



**SOTKAMO SILVER AB**  
**(NGM: SOSI; NASDAQ: SOSI1)**

**Press release March 21, 2022**  
**Stockholm 16.50 CET**

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## **SOTKAMO SILVER HAS RESOLVED ON A DIRECTED ISSUE OF CONVERTIBLES AMOUNTING UP TO MEUR 6.4**

Press release: Stockholm, March 21, 2022, 16:50 CET

The Board of Directors of Sotkamo Silver AB (publ) ("Sotkamo Silver" or the "Company") has today, based on an authorisation granted by the Annual General Meeting on 27 April 2021, resolved to issue convertibles (the "New Convertibles") of an aggregate nominal amount of up to MEUR 6.4, directed to a limited number of Finnish institutional investors (the "New Convertible Issue").

### **Summary of the New Convertible Issue**

- The New Convertible Issue consists of a maximum of 320 New Convertibles, each with a nominal value of EUR 20,006 (issued at 100% of nominal amount), corresponding to a total issue amount of up to MEUR 6.4.
- The New Convertibles carry an annual interest of 8.0 %.
- The term of the New Convertibles is 4.5 years with a maturity date on 30 September 2026, to the extent conversion has not taken place before such date.
- The conversion price is EUR 0.175 (corresponding to SEK 1.826<sup>1</sup>) per share.
- Conversion may take place during the period from registration of the New Convertible Issue with the Swedish Companies Registration Office up to and including 15 September 2026.
- Sotkamo Silver has received subscription commitments of MEUR 5.5, corresponding to 85.9 % of the New Convertible Issue.
- A full conversion of the New Convertibles would entail a dilution of 15.4 %, based on the number of shares in the Company after conversion, and increase the Company's share capital by up to approx. SEK 50,185,383 to up to approx. SEK 325,056,771, and the total number of shares in the Company by up to 36 582 400 to up to 236 948 611.
- The New Convertible Issue is expected to be registered with the Swedish Companies Registration Office on or around 31 March 2022.

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<sup>1</sup> Based on the Swedish Central Bank's (Sw. *Sveriges Riksbank*) official EUR/SEK rate of (10.436) on 18 March 2022.

The proceeds from the New Convertible Issue will be used to finance the redemption of the Company's outstanding convertibles of series 2018/2022 (the "2018 Convertibles"), including payment of accrued interest. As announced in a press release dated 11 January 2022, Sotkamo Silver and its Finnish subsidiary Sotkamo Silver Oy have been investigating the conditions and opportunities for refinancing financial instruments maturing in 2022. Furthermore, on 17 March 2022, Sotkamo announced that the Company had reached an agreement with all holders of the 2018 Convertibles to amend the terms and conditions for the 2018 Convertibles in order to enable early redemption of the 2018 Convertibles. The New Convertible Issue and the early redemption of the 2018 Convertibles are part of this process. Through the New Convertible Issue, early redemption of the outstanding 2018 Convertibles is possible, thus extending the maturity for the Company's outstanding debt.

The terms of the New Convertible Issue have been negotiated on arm's length-terms with the investors in the New Convertible Issue. The reasons for the deviation from the shareholders' preferential rights is to be able to carry out the refinancing in a timely and cost-effective manner. The Board of Directors believes that it is advantageous for the Company and the Company's shareholders to capitalize on the flexibility to raise capital on favourable terms and in a timely and cost-effective manner. The Board of Directors therefore believes that the New Convertible Issue will promote value creation for all shareholders of the Company.

Stockholm, March 21, 2022

Sotkamo Silver AB

Erkki Kuronen, CEO

#### **Contact person**

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This information is information that Sotkamo Silver AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above on March 21, 2022, at 16.50CET.

The official Stock Exchange Releases are given in Swedish and there may be differences in the translated versions.

#### **About Sotkamo Silver AB**

*Sotkamo Silver's business concept is to develop mineral deposits with regards to human society and environment. The Company owns the Silver Mine in Sotkamo which started production in March 2019. In addition, the Company holds mining and exploration rights to precious and base metal deposits in Finland.*



*Sotkamo Silver applies SveMin's & FinnMin's own rules of reporting for public mining & exploration companies. Sotkamo Silver has chosen to publish mineral resources and ore reserves according to the internationally accepted JORC or NI 43-101 code. The company applies International Financial Reporting Standards (IFRS) as approved by the European Union.*

*The ticker symbol is SOSI on NGM Main Regulated Equity in Stockholm and SOSI1 on Nasdaq Helsinki.*

*ISIN-code for Sotkamo Silver shares is SE0001057910.*

*Legal Entity Identifier (LEI): 213800R2TQW1OZGYDX93*

*Read more about Sotkamo Silver on [www.silver.fi](http://www.silver.fi)*

*The Company's press releases, and financial reports are distributed via Cision Sverige and are available on [www.silver.fi](http://www.silver.fi)*

### **Important information**

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The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or under the securities laws of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable state securities law. The Company does not intend to register any part of the New Convertible Issue in the United States or to conduct a public offering of convertibles in the United States.

The securities referred to herein have not been and will not be registered under the applicable securities laws of Australia, Canada, Hong Kong, Japan, Singapore, South Africa or New Zealand and, subject to certain exemptions, may not be offered or sold in or into or for the account or benefit of any person having a registered address in, or located or resident in, Australia, Canada, Hong Kong, Japan, Singapore, South Africa or New Zealand. There will be no public offering of the securities described herein in Australia, Canada, Hong Kong, Japan, Singapore, South Africa or New Zealand.

This press release is not a prospectus for purposes of Prospectus Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 and its delegated and implemented regulations (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. The Company has not authorized any offer to the public of securities in any EEA Member State and no prospectus has been or will be prepared in connection with the New Convertible Issue. In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation.

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Any investment decision in connection with the New Convertible Issue must be made on the basis of all publicly available information relating to the Company and the issued convertibles. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. This announcement does not purport to identify or suggest the risks (direct or indirect) which may be associated with an investment in the Company or its securities.