costs that are expected to arise when an operation is discontinued. Provisions are also made for any remuneration payable upon termination of employment when an employee has received notice of termination or accepts voluntary redundancy. A provision and an expense are recognised in connection with a termination if Sotkamo Silver is obligated to either give notice of termination prior to the normal end of employment or provide remuneration to encourage early retirement.

CONTINGENT LIABILITY

A contingent liability is a potential liability arising from past events, the realisation of which depends on one or more uncertain future events and is outside the control of the Group. A contingent liability may also be an existing obligation that is not recognised in the balance sheet because it is unlikely that an outflow of resources will be required or because the size of the obligation cannot be reliably calculated.

SHARE CAPITAL

Ordinary shares are classified as share capital. Transaction costs related to a new share issue are reported as a deductive item, net of tax, from the issue proceeds received.

SEGMENT AND GEOGRAPHICAL MARKET INFORMATION

A small integrated organisation, Sotkamo Silver comprises a single segment for mining, concentration and exploration. Mining and concentration are located at the silver mine in the municipality of Sotkamo in Finland, and exploration is carried out by geologists at the silver mine.

PARENT COMPANY'S ACCOUNTING PRINCIPLES

The parent company's annual financial statements have been prepared in accordance with the Annual Accounts Act, the Swedish Corporate Reporting Board's recommendation RFR 2 Accounting for Legal Entities and statements issued by the Corporate Reporting Board. Under RFR 2, the parent company must, in the accounts for the legal entity, apply all EU-approved IFRS Accounting Standards and statements to the extent that this is possible within the framework of the Swedish Annual Accounts Act and with due regard to the connection between reporting and taxation. The recommendation specifies the exceptions and additions to be made in relation to the IFRS. The differences between the Group's and the parent company's accounting principles are described under the headings below.

Financial instruments

The parent company does not measure financial instruments in accordance with IFRS 9. Financial fixed assets are measured at acquisition cost minus any impairment and financial current assets according to the principle of the lowest value (see the Group's accounting principles). At the end of 2023, the Group evaluated the loan granted by Sotkamo Silver AB to Sotkamo Silver Oy in view of the regulations of IFRS 9, which require interest-free loans to be evaluated. An impairment of SEK 116 million was recognised for the purpose of strengthening equity in the subsidiary. This did not affect the consolidated financial statements.

Subsidiary

Shares in subsidiaries are reported in the parent company in accordance with the acquisition value method. Transaction costs in connection with the acquisition of subsidiaries are reported as an expense in the consolidated financial statements, and in the parent company, they are reported as part of the acquisition value.

The value of subsidiaries and fixed assets is tested when there is an indication of impairment. The most important parameters in an impairment test of a subsidiary are the expected future free cash flow in the subsidiary and assumptions about the discount rate. In the applied forecasts, the key assumption for future profitability is based on estimated metal prices and production. The metal prices used in forecasts were: silver USD 50 per oz, zinc USD 2,803 per t, gold USD 4,056

per oz and lead USD 2,016 per t. The EUR/USD rate used in forecasts was 1.15. Impairment testing did not show any indication of impairment.

Leasing

The parent company does not apply IFRS 16 for leasing but accounts for lease payments on a straight-line basis over the lease period.

FINANCIAL RISK MANAGEMENT

A group is typically exposed through its operations to a variety of financial risks: market risk (including currency risk, interest rate risk, and price risk), credit risk, liquidity risk and cash flow risk.

To eliminate market risk as far as possible, Sotkamo Silver has set up certain goals, principles and methods.

The methods for doing this are to closely monitor developments on the cost side, metal prices and exchange rates and adopt measures without delay to eliminate the risks that may arise in the business. Monitoring is carried out by both management and the Board of Directors over the short and long term.

(a) Market risk

i. Currency risk

The Company's value development is affected by both metal prices and currency fluctuations. Most of the Company's operating expenses are in EUR and administrative expenses in SEK, while revenue from future products is priced in USD. The relationship between these currencies will affect the Company's value development.

The subsidiary's loans and the parent company's convertible loans are in EUR, similar to the major costs. This reduces currency risk. The Company continuously evaluates whether to hedge its currency risk.

During 2025, the euro weakened against the Swedish krona, moving from 11.46 at the beginning of the year to 10.82 at the end of the year. This had a positive impact of SEK 1.7 million on the Company's result. The weakening of the euro decreased the company's assets by SEK 37.6 million and the Company's liabilities by SEK 17.9 million.

ii. Price risk

The Group is exposed to price risk related to the development of commodity prices. The Company uses swaps to hedge silver price risk. The change in the price of silver by one dollar will affect net sales by approximately SEK 10 million.

iii. Interest rate risk related to cash flows and fair values

iv. Sotkamo Silver Oy has loans in EUR at variable interest rates. The Company is exposed to interest rate risk due to changes in market rates. Sotkamo Silver Oy's borrowing in EUR amounts to SEK 156.1 million (201.5). An interest rate increase of 1% would increase interest expenses by approximately SEK 1.6 million (2.0).

(b) Credit risk

Credit and counterparty risk is the risk that the counterparty in a financial transaction fails to meet its obligations on the due date. Credit risk is managed at the group level and arises primarily through bank deposits, blocked bank assets and loan receivables. The Group only accepts banks, financial institutions and customers with high creditworthiness.

(c) Liquidity risk

Prudence in managing liquidity risk means holding sufficient cash and marketable securities to meet the liquidity needs created by the exploration business. In the current phase of operations, the Group strives to ensure liquidity through owner and loan financing. Management also closely monitors rolling forecasts of the Group's liquidity.

(d) Capital risk

The Group's objective regarding the capital structure is to secure the Group's ability to continue its operations so that it can generate returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to keep the cost of capital down.

GOING CONCERN

The Company's management and Board of Directors monitor cash flows and cash flow forecasts for the coming year on an ongoing basis. The cash flow forecast includes expected production, costs and projected metal prices. If any parameter changes from the forecast, the Board and management will react to the extent possible to review the need for any external funding. The cash flow forecast indicated that the Company was a going concern with a positive cash flow. However, the Company's cash position was at the year-end still weak and as there is uncertainty about the future liquidity, the Company partly manages this risk by committed credit facility, and by continuously monitoring forecasted and actual cash flows.

MATURITY ANALYSIS OF FINANCIAL LIABILITIES

The table below analyses the Group's financial liabilities, broken down by the time remaining until the contractual maturity date on the balance sheet date. The amounts included in the table are the undiscounted cash flows of the instruments. The amounts due within 12 months of the balance sheet date correspond to the carrying amount of the items because the discounting effect is insignificant.

Parent's financial liabilities (Convertible loan) amount to SEK 32.6 million and are due in year 2026 (SEK 5.5 million) and in year 2029 (SEK 27.1 million) to the extent conversion has not taken place.

EXCHANGE RATES

The following exchange rates have been used in this report for conversion from EUR to SEK.

	2025	2024
Rate at the balance sheet day	10.8180	11.4865
Average rate	11.0677	11.4322

Contractual maturities of financial liabilities as of 31 December 2025 (MSEK)	0-1 years	1-2 years	2-5 years	More than 5 years	Total contractual cash flows
Loans from credit institutions	34.6	11.6	11.5	0.0	57.7
Lease liabilities	2.9	0.3			3.1
Senior loans	22.7	30.3	45.4	0.0	98.4
Convertible loans	5.5	0.0	27.1	0.0	32.6
Trade payables*	57.7	0.0	0.0	0.0	57.7

*All trade payables are due in 2026

Contractual maturities of financial liabilities as of 31 December 2024 (MSEK)	0-1 years	1-2 years	2-5 years	More than 5 years	Total contractual cash flows
Loans from credit institutions	25.7	12.3	24.5	0.0	62.5
Lease liabilities	3.8	2.3	0.3	0.0	6.4
Senior loans	45.9	93.0	0.0	0.0	139.0
Convertible loans	0.0	72.0	0.0	0.0	72.0
Trade payables*	53.0	0.0	0.0	0.0	53.0

*All trade payables are due in 2025

Note 2 Income and fixed assets

Amount in million SEK	2025	2024
Group		
Net sales by geographic area and product		
Finland, Zinc-silver concentrate	31.8	35.4
Finland, pyrite	1.9	2.4
Sweden, Silver-lead concentrate	359.7	374.4
Sweden, pyrite	0.0	0.0
Total turnover	393.4	412.2

All concentrates have been sold to Boliden Commercial AB.

Amount in million SEK	2025	2024
Group		
Tangible fixed assets by geographic area		
Finland	499.0	541.2
Sweden	0.1	0.1
Summa tangible fixed assets	499.1	541.3

Note 3 Auditors' fees and reimbursement of expenses

AUDIT FEE

Amount in million SEK	2025	2024
GROUP		
KPMG		
Audit assignment ¹⁾	2.0	2.2
Fees for audit-related consulting services ²⁾	0.0	0.0
Fees for tax consulting ³⁾	0.0	0.0
All other fees ⁴⁾	0.0	0.0
Total	2.0	2.2

PARENT COMPANY

KPMG		
Audit assignment ¹⁾	1.3	1.3
Fees for audit-related consulting services ²⁾	0.0	0.0
Fees for tax consulting ³⁾	0.0	0.0
All other fees ⁴⁾	0.0	0.0
Total	1.3	1.3

- 1 Audit fees consist of fees for the annual audit assignment and other audit services of the kind that can only be performed by the external auditor and include the audit of the consolidated financial statements and the statutory audit. Parent company audit assignment was SEK 1.3 million (1.3) and other fees SEK 0.0 (0.0) million.
- 2 Fees for audit-related consulting services consist of fees for statements and other assignments that are relatively closely related to the audit of the Group's and companies' annual reports and that are traditionally performed by an external auditor.
- 3 Fees for tax consulting include fees for transfer pricing, charges for tax services, tax consultations and tax advice related to acquisitions, divestments and other projects as well as support for tax audits.
- 4 All other fees - Fees for other services.

Note 4 Personnel

Average number of employees	2025	2024
Parent company in Sweden		
Men	0	0
Women	0	0
Total in parent company	0	0
Subsidiary in Finland		
Men	44	43
Women	6	8
Total in subsidiary	50	51
Group, total	50	51

Salaries, other remuneration and social security expenses in million SEK	2025	2024
Group		
Board of Directors, CEO and management	9.6	10.6
(of which variable remuneration)	0.0	0.0
Other employees	27.0	26.5
Less capitalised payroll costs		
Total	36.6	37.1
Parent company		
Board of Directors	2.7	2.5
Other employees	0.0	0.0
Total	2.7	2.5
Subsidiary		
Social security expenses	0.0	0.0
Pension expenses	0.0	0.0
Total	0.0	0.0

REMUNERATION TO SENIOR EXECUTIVES

2025

Amount in thousand SEK	Gender	Base salary/fee	Variable remuneration	Audit Committee	Social security expenses	Pension expenses	Total expense
Eeva-Liisa Virkkunen, Chair of the Board	Female	611		50			661
Sixten Sunabacka, Vice Chair of the Board	Male	430					430
Kimmo Luukkonen, Board member	Male	382		50			432
Jukka Jokela, Board member	Male	379					379
Mauri Visuri, Board member	Male	379					379
Joni Lukkaroinen, Board member	Male	379		33			412
Mikko Jalasto, CEO	Male	2,212			61	383	2,656
Other senior executives, 3	Male	4,689			130	813	5,632
Total		9,461	0	133	191	1,196	10,981

2024

Amount in thousand SEK	Gender	Base salary/fee	Variable remuneration	Audit Committee	Social security expenses	Pension expenses	Total expense
Eeva-Liisa Virkkunen, Chair of the Board	Female	576		46			622
Sixten Sunabacka, Vice Chair of the Board	Male	403					403
Jarmo Vesanto, Board member	Male	99					99
Kimmo Luukkonen, Board member	Male	345		46			391
Jukka Jokela, Board member	Male	345					345
Mauri Visuri, Board member	Male	351					351
Joni Lukkaroinen, Board member	Male	246					246
Mikko Jalasto, CEO	Male	2,799			83	489	3,371
Other senior executives, 3	Male	5,401			161	943	6,505
Total		10,565	0	92	244	1,432	12,333

BENEFITS OF SENIOR EXECUTIVES

Principles

The remuneration to the Board, including the Chair of the Board, is determined by the shareholders at the Annual General Meeting and applies to the period until the next Annual General Meeting.

Remuneration and benefits of the Board of Directors

The total remuneration paid to the Board of Directors for the financial year 2025 amounted to SEK 2.69 million (2.44).

Audit Committee

The members of the Audit Committee received EUR 500 per meeting, totalling SEK 133,000 (92,000) in 2025.

Remuneration and benefits of CEO

In 2025, remuneration to the CEO amounted to SEK 2.656 million (3.371). The CEO's remuneration consisted of fixed salary. Variable remuneration was not paid for the CEO or other senior executives for 2025. The CEO and management have severance agreements from three to six months. On the CEO's side, the notice period is three months. The Company may terminate the CEO contract with immediate effect. The notice period for other management is three months on both sides.

Pension plans

Group

Both the parent company and the subsidiary, Sotkamo Silver Oy, have defined contribution pension schemes.

Note 5 Depreciation and write-downs of tangible and intangible fixed assets

Amount in million SEK	2025	2024
Group		
Depreciation of intangible assets		0.0
Depreciation of tangible fixed assets	66.7	71.6
Depreciation of right-of-use assets	4.3	4.9
Write-down of intangible assets		0.0
Total depreciation	71.0	76.5
Parent company		
Depreciation of tangible fixed assets	0.1	0.1
Write-down of intangible assets	0.0	0.0
Total depreciation and write-downs	0.1	0.1

Note 6 Financial income

Amount in million SEK	2025	2024
Group		
Exchange rate gains	4.0	4.0
Interest income	0.4	2.5
Fair value gains on debt instruments at fair value through the income statement	0.6	0.0
Total financial income	5.1	6.4
Parent company		
Exchange rate gains	3.6	0.8
Exchange rate gains, Group	0.0	40.2
Interest income	0.0	0.1
Interest income, Group	28.2	30.8
Total financial income	31.8	71.9

Note 7 Financial expenses

Amount in thousand SEK	2025	2024
Group		
Exchange rate losses	6.8	0.6
Interest on restoration reserve	1.6	2.3
Interest on lease liabilities	0.3	0.4
Interest expenses	48.8	31.4
Other financial expenses	9.2	6.5
Total financial expenses	66.7	41.2
Parent company		
Interest expenses, other	7.5	7.4
Adjustments to interest on previous years'	0.0	0.0
Exchange rate losses	6.2	0.0
Exchange rate losses, Group	0.9	39.6
Total financial expenses	14.6	47.0

Note 8 Income tax

On 31 December 2025, tax losses in the Group amounted to approximately SEK 47 million (86). The parent company has no tax losses. Deferred tax assets attributable to tax losses have not been included in the balance sheet.

GROUP

Amount in million SEK	%	2025	%	2024
Result before tax		-52.8		-2.3
Tax according to the applicable tax rate of the Group	20.0	10.6	20.0	0.5
Tax effect of				
Non-deductible expenses		-11.3		-5.7
Losses carried forward		0.0		0.0
Tax effect of net loss from operations not recognised as a deferred tax asset		0.0		0.0
Increase in deferred depreciation in taxation		-4.7		5.8
Other items		0.0		-0.5
Adjustment for previous years		0.0		-14.1
Reported current tax		0.0		-14.1

PARENT COMPANY

Amount in thousand SEK	%	2025	%	2024
Result before tax		-2.1		-1.0
Tax according to the applicable tax rate of the parent company	20.0	0.4	20.0	0.2
Tax effect of				
Non-deductible expenses		-0.5		-0.2
Non-taxable income		0.0		0.0
Losses carried forward		0.0		0.0
Tax effect of net loss from operations not recognised as a deferred tax asset				
Adjustment for previous years		0.0		-14.1
Other items		0.0		0.0
Reported current tax		0.0		-14.1

EXPIRY YEAR OF LOSSES CARRIED FORWARD

Amount in thousand SEK	Group	Parent company
Losses excluding recognised deferred tax asset	46.9	0.0
Losses carried forward per expiry year		
2029	22.0	
2030	10.4	
2032 or later	14.6	
Without time limit	0.0	0.0
Total	46.9	0.0

On 31 December 2025, the Company has a deferred tax asset of SEK 2.6 million (0.3) related to the valuation of cash flow hedges. The change in the deferred tax asset has been recorded in other comprehensive income on the line Cash flow hedges tax.

Sotkamo Silver AB has been liable to pay corporate tax on its global income in Finland since 2021.

Note 9 Exploration rights and research and development costs related to exploration and evaluation assets

Amount in million SEK	2025	2024
Accumulated cost		
At the beginning of the year	50.4	50.4
Acquisitions during the year in parent	0.0	0.0
Translation differences	0.0	0.0
Closing accumulated cost	50.4	50.4
Accumulated depreciation and impairment		
At the beginning of the year	-50.3	-50.3
Depreciation for the year	0.0	0.0
Impairment for the year	0.0	0.0
Translation differences	0.0	0.0
Closing accumulated impairment	-50.3	-50.3
Carrying amounts	0.0	0.0

Note 10 Tangible fixed assets – Group

Amount in million SEK	Buildings and land	Machinery and equipment	Deferred mining costs	Work in progress	Total tangible fixed assets
Acquisition cost					
Opening balance on 1 Jan. 2024	197.0	262.5	359.9	6.7	826.0
Investments	0.2	11.2	58.8	6.8	77.0
Disposals and retirements	0.0	0.0	0.0	0.0	0.0
Translation differences for the year	3.8	12.7	12.9	0.3	29.7
Closing balance on 31 Dec. 2024	201.0	286.4	431.6	13.7	932.8
Opening balance on 1 Jan. 2025					
Investments	4.4	7.1	43.8	5.0	60.3
Disposals and retirements	-4.4				-4.4
Translation differences for the year	-6.5	-22.5	-26.1	-0.9	-56.1
Closing balance on 31 Dec. 2025	194.6	271.0	449.3	17.8	932.6
Depreciation					
Opening balance on 1 Jan. 2024	-46.0	-138.2	-124.3	0.0	-308.5
Depreciation for the year	-7.8	-30.6	-33.2	0.0	-71.6
Translation differences for the year	-1.5	-5.3	-4.5	0.0	-11.3
Closing balance on 31 Dec. 2024	-55.2	-174.2	-162.0	0.0	-391.4
Opening balance on 1 Jan. 2025					
Depreciation for the year	-6.8	-28.0	-31.8		-66.7
Translation differences for the year	3.1	11.4	10.1		24.6
Closing balance on 31 Dec. 2025	-58.9	-190.8	-183.7	0.0	-433.5
Carrying amount, balance sheet 31 Dec. 2024	145.8	112.3	269.6	13.7	541.3
Carrying amount, balance sheet 31 Dec. 2025	135.6	80.2	265.6	17.8	499.1

Note 11 Tangible fixed assets – parent company

MACHINERY AND EQUIPMENT

Amount in million SEK	
Acquisition cost	
Opening balance on 1 Jan. 2024	0.3
Investments	0.0
Disposals and retirements	0.0
Closing balance on 31 Dec. 2024	0.3
Opening balance on 1 Jan. 2025	0.3
Investments	0.0
Disposals and retirements	0.0
Closing balance on 31 Dec. 2025	0.3
Depreciation	
Opening balance on 1 Jan. 2024	-0.1
Depreciation for the year	-0.1
Closing balance on 31 Dec. 2024	-0.2
Opening balance on 1 Jan. 2025	-0.2
Depreciation for the year	-0.1
Closing balance on 31 Dec. 2025	-0.2
Carrying amount, balance sheet 31 Dec. 2024	0.1
Carrying amount, balance sheet 31 Dec. 2025	0.1

Note 12 Participations in Group companies

PARENT COMPANY

Amount in million SEK	31 Dec. 2025	31 Dec. 2024
Accumulated cost		
At the beginning of the year	174.9	174.9
Closing balance	174.9	174.9
Carrying amount at the end of the year	174.9	174.9

Subsidiary/Business ID/ Registered Office	Number of shares	Proportion, %	Equity, million SEK	Book value, million SEK
Sotkamo Silver Oy 2029706-7, Sotkamo, Finland	180,000	100	221.3	190.9

Shares in subsidiaries are reported in the parent company in accordance with the acquisition value method. Transaction costs related to the acquisition of subsidiaries are reported as an expense in the consolidated financial statements, and in the parent company, they are reported as part of the acquisition value.

The value of subsidiaries and fixed assets is tested annually. The most important parameters in an impairment test of a subsidiary are the expected future free cash flow in the subsidiary and the assumptions about the discount rate. In the applied forecasts, the key assumption for future profitability is based on estimated metal prices and production. The metal prices used in forecasts were: silver USD 50 per oz, zinc USD 2,803 per t, gold USD 4,056 per oz and lead USD 2,016 per t. The EUR/USD rate used in forecasts was 1.15. Impairment testing did not show any indication of impairment.

Note 13 Other non-current receivables

Amount in million SEK	31 Dec. 2025	31 Dec. 2024
Blocked bank assets	1.4	2.3
Total non-current receivables	1.4	2.3

Subsidiary

SEK 1.1 million concern securities to authorities (The Safety and Chemicals Agency, Tukes and Kainuu Centre for Economic Development, Transport and the Environment).

Parent company

SEK 0.3 million concern blocked bank assets for credit card.

Note 14 Other receivables

Amount in million SEK	31 Dec. 2025	31 Dec. 2024
Group		
VAT receivable	5.9	8.4
Tax receivable	0.6	0.5
Other items	0.0	0.3
Total	6.5	9.3
Parent company		
VAT receivable	0.3	0.5
Tax receivable	0.6	0.2
Other items	0.0	0.0
Total	0.8	0.7

Note 15 Accrued income and prepayments

Amount in million SEK	31 Dec. 2025	31 Dec. 2024
Group		
Prepayments	3.8	4.4
Other items	0.0	0.0
Total	3.8	4.4
Parent company		
Prepayments	0.1	0.3
Other items	0.0	0.0
Total	0.1	0.3

Note 16 Equity

The Company has only ordinary shares. All the shares are fully paid. Each share entitles to one vote.

Result per share

Result per share is calculated by dividing the period's result attributable to the parent company's shareholders by the number of shares

Amount in million SEK	31 Dec. 2025	31 Dec. 2024
Result attributable to the parent company's shareholders	-52.8	-16.4
Weighted average number of shares before dilution	322,068,107	286,148,387
Weighted average number of shares after dilution	350,587,714	327,383,120
Result per share, before dilution (SEK)	-0.16	-0.06
Result per share, after dilution (SEK)	-0.16	-0.06

If the convertible loan 2022/2026 is converted in full, the number of shares will increase by 3,512,107 shares (conversion price EUR 0.1538). If the convertible loan 2025/2029 is converted in full, the number of shares will increase by 25,007,500 shares (conversion price EUR 0.1056).

Note 17 Interest-bearing liabilities

Amount in million SEK	31 Dec. 2025	31 Dec. 2024
INTEREST-BEARING NON-CURRENT LIABILITIES, GROUP		
Loans from credit institutions	23.1	36.9
Lease liabilities	0.3	1.7
Derivative liabilities	35.0	7.3
Senior loans	75.70	93.04
Convertible loans*	15.1	52.8
Total	149.1	191.7
*See Note 1: Convertible loans		
INTEREST-BEARING CURRENT LIABILITIES, GROUP		
Loans from credit institutions	34.6	25.7
Lease liabilities	2.88	3.81
Senior loans	22.72	45.95
Convertible loans	7.4	0.0
Total	67.6	75.4

LIABILITIES, SUBSIDIARY

Loans from credit institutions	Interest rate	Amount in thousand EUR	Amount in million SEK
SP Optia	12-month Euribor +2.5%	23	0.3
Business Finland	Base rate minus 3% (always at least 1%)	5,308	57.4
OP Bank	3-month Euribor +1.75%	0	0.0
Senior loan	12-month Euribor +6.5%	9,100	98.4
Total		14,431	156.1

The Company signed an agreement to extend the maturity of the Senior Loan and of EUR 1 million additional financing.

EUR 3.2million (SEK 35million) of the Company's EUR 6.3 million convertible loan 2022/2026 was exchanged for new shares in the Company leading to an increase in share capital by SEK 33 million. EUR 2.6 million (SEK 27 million) of the convertibles was exchanged for new convertibles 2025/2029. The maturity date of the new convertibles is 31 October 2029. The remaining principal of the convertible 2022/2026 is EUR 0.5 million (SEK 5 million) and the maturity date is 30 September 2026.

The fair value of the Group's interest bearing liabilities is the same as the reported value due to variable interest rates.

LIABILITIES, PARENT COMPANY

Loans from credit institutions	Interest rate	Amount in thousand EUR	Amount in million SEK
Convertible loan 2022/2025	8%	540	5.5
Convertible loan 2025/2029	9%	2,641	27.1
Total		3,181	32.6

LIABILITIES ATTRIBUTABLE TO FINANCING ACTIVITIES GROUP

Amount in million SEK	Interest-bearing liabilities	Lease liabilities	Total
Total 1 January 2024	267.1	10.5	277.7
Cash flow	-29.9	-5.3	-35.2
Change in lease agreement	0.0	0.3	0.3
Convertible loan conversion	9.3	0.1	9.3
Other changes	-0.7	0.0	-0.7
Exchange rate differences	8.5	0.0	8.5
Total 31 December 2024	254.3	5.5	259.9
Cash flow	-34.4	-4.7	-39.2
Change in lease agreement	0.0	2.2	2.2
Exchange rate differences	-13.4	0.1	-13.3
Other changes	-1.3	0.0	-1.3
Total 31 December 2025	176.1	3.2	179.3

The option component is reported under non-current derivative liabilities and is not included in interest-bearing liabilities in the balance sheet.

Note 18 Accrued expenses and deferred income

Amount in million SEK	31 Dec. 2025	31 Dec. 2024
Group		
Accrued personnel costs and board fees	6.8	6.8
Accrued interest expenses	5.5	12.2
Other items	9.8	9.3
Total	22.2	28.3
Parent company		
Accrued interest expenses	4.0	0.0
Other items	2.7	2.0
Total	6.7	2.0

Note 19 Cash and cash equivalents

The item cash and cash equivalents comprises bank deposits. Blocked bank assets are reported as financial fixed assets. The total assets in the blocked accounts amount to SEK 1.4 million.

Note 20 Items not included in cash flow

Amount in million SEK	Note	2025	2024
Group			
Adjustment for items not included in cash flow			
Depreciation and impairment of intangible assets	9	4.3	0.0
Depreciation of tangible fixed assets	10	66.7	76.5
The year's provision for land restoration.		0.0	0.0
Other items not affecting cash flow		57.0	41.8
		128.0	118.3
Parent company			
Adjustment for items not included in cash flow			
Depreciation of tangible fixed assets	10	0.1	0.1
		0.1	0.1

Other items that do not affect cash flow mainly consist of exchange rate differences.

Note 21 Pledged assets, contingent liabilities and commitments

Amount in million SEK	31 Dec. 2025	31 Dec. 2024
Group		
Contingent liabilities		
Pledged assets		
Pledged assets related to senior loan	324.1	825.4
Blocked bank assets related to bonds	0.0	0.0
Blocked bank assets for restoration	1.2	2.0
Blocked bank assets related to credit cards	0.3	0.3
Total pledged assets	325.6	827.7
Commitments		
Investment commitments related to tangible fixed assets	0.0	0.0
Commitments attributable to start of production ¹⁾	1.1	1.1
Total commitments	1.1	1.1

1) Related to the remaining part of the premiums for restoration insurance.

Amount in million SEK	31 Dec. 2025	31 Dec. 2024
Parent company		
Contingent liabilities		
Pledged assets related to senior loan	324.1	825.4
Pledged assets		
Blocked bank assets related to credit cards	0.3	0.3
Total contingent liabilities and pledged assets	324.4	825.7

Senior loan securities consist of:

- (a) Parent Guarantee
- (b) Pledges by the Parent:
 - (1) Shareholder loan receivables (149,2 MSEK)
 - (2) Shares of the subsidiary (174.9 MSEK)
- (c) Pledges by the Subsidiary:
 - (1) Mining concession (reg.no. K8194)
 - (2) Business mortgage (35 MEUR)
 - (3) Real estate mortgage (35 MEUR)

Note 22 Related party transactions

Group Amount in million SEK	2025	2024
	service purchases	service purchases
Related party relationship		
CEO, through the company	0.0	0.0
Other senior executives	0.0	0.6
Total	0.0	0.6
Parent company sales to subsidiary		
Amount in million SEK		
Intra-group interest rates	28.2	30.8
Management fee	0.0	0.0
Total	28.2	30.8

All transactions were made at arm's length.

Note 23 Right-of-use assets

Right-of-use assets Amount in million SEK	Carrying amount 1 Jan. 2025	Carrying amount 31 Dec. 2025	Additional lease	Translation differences	Depreciation
Buildings	1.1	1.0	1.0	-0.1	-1.1
Machinery and equipment	3.6	1.7	1.5	-0.2	-3.2
Total	4.7	2.7	2.5	-0.2	-4.3

Rent from low-value leases have been recognised in the income statement at SEK 0.2 million (0.2).

Right-of-use assets Amount in million SEK	Carrying amount 1 Jan. 2024	Carrying amount 31 Dec. 2024	Additional lease	Translation differences	Depreciation
Buildings	2.4	1.1	0.0	0.1	-1.3
Machinery and equipment	6.9	3.6	0.0	0.2	-3.6
Total	9.3	4.7	0.0	0.3	-4.9

Amount in million SEK	2025	2024
Cash flow		
Cash flow from operating activities		
Interest paid	-0.3	-0.4
Cash flow from financing activities		
Amortisation of lease liabilities	-4.7	-5.3

For information about contractual lease liabilities, see Note 1.

Note 24 Provision for restoration of land

Amount in million SEK

Carrying amount at the beginning of the financial year	42.4
Change in provision	-4.7
Discounting effect	1.3
Carrying amount at the end of the financial year	39.0

For a description of the reserve, see Note 1.

Note 25 Financial assets and liabilities

Amount in million SEK	31 Dec. 2025	31 Dec. 2024
Financial assets		
Financial assets are measured at amortised cost*		
Other non-current receivables	1.4	2.3
Other receivables	6.5	9.0
Cash and cash equivalents	13.7	88.3
Total	21.7	99.6
Financial assets measured at fair value through profit and loss		
Trade receivables	63.1	30.3
Derivative	0.0	0.0
Financial liabilities		
Financial liabilities measured at fair value through profit and loss		
Non-current derivative liabilities	0.0	0.0
Liabilities measured at amortised cost*		
Borrowing	213.6	261.6
Trade payables and other payables	74.9	71.0
Lease liabilities	3.1	5.5
Accrued expenses and deferred income	22.2	28.3
Total	313.8	366.4

*Fair value approximates the value according to amortised cost

CHANGES IN THE CONVERSION OPTION COMPONENT IN THE CONVERTIBLE LOAN (LEVEL 3)

Amount in million SEK	Derivative liabilities
Total 1 January 2024	4.1
Changes through profit or loss	3.1
Exchange rate differences	0.2
Total 31 December 2024	7.3
Changes through profit or loss	23.9
Exchange rate differences	-1.1
Conversion of convertible loan	7.4
Total 31 December 2025	37.4

The conversion option component of the convertible loan has been recorded at fair value using the Black-Sholes model through profit or loss.

Note 26 Proposed allocation of the parent company's result, SEK

Share premium account	503,305,617
Retained earnings	-585,334,925
Result for the year	-2,047,145
Total	-84,076,453

The Board of Directors proposes that the share premium account, the retained earnings and the profit for the year, a total of SEK -84,076,453, be carried forward.

Note 27 Events after the reporting period

As part of the long-term consistency and development of underground mining performance, a new mining contractor started the operations from the beginning of 2026.

During January, the number of shares and votes in Sotkamo Silver AB has increased as a result of the conversion of convertibles of series 2022/2026. Before the conversion, there were a total of 322,068,107 shares and votes in the company. At the end of January, there was a total of 322,718,497 shares and votes in the Company. The conversion reduced the principal of the convertible loan from EUR 0.54 million (SEK 5.7 million) to EUR 0.44 million (SEK 4.6 million).

During February, the number of shares and votes in Sotkamo Silver AB has increased as a result of the conversion of convertibles of series 2025/2029. Before the conversion, there were a total of 322,718,497 shares and votes in the company. At the end of February, there was a total of 333,517,189 shares and votes in the Company. The conversion reduced the principal of the convertible loan from EUR 2.64 million (SEK 28.2 million) to EUR 1.50 million (SEK 16.0 million).

Note 28 Derivatives

2024

Amount in million SEK	Carrying amount	Fair value	Anticipated accounting				
			2025	2026	2027	2028	After 2028
Electricity price contracts	-1.6	-1.6	-1.2	-0.4	0.0	0.0	0.0
Hedging of future cash flows	-1.6	-1.6	-1.2	-0.4	0.0	0.0	0.0

2025

Amount in million SEK	Carrying amount	Fair value	Anticipated accounting				
			2026	2027	2028	2029	After 2029
Electricity price contract	-0.2	-0.2	-0.2	0.0	0.0	0.0	0.0
Silver price hedging	-12.9	-12.9	-12.9	0.0	0.0	0.0	0.0

Fair value of the hedging instruments with a hedged purchase price of 18.4 MW of electricity and with a hedged silver sales price of 97,700 oz is included in the Cash flow hedges item in the balance sheet. Hedges were fully effective.

VALUE ADJUSTMENT OF HEDGING INSTRUMENTS

Amount in million SEK	2025	2024
Total value adjustment of hedging instruments reported in other comprehensive income during the year	11.5	-2.1

SENSITIVITY ANALYSIS OF CONVERSION OPTION COMPONENTS IN THE CONVERTIBLE LOANS

	Profit or loss	
	Increase	Decrease
31 December 2024		
Expected share price (10% movement)	1.8	-1.8
Expected volatility (10% movement)	1.4	-1.4
31 December 2025		
Expected share price (10% movement)	5.3	-5.3
Expected volatility (10% movement)	1.5	-1.5

For the fair values of convertible loans, reasonably possible changes at the reporting date to significant unobservable input, holding other inputs constant, would have the following effects.

Signing of the annual report

The Board of Directors and the CEO declare that the consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards as adopted by the EU, and give a true and fair view of the Group's position and performance. The Annual Report has been prepared in accordance with generally accepted accounting principles, and gives a true and fair view of the parent company's position and performance.

The Board of Directors' Report for the Group and the parent company gives a true and fair view of the development of the Group's and the parent company's operations, position and results, and describes material risks and uncertainties faced by the parent company and the companies included in the Group.

The Annual Report along with the auditor's report will be presented for adoption to the Annual General Meeting on 21 April 2026.

Stockholm, on 31 March 2026

Eeva-Liisa Virkkunen
Chair of the Board

Sixten Sunabacka
Vice Chair of the Board

Jukka Jokela
Board member

Kimmo Luukkonen
Board member

Joni Lukkaroinen
Board member

Mauri Visuri
Board member

Mikko Jalasto
Chief Executive Officer

Our audit report has been submitted on 31 March 2026

KPMG AB

Ola Larsmon
Authorised Public Accountant

Auditor's report

(This is a translation of the Swedish original)

To the general meeting of the shareholders of Sotkamo Silver AB (publ), corporate identity number 556224-1892

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Sotkamo Silver AB (publ) for the year 2025, except for the corporate governance statement on pages 39-49. The annual accounts and consolidated accounts of the company are included on pages 34-78 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 39-49 and the sustainability report on pages 20-32. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion

thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matter

Valuation of tangible fixed assets related to the Silver Mine in Sotkamo according to the consolidated financial statements, as well as the valuation of shares in subsidiaries and receivables from subsidiaries in the parent company.

See disclosure 10 and disclosure 12 and accounting principles on pages 59-64 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

As of December 31, 2025, the group's reported value for tangible fixed assets amounts to SEK 499 million, which constitutes 82% of the total assets. As of December 31, 2025, the parent company's reported value for shares in subsidiaries amounts to SEK 191 million, which constitutes 54% of the total assets, and receivables from subsidiaries amount to SEK 151 million, which constitutes 43% of the total assets.

Given that the life of the mine is limited, management is annually preparing an impairment test of the group's tangible fixed assets and the parent company's shares in subsidiaries and receivables from subsidiaries. The impairment test is complex and involves significant management judgments. According to current requirements, the test must be conducted using a relevant technique where the judgments are based on the company's internal business plan and future development. Examples of such judgments include future cash flows, which require assumptions about future metal prices, smelting and refining costs, and foreign exchange rates. Another important assumption is the discount rate to be used to reflect market assessments of the time value of economic benefits and the specific risks the business faces.

Given the above, there are significant judgments that are key to the accounting, and therefore the area has been assessed as a key audit matter in our audit.

Response in the audit

We have reviewed management's impairment test to assess whether it has been conducted in accordance with the relevant technique. Furthermore, we have evaluated management's forecasts for future cash flows and the assumptions underlying them, which include the long-term growth rate and the assumed discount rate, by reviewing and evaluating management's documentation and plans. We have also evaluated previous years' judgments in relation to actual outcomes. We have also checked the completeness of the disclosures in the annual report and assessed whether they are consistent with the assumptions management has applied in its impairment testing and whether the information is sufficiently comprehensive to understand management's judgments.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-33 and 85-90. The other information comprises also the Remuneration Report for Sotkamo Silver AB (publ) 2025 that we obtained prior to this Auditor's Report, The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- a. Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- b. Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- d. Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- f. Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant

audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Auditor's audit of the administration and the proposed appropriations of profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Sotkamo Silver AB (publ) for the year 2025 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- a. has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- b. in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Sotkamo Silver AB (publ) for year 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinions

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Sotkamo Silver AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of

Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 39-49 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Sotkamo Silver AB by the general meeting of the shareholders on the 23 April 2024. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2024.

Stockholm, 31 March 2026

KPMG AB

Ola Larsmon
Authorized Public Accountant

Definitions

Key performance indicators and glossary

The use of key performance indicators (KPI) not defined in the IFRS. The Company's financial statements are prepared in accordance with the IFRS. See above for further information on accounting principles. Only a few KPIs are defined in the IFRS. Since the second quarter of 2016, the Company has applied ESMA's (European Securities and Markets Authority) new guidelines for alternative performance measures. An alternative performance measure is a financial measure of historical or future performance, financial position or cash flow that is not defined or specified in IFRS. To facilitate management's and other stakeholders' analysis of the Group's development, the Company discloses certain alternative performance measures that are not prepared in accordance with the IFRS. The alternative performance measures provide additional information and do not replace key performance indicators defined in accordance with the IFRS. The Company's definitions of alternative performance measures may differ from those of other companies.

AG
The chemical symbol for silver.

AG/EQ
Silver equivalent. Mineral resources are often reported in metal equivalents of the primary metal, e.g. AgEq. The secondary minerals are multiplied by their current metal prices, and the result is divided by the current metal price of the primary metal to obtain the corresponding metal equivalent.

CONCENTRATION
Concentration of minerals and/or metals from the ore to metals or mineral/metal concentrates.

INFERRED MINERAL RESOURCE

Mineral resource estimated on the basis of assumed content and continuity, extrapolation from known and indicated mineral resource, for which there is a geological basis. Inferred mineral resources may or may not be supported by samples or measurements. See also Terminology regarding mineral resources and ore reserves at the end of this section.

AU
The chemical symbol for gold.

PROVEN MINERAL RESERVE

Proven ore reserve is the proven economically mineable part of a known mineral resource. The economic conditions must be established in a feasibility study, at least in a pre-feasibility study. The quantity of the ore reserve is calculated on the basis of the size demonstrated in slabs, shafts or drill holes. The grade/quality is calculated based on the results of a detailed sampling. The observations, samples and measurements are of such density and the geological conditions so well known that the size, geometric shape, depth, metal grade and grade continuity in the ore are well known. See also Terminology regarding mineral resources and ore reserves at the end of this section.

CORE
Cylindrical samples from diamond drilling analysed for metal grade.

CUT-OFF
The lowest grade included in the mineral resource or ore reserve estimate of the mineral/ore deposit, depending on the metal grade and metal price.

OPEN PIT
Mining above ground.

DIAMOND DRILLING (CORE DRILLING)

Drilling in rock that produces a rod-shaped sample of the rock.

EQUITY PER SHARE

Equity in relation to the number of shares on the balance sheet date. Calculation: Equity divided by the number of shares.

EBITDA
Earnings Before Interest, Taxes, Depreciation and Amortisation

EBIT
Earnings Before Interest and Taxes

FINNMIN
Finnish Mining Association

FLOTATION
Process engineering method using surfactants to separate and enrich minerals and metals from a water mixed slurry.

MINING
Production of metal/mineral concentrates that are further refined in smelters.

GREENSTONE BELT
Geographical area with metamorphic and sedimentary rocks, which are usually found in the Precambrian shield area.

GTK
Geological Survey of Finland

INDICATED MINERAL RESOURCE

Mineral resource, the quantity and quality of which are calculated in the same way as for a measured mineral resource, but the distance between the observation points is greater. The degree of certainty, even though it is lower than that of measured mineral resources, is high enough to presume continuity between the observation points. See also Terminology regarding mineral resources and ore reserves at the end of this section.

EXPLORATION PERMIT

Older designation of exploration permit.

INVESTMENTS

Investments refer to investments in tangible fixed assets and investments in right-of-use assets

IRR

Internal Rate of Return. The average annual return of an investment.

JORC CODE

An Australasian code for reporting mineral resources and ore reserves to investors and other stakeholders.

CASH AND CASH EQUIVALENTS

Short-term assets less inventories in relation to short-term liabilities

QUALIFIED PERSON

A person who is registered and approved by the mining industry's interest organisations for the accounting of mineral resources. A qualified person must be deeply familiar with the mineral industry, hold a university degree and at least five years of relevant professional experience.

MEASURED MINERAL RESOURCE

Mineral resources are calculated based on the quantity demonstrated in slabs, shafts or drill holes.

The grade/quality is calculated based on the results of a detailed sampling. The observations, samples and measurements are of such density and the geological conditions so well known that the size, geometric shape, depth and metal grade of the mineral resource are well known. See also Terminology regarding mineral resources and ore reserves at the end of this section.

CORE DRILLING (DIAMOND DRILLING)

Drilling in rock that produces a rod-shaped sample of the rock.

LTIFR

(Lost time injury frequency rate) meaning sickness absence in days due to workplace accident per million hours worked.

ORE

Metallic mineral deposit that can be mined economically.

MINERAL

A naturally formed solid inorganic substance often with a definite chemical composition and usually with a definite crystal form.

MINERALISATION

Natural concentration in rock or soil of one or more economically valuable minerals can also be called a deposit.

ORE RESERVES

The economically workable portion of probable and proven mineral resources determined based on at least one initial feasibility study.

MINERAL RESOURCE

The economically workable portion of measured and indicated mineral resources determined based on at least one initial feasibility study.

NPV

Net Present Value. The present value is the estimated value of an investment's future cash flows, discounted taking into account a given discount rate. The net present value is the difference between the present value and the discounted investment cost.

PB

The chemical symbol for lead.

DECLINE

A spiral tunnel close to the ore that is mainly used for transport.

PROSPECTING

A search for economically minable ores.

TEST DRILLING

Deep sampling to gather information for geological modelling of the deposit regarding the content and size of the deposit. See also core drilling.

RESULT PER SHARE

Result divided by the number of shares.

RETURN ON EQUITY

Income after financial items and financial expenses as a percentage of average equity.

OVERALL PROFITABILITY RATE

Income after financial items and financial expenses as a percentage of average total capital.

COVERAGE RATIO

Income after financial items plus interest expenses divided by interest expenses.

PROBABLE ORE RESERVE

The economically mineable part of an indicated mineral resource. The economic conditions are determined through a full feasibility study also in this case. The quantity of the ore reserve (ore) is calculated in the same way as for proven ore reserves, but the distance between the observation points can be greater. The degree of certainty, even though it is lower than that of measured ore reserves, is high enough to presume continuity between the observation points. See also Terminology regarding mineral resources and ore reserves at the end of this section.

SGU

Geological Survey of Sweden.

EQUITY/ASSETS RATIO

Equity in relation to total assets.

SVEMIN

The Swedish Association of Mines, Mineral and Metal Producers.
See www.mining.se.

TAIVALJÄRVI

Location in the municipality of Sotkamo, where the Company's main assets are located.

BUSINESS FINLAND (FORMERLY TEKES)

Finnish state authority. Business Finland funds and promotes ambitious research and development projects of companies, universities and research institutes.

T

Unit of mass. In Sotkamo Silver's English-language reports, t (tonnes) is used as a metric unit of measurement.

UNDERGROUND MINE

A mine where the mining of ore takes place in underground tunnels, in contrast to open pit mines.

EXPLORATION PERMIT

A time-bound exclusive right to explore a specific land area containing metal deposits. Provides the opportunity to protect the investments made. The commitment includes land reclamation and payment to the landowner.

OUNCE, TR. OZ.

Troy ounce, 1 troy ounce = 31.1035 grams, unit of measure for silver, gold and other precious metals.

RECOVERY

The proportion of a metal that can be extracted in the concentration process.

ZN

The chemical symbol for zinc.

PRECIOUS METAL

Gold, silver, platinum and palladium.

SILVER IN A NUTSHELL

A quick guide to silver

Each element is unique in its own way, but the properties of silver make it exceptional among all substances found in the periodic table. The atomic symbol of silver is Ag.

For example, silver is malleable and supple, making it perfect for jewellery and cutlery. Because it is one of the world's most reflective substances, silver has a uniquely beautiful shine.

Silver is also one of the world's best conductors of electricity, offering applications in electronic components such as wires, switches and circuit boards. The combination of ductility and electrical conductivity makes silver perfect for electronics gadgets like smartphones, as it can be bent and pressed into small spaces without breaking.

Silver also exhibits the unique property of penetrating bacterial cell walls. This enables silver ions to be used as biocides, which is becoming increasingly important as the overuse of chemical antibiotics is making some bacteria immune to them.

As if this were not enough, silver has been valued for centuries as an investment similar to gold. However, due to its lower value, silver is more accessible to a larger number of people who choose to hold on to physical silver instead of paper currency.

Silver is found in the earth's crust. Silver is usually mined as a secondary metal, found mainly in combination with gold, copper and lead, from which it must be separated.

Silver has been considered a precious metal for around 6,000 years. It was first used as a currency in 700 BC and has had a role as a trading metal in almost every ancient and modern culture. From the drachma of the ancient Greeks, which contained an eighth of an ounce of silver, to the Roman denarius and the British pound, which contained a certain amount of the metal.



ANNUAL GENERAL MEETING AND CALENDAR

Annual General Meeting

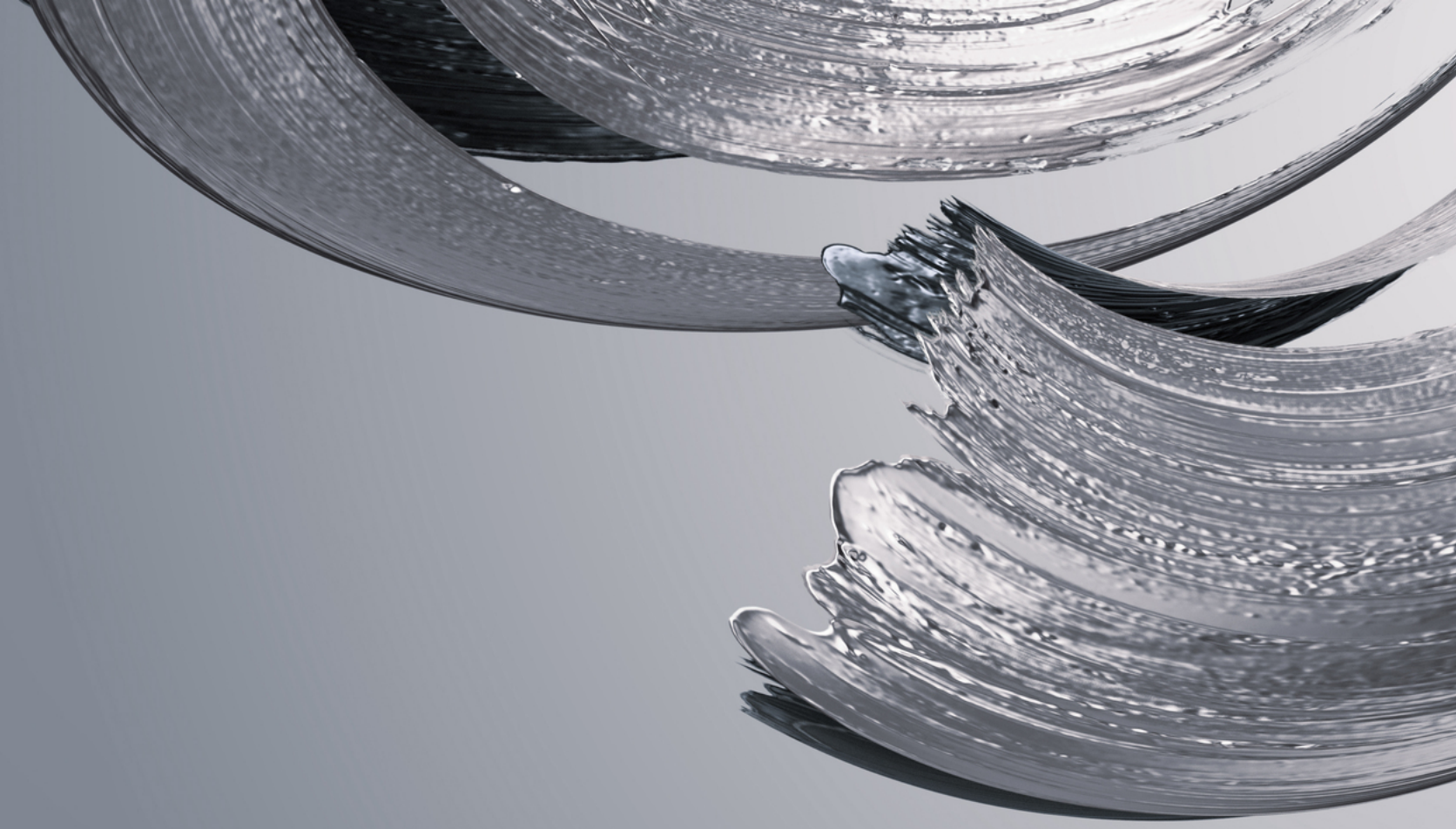
The Annual General Meeting will be held on 21 April 2026.

Calendar

Sotkamo will publish financial information as follows:

- Q1/2026 will be published on 29 April 2026
- Q2/2026 will be published on 31 July 2026
- Q3/2026 will be published on 23 October 2026





SOTKAMO
SILVER