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SOTKAMO SILVER AB: INSIDER INFORMATION, Sotkamo Silver is negotiating an extension of its senior loan and intends to launch an offer to holders of convertibles to secure long-term financing

Sotkamo Silver AB | Stock Exchange Release | June 27, 2025 at 12:10:00 EEST

In order to secure long-term financing of the Sotkamo Silver AB (publ) ("Sotkamo Silver" or the "Company") group, the Board of Directors of the Company has initiated negotiations to extend the maturity date of the remaining EURM 8.1 (original amount EURM 14.6) senior loan agreement entered into 28 March 2022 by the Company's wholly owned subsidiary Sotkamo Silver Oy (the "Senior Loan"). In addition, Sotkamo Silver intends to carry out an offer to the holders of the Company's outstanding EURM 6.3 convertible loans 2022/2026 (the "Existing Convertibles") to exchange their Existing Convertibles for either new shares or new convertibles in the Company (the "Exchange Offer"). Launch of the Exchange Offer will be conditional upon that the Board of Directors receives an issue authorization at the extraordinary general meeting to be held on 23 July 2025 (the "EGM").

Background and reasons

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

Exchange Offer

The Company intends to launch the Exchange Offer to acquire the Existing Convertibles at nominal value (i.e. EUR 20,006 per Existing Convertible), with an obligation for the accepting holders of Existing Convertibles to set off the consideration against subscription for either:

1. new shares in the Company (the "**New Share Issue**"); or
2. new convertibles with a term of approximately four (4) years (the "**New Convertible Issue**").



The terms of the New Share Issue and the New Convertible Issue will be announced prior to the launch of the Exchange Offer.

Senior Loan extension

The Company aims to secure the extension of the maturity date of the Senior Loan until at least spring 2028 and with the current loan amount as a minimum. The objective of the extension is to achieve sufficient long-term financing, while also enhancing the group's financial flexibility, enabling it to effectively navigate business fluctuations and to ensure the implementation of the Company's investment plan as scheduled. The negotiations of the extension of the Senior Loan have progressed positively to date and the intention is to carry out the extension in connection with completion of the Exchange Offer.

Extraordinary General Meeting

The Board of Directors will today, through a separate press release, issue a notice of the EGM to resolve upon the necessary issue authorization for the Board of Directors to resolve on the New Share Issue and the New Convertible Issue. The EGM will be held on 23 July 2025.

Voting Commitments

The Company has received a voting commitment in favour of the resolution to be passed at the EGM from the Company's largest shareholder.

Advisors

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

Mikko Jalasto

CEO of Sotkamo Silver AB

Sotkamo Silver in brief

Sotkamo Silver is a mining and ore prospecting company that develops and utilises mineral deposits in the Kainuu region in Finland. Sotkamo Silver supports the global development towards green transition technologies and produces the metals needed responsibly and by taking local stakeholders into account. Sotkamo Silver's main project is a silver mine located in Sotkamo, Finland. In addition to silver, the mine produces gold, zinc and lead. The company also has mining and ore prospecting rights for mineral deposits in the vicinity of the silver mine in Kainuu. Sotkamo Silver Group consists of the parent company Sotkamo Silver AB and its wholly-owned Finnish subsidiary (Sotkamo Silver Oy). Sotkamo Silver AB is listed at NGM Main Regulated in Stockholm (SOSI), Nasdaq Helsinki (SOSI1), and Börse Berlin.

Read more about Sotkamo Silver on www.silver.fi/en/



This information is information that Sotkamo Silver AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2025-06-27 12.10 EEST.

Important information

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

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into Australia, Belarus, Canada, Hong Kong, Japan, New Zealand, Russia, Singapore, South Africa, South Korea, the United States, or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" (within the meaning of the United Kingdom version of the EU Prospectus Regulation (2017/1129/ EU) which is part of United Kingdom law by virtue of the European Union (Withdrawal) Act 2018) who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005



(the "**Order**"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

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

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

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is required by law or regulation.



Information to distributors

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

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

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

The English text is an unofficial translation of the original Swedish text. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.



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