

Progress in refinancing

Interim Report Q2/2025



HIGHLIGHTS

April – June

- Net sales decreased by 25% to 79 MSEK (105 MSEK*). Lower average silver grade and lower mill feed, led to lower silver production. Net sales increased by 15% compared to Q1 2025
- EBITDA fell by 92% to 2 MSEK (19), EBITDA margin weakened to 2% (18), but EBITDA increased by 9 MSEK compared to Q1 2025
- EBIT decreased to -16 MSEK (0), however EBIT increased by 8 MSEK compared to Q1 2025
- The profitability decreased mainly due to continued mining challenges, which led to lower mill feed volume and reduced ore quality. As a result, silver production declined, reducing net sales and profitability.
- Cash and cash equivalents amounted to 1 MSEK (30). The Company has a credit facility of 2 MEUR (22 MSEK) and is negotiating the refinancing of its Senior and Convertible Loans and additional financing of 1 MEUR (11 MSEK)
- CAPEX went up to 16 MSEK (12)
- The production amounted to approximately 187,000 ounces of silver (274,000), 417 ounces of gold (590), 144 tonnes of lead (167), and 370 tonnes of zinc (359) in concentrates

January – June

- Net sales decreased by 22% to 148 MSEK (190 MSEK). Lower average silver grade and lower mill feed led to lower silver production
- EBITDA weakened to -6 MSEK (36), EBITDA margin fell to negative (19)
- EBIT decreased to -40 MSEK (-1)
- Continued mining challenges and lower silver production led to decreased profitability
- Cash and cash equivalents decreased to 1 MSEK (30)
- CAPEX increased by 1% to 28 MSEK (29)
- The production was approximately 356,000 ounces of silver (583,000), 782 ounces of gold (1,307), 281 tonnes of lead (364), and 679 tonnes of zinc (697) in concentrates

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

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

After reporting period

- At the Extraordinary General Meeting on 23 July, the Board was authorized to issue new shares, warrants, and/or convertibles. Board resolutions under this authorization may result in a maximum dilution of 35% of the total number of shares outstanding in the Company.

The purpose of the authorization is to enable implementation of the previously announced planned offer to the holders of the Company's outstanding 6.3 MEUR (71 MSEK) convertible loans to exchange their existing convertibles for either new shares or new convertibles in the Company.

- The holders of the Senior Loan gave a conditional commitment to amend the terms, including the following changes:
 - The loan maturity will be extended by at least two years (previously maturing in 2026)
 - The loan amount will be increased by one million euros (11 MSEK)

The decision is conditional upon the success of the Company's planned convertible loan arrangement.

OUTLOOK

Guidance for 2025

The Company announced 12 June 2025 that its silver production is expected to fall slightly below the lower end of the previously estimated production range. As a result, the EBITDA margin and the net debt relative to EBITDA are also expected to fall slightly short of the targets. In addition, the Company stated, that it will provide more detailed full-year estimates in its Q2 interim report.

The new, updated guidance (given 31.7.2025) for 2025:

- The Company expects to produce 1.0 -1.2 million ounces of silver
- Annual EBITDA margin to be at least 22%
- Net debt-to-EBITDA to be below 2.5 at year-end

In the previous guidance for year 2025 (given on 14 February 2025) the Company stated:

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

The Company's profitability is significantly affected by external factors, such as metal prices and exchange rates and internal factors like uncertainties related to ore

volumes and metal grades. The achievement of the guidance assumes that metal prices and EUR/USD rate stay approximately at the current level of the time when the guidance was published (31 July 2025).

Medium-term targets

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

CEO REVIEW

Towards a Stronger Second Half

Mining challenges persisted in the early part of the second quarter. However, we successfully transitioned production to new mining areas during the period. Although mining volumes increased from the previous quarter, they still fell short of our target levels. Additionally, due to lower-than-expected grades, silver production remained significantly below our goals. Ensuring adequate capacity in the underground mine remains primary focus for the rest of the year.

On June 12, we announced that we would not reach the previously published production and EBITDA margin guidance. According to our updated forecasts, we now expect to produce 1.0-1.2 million ounces of silver and achieve an EBITDA margin of 22 percent in 2025. Furthermore, the price of silver has increased over 30 percent since the beginning of the year, which has had a significant positive impact on the Company's revenue and, consequently, on EBITDA. We have every reason to expect a clearly stronger financial performance in the second half of the year.

On June 3, we announced promising results from exploration drilling aimed at extending mine life until 2035. The first analyzed samples confirmed our view that mineralization continues in a similar manner in the deeper

parts of the mine. We will publish updated mineral resource and ore reserve estimates at the end of the year, once the final results are available.

We also conducted exploration drilling west of the current ore body. The analyzed drill holes support the potential for profitable mining operations in the area, and we will carry out further exploration based on the results of the completed drilling.

A new mining contractor will start when the current agreement expires at the beginning of 2026. The new contractor, Tapojärvi Oy, has a solid experience and a strong track record in underground mining, including previous contracting work at Sotkamo Silver's mine. We believe Tapojärvi Oy will provide us with the necessary resources and expertise for the long-term development of our operations. To improve operational reliability, we are also focusing on opening new alternative mining areas during the remainder of the year.

We have made good progress in refinancing negotiations aimed at securing our ability to execute our growth strategy. The Extraordinary General Meeting on July 23, 2025, approved the Board's proposal for a share issue to enable implementation of the planned offer to the holders of the Company's convertible loans to exchange their existing convertibles for either new shares or new convertibles in the Company. We have also received a

conditional commitment from our Senior Loan holders on new terms for the Senior Loan.

The beginning of the year was challenging, but the mining situation is improving, we have good progress with refinancing and agreement with an experienced new contractor. Additionally, promising results from the exploration drilling support the future development. We have strong reasons to be optimistic about the second half of 2025 and the years ahead.



Mikko Jalasto, CEO

Key figures

	Q2/25	Q2/24	Change, %	H1/25	H1/24	Change, %	2024
Net sales, MSEK	79	105	-25	148	190	-22.1	412
EBITDA, MSEK*	1	19	-92	-6	36		109
EBITDA margin %	1.9	18.1	-90	-4,1	19.0	-122	34
EBIT, MSEK	-16	0		-40	-1		32
EBIT margin %	-20.4	-0.1		-27.1	-0,7		7.9
Equity ratio %*	38	40	-4	38	40	-4	41
Cash liquidity %*	18	48	-63	18	48	-63	75
Net debt-to-EBITDA ratio*	3.4	2.1	62	3.4	2.1	62	1.6
Personnel at the end of the period	52	55	-5	52	55	-5	51
Silver production, koz*	187	274	-32	356	583	-39	1,166
Mill feed, kt*	109	127	-14	201	251	-20	497
Average silver grade, g/tonne*	65	83	-21	67	87	-23	89

Alternative key performance measures are marked with asterisk. For more detailed definitions, please see section Definitions on page 26.

Financial performance

During the second quarter, **net sales** decreased by 25 % to 79 MSEK (105). Continued mining challenges reduced both the volume of milled ore and the ore grade, negatively impacting net sales. However, net sales increased by 15 % compared to Q1 2025.

Other income was 1 MSEK (-9) during the quarter, including received subsidies, proceeds from recycling and forest sales.

EBITDA weakened by 92 % to 1 MSEK (19) and EBITDA margin fell to 2 % (18). The profitability decreased mainly due to continued mining challenges, which led to lower mill feed volume and reduced ore quality. As a result, silver production declined, reducing net sales and profitability.

EBIT decreased to -16 MSEK (0), however EBIT increased by 8 MSEK compared to Q1 2025.

The Company's **CAPEX** was 16 MSEK (12) in the quarter and 28 MSEK (29) in first half of the year consisted mainly of infill drilling, underground decline and CAPEX drifts. With the investments made, the Company aims to extend the life of the mine and ensure efficient production.

During the second quarter **silver price** fluctuated in a range between \$30.2 and \$37.2 per ounce and during H1/2025

between \$29.4 and \$37.2. At the end of the quarter, the silver price was \$36.0 per ounce.

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

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

In the second quarter, the Euro strengthened against the US dollar by 8 %, being at 1.08 at the beginning and at 1.17 at the end of the quarter. EUR/USD rate was 1.04 at the beginning of the year. The changes in the value of the Euro against the US dollar during the quarter had a negative impact of 4 MSEK on the Company's result. The Euro strengthened during the second quarter against the Swedish krona from 10.85 to 11.15 average being 10.95 which had a minor effect on the Company's result. In the first half of the year, the euro weakened against the Swedish krona from 11.46 at the beginning of the year to

11.15 average being 11,10, which improved the Company's result by 2 MSEK.

The new mining tax which became effective on Jan 1st, 2024, weakened the second-quarter result by 1 MSEK.

*https://silverinstitute.org/wpcontent/uploads/2025/04/World_Silver_Survey-2025.pdf

Market data

	Q2/25	Q2/24	H1/25	H1/24	2024
Average silver price USD	33.7	28.8	32.8	26.1	28.3
Average EUR/USD	1.13	1.08	1.09	1.08	1.08
Average EUR/SEK	10.95	11.51	11.10	11.39	11.43

Financial position and cash flow

During the quarter, the Group's **cash and cash equivalents** decreased to 1 MSEK (30). The Company has a credit facility of 2 MEUR (22 MSEK) and is negotiating the refinancing of its Senior and Convertible Loans and additional financing of 1 MEUR (11 MSEK). The Company generated **cash flow from operating activities** 10 MSEK during Q2/2025. The first quarter was 31 MSEK cash flow negative.

The Company is negotiating to extend the maturity date of the remaining 8.1 MEUR (90 MSEK) Senior Loan agreement by the Company's wholly owned subsidiary Sotkamo Silver Oy. In addition, the Company intends to carry out an offer to the holders of the Company's outstanding 6.3 MEUR (71 MSEK) convertible loans to exchange their existing convertibles for either new shares or new convertibles in the Company (the "Exchange Offer").

The Company's long-term financing is scheduled to mature during 2026, and the objective is to extend the maturity of the Senior Loan by at least two years from the current maturity date. The negotiations of the extension of the Senior Loan require that the Exchange Offer is carried out. By refinancing, 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.

According to the Company's estimate, it has sufficient liquidity for at least the next 12 months of operations if the above-mentioned refinancing will be successful.

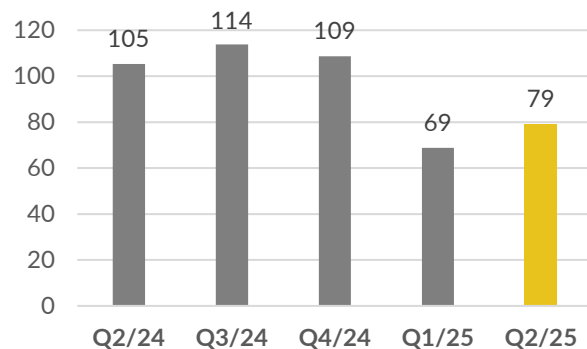
The Group's **equity ratio** decreased to 38% (40).

The Group's **equity** was 222 MSEK (257) which corresponds to 0.78 SEK (0.89) a share non-diluted, and 0.68 SEK (0.78) diluted.

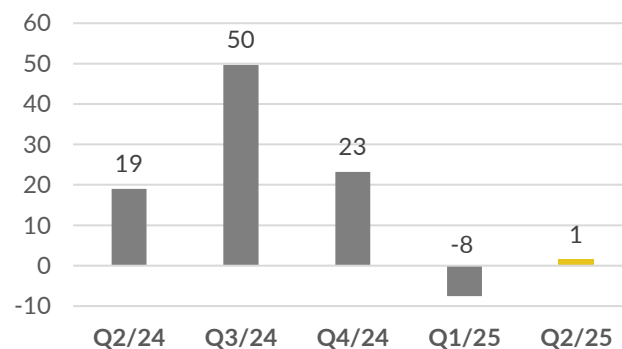


Financial key figures

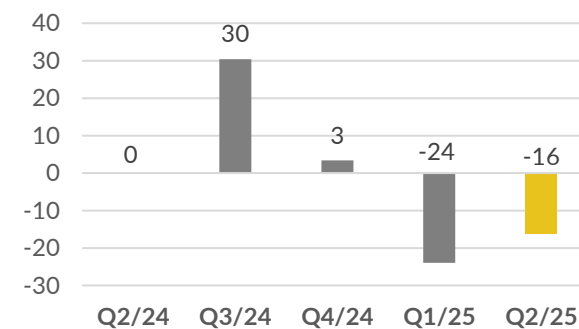
Net Sales, MSEK



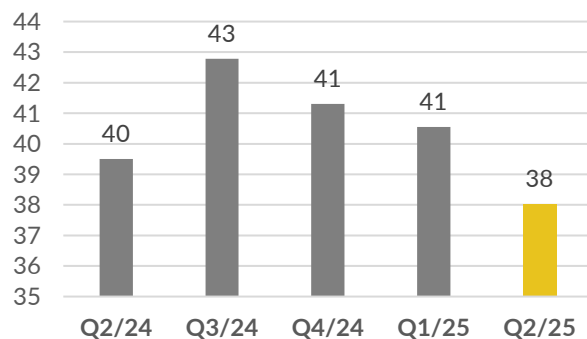
EBITDA, MSEK



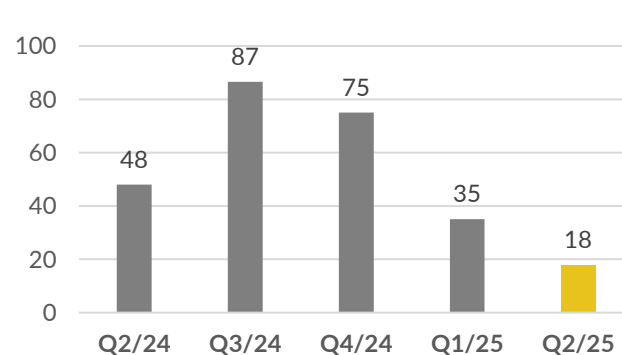
EBIT, MSEK



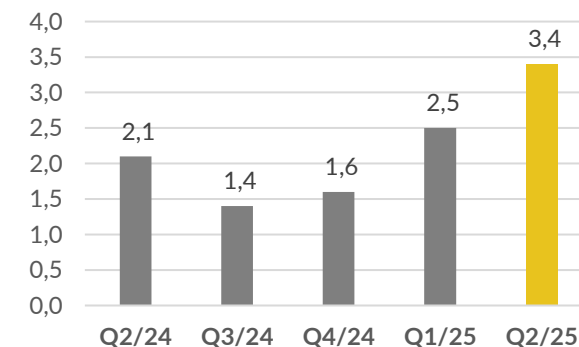
Equity ratio, %



Cash liquidity, %



Net debt-to-EBITDA



Operational performance

Milled ore during the second quarter of 2025 decreased by 14% to 109,000 tonnes compared to the previous year (127,000). Mining volume was below the Company's production plans due to mining challenges at the beginning of the quarter and additionally operational delays due to inadequate mining resources in June. In total, the production amounted to 187,000 ounces of silver (274,000), 417 ounces of gold (590), 144 tonnes of lead (167), and 370 tonnes of zinc (359) in concentrates.

Silver production was lower compared to the previous year, due to lower silver head grade and the limited underground mining volume. The silver head grade was 65 g/tonne (83), which was result of mining challenges in the beginning of the quarter and operational delays in getting into new stoping areas at the end of quarter. We expect the silver head grade to increase above 90 g/tonne during Q3, which we have seen realizing in July.

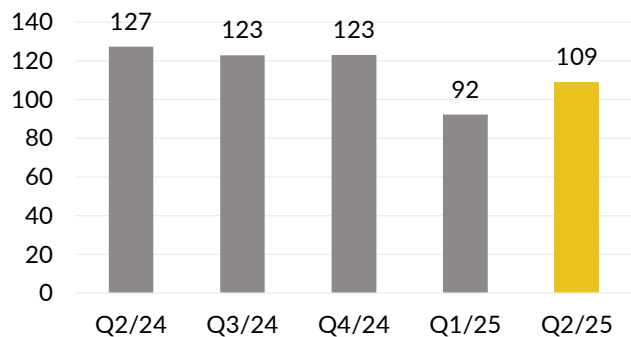
Underground mining performance has been below expectations despite the improvement efforts made together with the mining contractor. Good development was seen during the quarter, but unfortunately, we faced ore shortage at the end of the quarter due to underground mining delays. Ensuring adequate capacity in the underground mine remains the primary focus for the rest of the year.

To bring long-term development to underground mining performance, a new mining contractor will start the operations from the beginning of 2026.

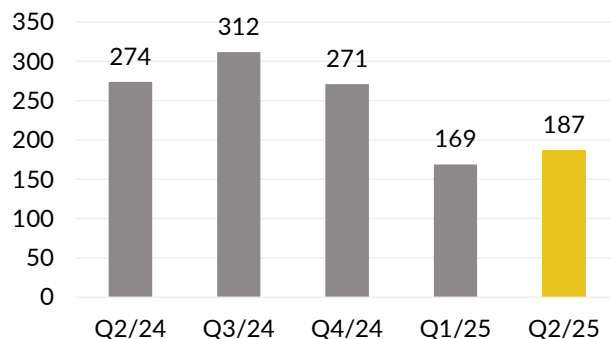


Operational key figures

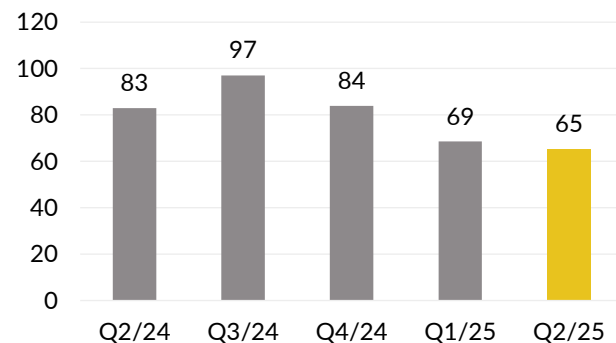
Milled ore, ktonnes



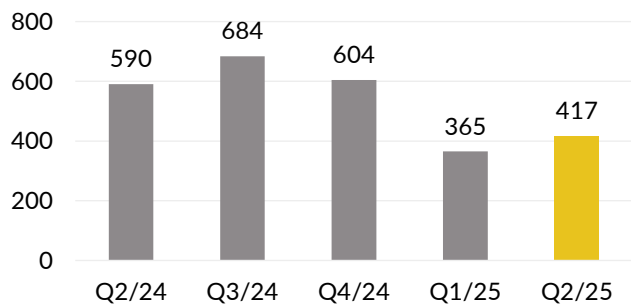
Silver production, koz



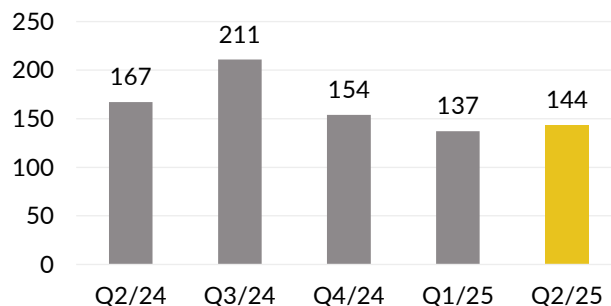
Silver head grade, g/tonne



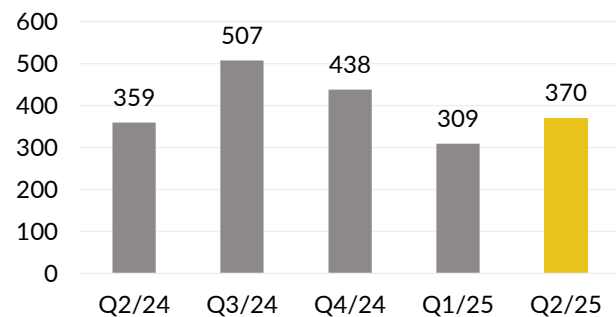
Gold production, oz



Lead production, tonnes



Zinc production, tonnes



Strategy

The cornerstones of Sotkamo Silver's strategy are:

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

Key activities, Q2/2025

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

The company has conducted exploratory drilling at the existing mine to extend its life until 2035. Drilling began at the end of 2024 and was completed in April 2025. A total of 12 holes were drilled, amounting to 7,429 meters. The focus was particularly on depths between 700–800 meters. Sample analysis is ongoing, but preliminary results are promising and confirm the company's earlier expectations that the mineralization continues similarly at greater depths. Final results will be ready in the autumn and will be published by the end of the year.

Exploration, broader Kainuu region

We focus on the development of the current mine and the sites in its immediate vicinity. On the exploration campaign, on western side of the current mineralization, five out of seven drill holes intersected promising silver zones that

exceeded or were at the upper end of the company's current silver grade target of 90–110 g/t. The gold grades were also promising.

Operational efficiency

We announced in June, that we a new mining contractor will begin work on January 1, 2026. The agreement with the new contractor, Tapojärvi Oy, was signed for three years and includes two optional additional years.

Financing of investments

We are negotiating to extend the maturity date of the remaining 8.1 MEUR (90.3 MSEK) Senior Loan agreement. In addition, we intend to offer to the holders of the Company's outstanding convertible loans to exchange their existing convertibles for either new shares or new convertibles.

Responsible use of natural resources

In April, we were granted an environmental permit to raise the existing tailings storage facility dam. The permitted and planned raises ensure the tailings' deposition capacity until the end of 2026.

In TSM Finland the focus was kept in maintaining the good practices of the mining responsibility system across our operations.

Key focus areas in 2025

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

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

Exploration, broader Kainuu region

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

Operational efficiency

We continue to focus on improving operational efficiency, predictability and profitability and curb cost escalation. The primary short-term focus is on ensuring the execution of mining and drifting plans together with the mining contractor to provide adequate alternative and independent mining areas for the future. This will provide more predictability for our underground mining and resilience in case of any unexpected situations in the future.

Financing of investments

During Q3/2025 we aim to finalize the refinancing by extending the maturity of the Senior Loan and offering to the holders of the Company's outstanding convertible loans to exchange their existing convertibles for either new shares or new convertibles. After successful refinancing and stabilised production levels we will continue our investment plan to extend the LOM of the current mine and the further exploration of the broader Kainuu region.

Responsible use of natural resources

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



Sustainability

Safety

The lost time injury frequency rate (LTIFR, the number of lost time injuries for a million working hours) was 11 (15) at the end of the period, including all contractors. LTIFR of 11 corresponds to three Lost Time Injuries (LTI) within 12 months.

To lower LTIFR, we have taken corrective measures and paid special attention to safety management by further training of employees and updating work procedures and risk assessments. The goal of zero accidents can be achieved by continuously developing safety management and a positive safety culture. At the end of the first half of the year, the Company's own personnel and regular contractors at mine had worked 93 days without LTIs.

Responsible mining

Companies committed to the Mining Responsibility System, established in 2016, adhere to sustainability principles that benefit the environment, people, and the economy. Sustainable mining encompasses the entire lifecycle of a project, from mineral exploration to mine closure and post-closure monitoring.

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

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

We have reached A-level in all corresponding protocols in 2024 and in during the first half of 2025 the focus has been in maintaining this level through continuous improvement of the processes.

In April, we were granted an environmental permit to raise the existing tailings storage facility dam. The permitted and planned raises ensure the tailings' deposition capacity until the end of 2026.

Sustainability and environmental reporting

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

Personnel

The Company had 52 (55) own employees and 116 (107) contracted employees permanently working at the silver mine site.

The Company carries out employee satisfactory surveys quarterly. The results are used for 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. All metrics were at a good level, with an average of 3.8 at the end of the first half of the year.



Shares and trading

Sotkamo Silver AB's share capital on June 30, 2025, was 275,880,781 SEK and the number of shares was 286,148,387.

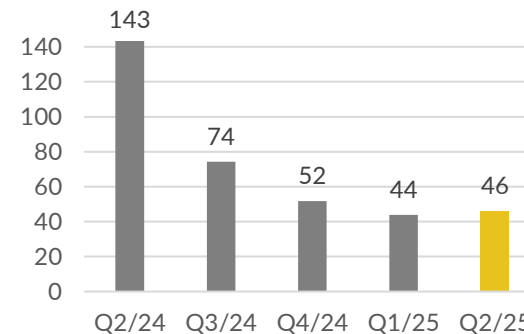
Sotkamo Silver AB's shares are traded on NGM Equity Stockholm and on Nasdaq Helsinki. The Company ticker code is SOSI at NGM Equity and SOSI1 at Nasdaq Helsinki. The shares' ISIN number is SE0001057910. The shares are also traded on Börse Berlin, Open Market, where the Company code number is A0MMF4 and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

During the second quarter 45.8 million (143.3) and 89.7 million (203.1) shares during H1 2025 were traded on NGM Equity in Stockholm and Nasdaq in Helsinki.

Share information

	Q2/25	Q2/24
Share price, SEK	0.93	1.46
Highest share price during the period, SEK	1.21	2.21
Lowest share price during the period, SEK	0.85	1.09
Quota value, SEK	0.96	0.96
Market cap, MSEK	266	418
Number of shares	286,148,387	285,758,153
Number of shares, diluted	327,383,120	327,383,120
Share capital, SEK	275,880,781	275,504,549

Shares Traded (million)



Risks and uncertainties

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

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

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

The risks and mitigating them are described in more detail in the Annual Report for 2024, p. 45–49.

Resolutions made at the Annual General Meeting

The AGM made the following decisions on 24 April 2025:

- The Income Statement and the balance sheet for both the parent company and the group regarding the financial year 2024 were adopted by the AGM. The AGM decided that no dividend would be paid out for the financial year 2024. The members of the Board and the CEO were granted discharge from liability for the financial year 2024.
- The AGM decided that the Board would comprise of six ordinary members. Jukka Jokela, Joni Lukkaroinen, Kimmo Luukkonen, Sixten Sunabacka, Eeva-Liisa Virkkunen and Mauri Visuri were re-elected as directors. Eeva-Liisa Virkkunen was re-elected chairperson of the Board.
- The AGM resolved to elect the auditing company KPMG until the end of the AGM 2026.
- The guidelines for remuneration for the management and the procedure for appointing the members of the nomination committee were approved in accordance with the proposals from the Board.
- The AGM approved the Board's remuneration report for 2024.
- The AGM approved the nomination committee's proposal for annual fees to the Board.
- The Board's proposal to authorize the Board to resolve new issues of shares and other financial instruments was not supported by the necessary majority of the cast

votes and the shares represented at the AGM. The AGM resolved not to authorize the Board to issue new shares or other financial instruments.

Events after the reporting period

At the Extraordinary General Meeting held on 23 July, it was decided to authorize the Board during the period until the next Annual Shareholders' Meeting to issue new shares, issue of warrants and/or convertibles, on one or more occasions and with or without preferential rights for the shareholders. Board resolutions under this authorization may result in a maximum dilution of thirty-five (35) per cent of the total number of shares outstanding in the Company. The Board is authorized to decide additional terms and conditions for the new issue or issue.

The purpose of the authorization is to enable implementation of the previously announced planned offer to the holders of the Company's outstanding 6.3 MEUR (71 MSEK) convertible loans to exchange their existing convertibles for either new shares or new convertibles in the Company.

The holders of the Senior Loan gave a conditional commitment to amend the terms, including the following changes:

- The loan maturity will be extended by at least two years (previously maturing in 2026)

- The loan amount will be increased by one million euros (11 MSEK)

The decision is conditional upon the success of the Company's planned convertible loan arrangement.

Financial calendar

Q3/2025: 23 October 2025

Q4/2025: 20 February 2026

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

Stockholm, 31 July 2025

Sotkamo Silver AB's Board of Directors and CEO

Eeva-Liisa Virkkunen (Chairperson)

Jukka Jokela

Joni Lukkaroinen

Kimmo Luukkonen

Sixten Sunabacka

Mauri Visuri

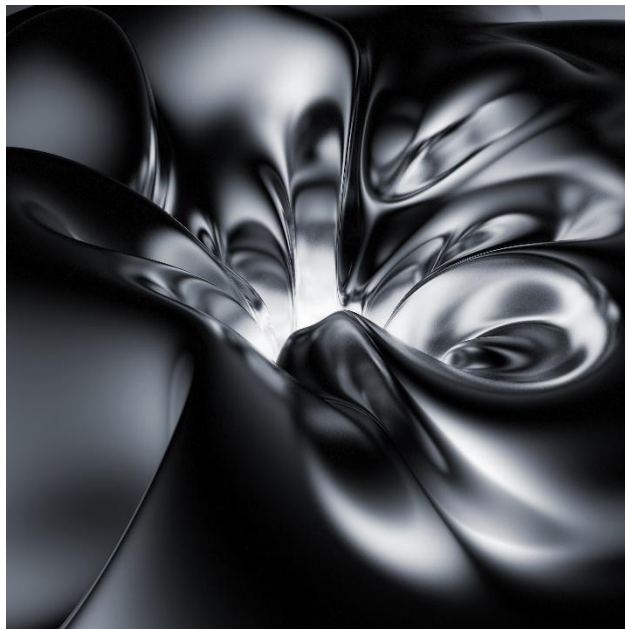
Mikko Jalasto (CEO)



About Sotkamo Silver

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

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



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

Consolidated, condensed statement of income and other comprehensive income

Amount in MSEK	Q2/25	Q2/24	H1/25	H1/24	2024
Net sales	79.0	105.3	147.8	189.8	412.2
Change of finished goods	-0.6	1.1	0.8	3.2	13.5
Other income	0.9	-8.7	1.3	0.7	1.4
Supplies and services	-55.5	-55.5	-108.7	-108.1	-220.1
Other expenses	-11.1	-11.7	-25.0	-28.1	-53.6
Employee expenses	-11.2	-11.5	-22.2	-21.3	-44.3
EBITDA	1.5	19.0	-6.1	36.1	109.0
Depreciation and amortization	-17.6	-19.1	-34.1	-37.3	-76.5
EBIT	-16.1	-0.1	-40.1	-1.3	32.5
Financial income	0.3	3.6	4.4	1.2	6.4
Financial expenses	-1.5	-23.3	-21.3	-31.0	-40.8
Interest expenses on lease payments	-0.1	-0.1	-0.2	-0.2	-0.4
Financial net	-1.3	-19.9	-17.0	-30.0	-34.8
Result after financial items	-17.4	-20.0	-57.1	-31.3	-2.3
Taxes	0.0	-14.1	0.0	-14.1	-14.1
Result for the period	-17.4	-34.0	-57.1	-45.3	-16.4

Result that may be reclassified to current period result:

Amount in MSEK	Q2/25	Q2/24	H1/25	H1/24	2024
Translation differences	5.2	-3.6	-8.5	6.4	9.4
Cash flow hedges	-0.1	0.1	-0.6	-0.6	-2.1
Income tax of cash flow hedges	0.0	0.0	0.1	0.1	0.4
Total comprehensive income	-12.3	-37.5	-66.0	-39.3	-8.7
Attributable to:					
The parent company					
shareholders	-12.3	-37.5	-66.0	-39.3	-8.7
Total	-12.3	-37.5	-66.0	-39.3	-8.7
Earnings per share, non-diluted, SEK	-0.06	-0.12	-0.20	-0.16	-0.06
Earnings per share, diluted, SEK	-0.06	-0.12	-0.20	-0.16	-0.06

Consolidated, condensed balance sheet

Amount in MSEK	30.6.2025	30.6.2024	31.12.2024
Intangible fixed assets	0.3	0.2	0.3
Tangible fixed assets	519.9	523.8	541.3
Right of use assets	3.8	7.0	4.7
Financial fixed assets	2.6	40.5	2.3
Deferred tax assets	0.4	0.0	0.0
Total fixed assets	527.0	571.6	548.6
Current assets			
Inventories	18.1	7.4	17.9
Trade receivables	26.1	25.4	30.3
Other assets	12.7	16.5	13.7
Cash and cash equivalents	0.6	29.7	88.3
Total current assets	57.5	79.0	150.1
Total assets	584.4	650.6	698.7
Equity			
Share capital	275.9	275.5	275.9
Other contributed capital	236.6	236.3	236.6
Translation differences	15.9	21.5	24.4
Cash flow hedges	-1.7	0.0	-1.3
Retained earnings	-247.3	-231.0	-231.0
Result of the period	-57.1	-45.3	-16.4
Total Equity	222.3	256.9	288.3

Amount in MSEK	30.6.2025	30.6.2024	31.12.2024
Liabilities			
Provision	41.8	34.9	42.4
Non-current borrowings	91.9	189.0	190.0
Non-current lease liabilities	0.6	3.2	1.7
Non-current derivative liabilities	5.7	17.5	0.0
Deferred tax liability	0.0	0.0	0.0
Total non-current liabilities	98.2	209.7	191.7
Current borrowings	125.2	58.7	71.6
Current lease liabilities	3.8	4.9	3.8
Derivative financial instruments	1.9	0.0	1.6
Trade payables and other payables	91.2	85.5	99.3
Total current liabilities	222.1	149.1	176.3
Total liabilities	362.1	393.7	410.4
Total equity and liabilities	584.4	650.6	698.7
Equity ratio %	38.0	39.5	41.3
Cash liquidity ratio %	17.7	48.0	75.0
Equity per share, SEK	0.78	0.89	1.04
Equity per share, diluted, SEK	0.68	0.78	0.92

Consolidated, condensed change in equity

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

Amount in MSEK	Share capital	Other contributed capital	Translation differences	Cash flow hedges	Retained earnings	Total equity
Closing Equity 31.12.2024	276	237	24	-1	-247	288
Period result					-57	-57
Sum of period result					-57	-57
Other Comprehensive income						
Translation difference			-9			-9
Cash flow hedges				-1		-1
Income tax of cash flow hedges				0		0
Sum of other comprehensive income	0	0	-9	0	0	-9
Closing Equity 30.6.2025	276	237	16	-2	-304	222

Consolidated, condensed statement of cash flow

Amount in MSEK	H1/25	H1/24	2024
Operating activities			
Result for the period	-57.1	-45.3	-16.4
Adjustments for items not effecting cash	48.2	78.5	118.3
Interest paid	-16.3	-18.6	-20.5
Cash flow from operating activities before changes in working capital	-25.1	14.5	81.5
Cash flow from changes in working capital			
Change in inventories	-0.8	-3.3	-13.7
Change in operating receivables	4.6	5.1	41.8
Change in operating liabilities	0.1	-6.6	2.1
Cash flow from operating activities	-21.2	9.8	111.6

Amount in MSEK	H1/25	H1/24	2024
Investing activities	-26.5	-28.5	-69.7
Share issue and convertible loan conversion	0.0	0.0	0.0
Issue costs	0.0	0.0	0.0
Repayment of lease liabilities	-2.4	-2.7	-5.3
Change in loans	-34.4	-29.7	-29.9
Cash flow from financing activities including share issue	-36.9	-32.4	-35.2
Change in cash and cash equivalents	-84.6	-51.1	6.7
Cash and cash equivalents in the beginning of the period	88.3	78.9	78.9
Translation differences in cash and cash equivalent	-3.0	1.9	2.7
Cash and cash equivalents at the end of period	0.6	29.7	88.3

Parent company condensed statement of income

Amount in MSEK	H1/25	H1/24	2024
Net sales	4.8	0.0	1.5
Other income	0.0	0.0	0.0
Supplies	0.0	-0.3	0.0
Other expenses	-5.6	-4.8	-11.5
Employee expenses	-1.1	-1.0	-2.5
EBITDA	-1.9	-6.1	-12.5
Depreciation and amortization	0.0	0.0	-0.1
EBIT	-1.9	-6.1	-12.6
Financial income	31.0	17.2	71.9
Financial expenses	-22.0	-5.4	-47.0
Financial net	8.9	11.7	24.9
Result after financial items	7.0	5.6	12.3
Group contributions	0.0	0.0	-13.3
Taxes	0.0	-14.1	-14.1
Result for the period	7.0	8.5	-15.1

Parent company condensed balance sheet

Amount in MSEK	30.6.2025	30.6.2024	31.12.2024
Assets			
Fixed assets			
Intangible fixed assets	0.0	0.0	0,0
Tangible fixed assets	0.1	0.2	0,1
Shares in subsidiaries	174.9	174.9	174,9
Financial fixed assets	173.9	147.1	165,6
Total fixed assets	348.9	322.2	340,6
Other assets	5.3	9.8	5,3
Cash and cash equivalents	0.6	3.6	0,7
Total current assets	5.9	13.4	6,0
Total assets	354.8	335.6	346,7
Equity and liabilities			
Equity	217.0	215.9	210,0
Liabilities			
Long-term liabilities	70.1	71.6	72,0
Short term liabilities	67.7	48.1	64,7
Total liabilities	137.8	119.7	136,7
Total Equity and liabilities	354.8	335.6	346,7

Exchange rates

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

	30.6.2025	30.6.2024	31.12.2024
Balance sheet day rate EUR/SEK	11.15	11.36	11.49
Balance sheet day rate USD/SEK	9.51	10.61	11.00
Average rate for the reporting period EUR/SEK	11.10	11.39	11.43

Other information

Important estimates and assessments for accounting purposes

Estimates and assessments are continuously evaluated and based on historical experience and other factors, including expectations of future events that are considered reasonable under the prevailing circumstances. The Group makes estimates and assumptions about the future. The

estimates for accounting purposes that result from this will, by definition, rarely correspond to the actual result. The estimates and assumptions that entail a significant risk of major adjustments in the carrying amounts of assets and liabilities are described in the annual report 2024.

Accounting principles

The interim report has been prepared in accordance with IFRS accounting standards as adopted by the European Union, the Annual Accounts Act and the Securities Market Act. For the parent company, the interim report has been prepared in accordance with the Annual Accounts Act and the Securities Market Act, which is in accordance with the provisions of RFR 2 Accounting for Legal Entities. The parent company's and the group's accounting principles for the report are unchanged compared to the latest annual report for the year 2024.

Revenue recognition, IFRS 15

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

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

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

Adjustments for both metal content and changes in market prices in the final sales revenue of products after an estimate made on the trade date are presented in the income statement in net sales.

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

Inventories

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

Fair value of financial instruments and trade receivables

The Company implemented at the beginning of April 2022 a directed issue of convertibles of an aggregate nominal amount of up to 6.4 MEUR (71 MSEK). During Q3/2024 convertibles in an aggregated nominal amount of 60,018 EUR (0.7 MSEK) was converted to shares. After the conversion, the aggregated nominal amount for the outstanding convertibles amounts to approximately 6.3 MEUR (71 MSEK). 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 convertible contains two components: a conversion option component that will be recognized at fair value using the Black-Scholes model through the income statement and a liability component that will be recognized at amortized cost using the effective interest rate method. At the inception date, the fair value of the convertible option liability was 34 MSEK and the fair value of the liability component was 32 MSEK. On 30 June 2025, the fair value of the convertible option component was 5 MSEK and the fair value of the liability component was 56 MSEK. The fair value change during 2025 for the conversion option liability was 2 MSEK, and the effective interest rate cost recorded for the liability component was -8 MSEK.

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

cash flow of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges).

At the inception of the hedge relationship, the Company documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Company documents its risk management objective and strategy for undertaking its hedge transactions. The fair values of derivative financial instruments designated in hedge relationships were -1 MSEK (silver price hedges) and -1 MSEK (electricity price hedges).

Cash flow hedges that qualify for hedge accounting

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

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

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

hierarchy. On 30 June 2025, the fair value of accounts receivable amounted to 26 MSEK (25) and was recognized in Trade Receivables in Current assets in the balance sheet. If there would have been any changes, the values would have been reported in other operating income/expenses in the Consolidated statement of income. The fair value of accounts receivable is found in Level 2 of the fair value hierarchy.

Definitions

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

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

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

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

EBITDA, Earnings Before Interest, Taxes and Depreciations & Amortizations

EBIT, Earnings Before Interest and Taxes

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

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

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

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

Silver production, The amount of silver produced in concentrates

Mill feed, Amount of ore fed to the concentrator plant

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

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

Ounce, Troy ounce which is 31.1035 grams

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

