



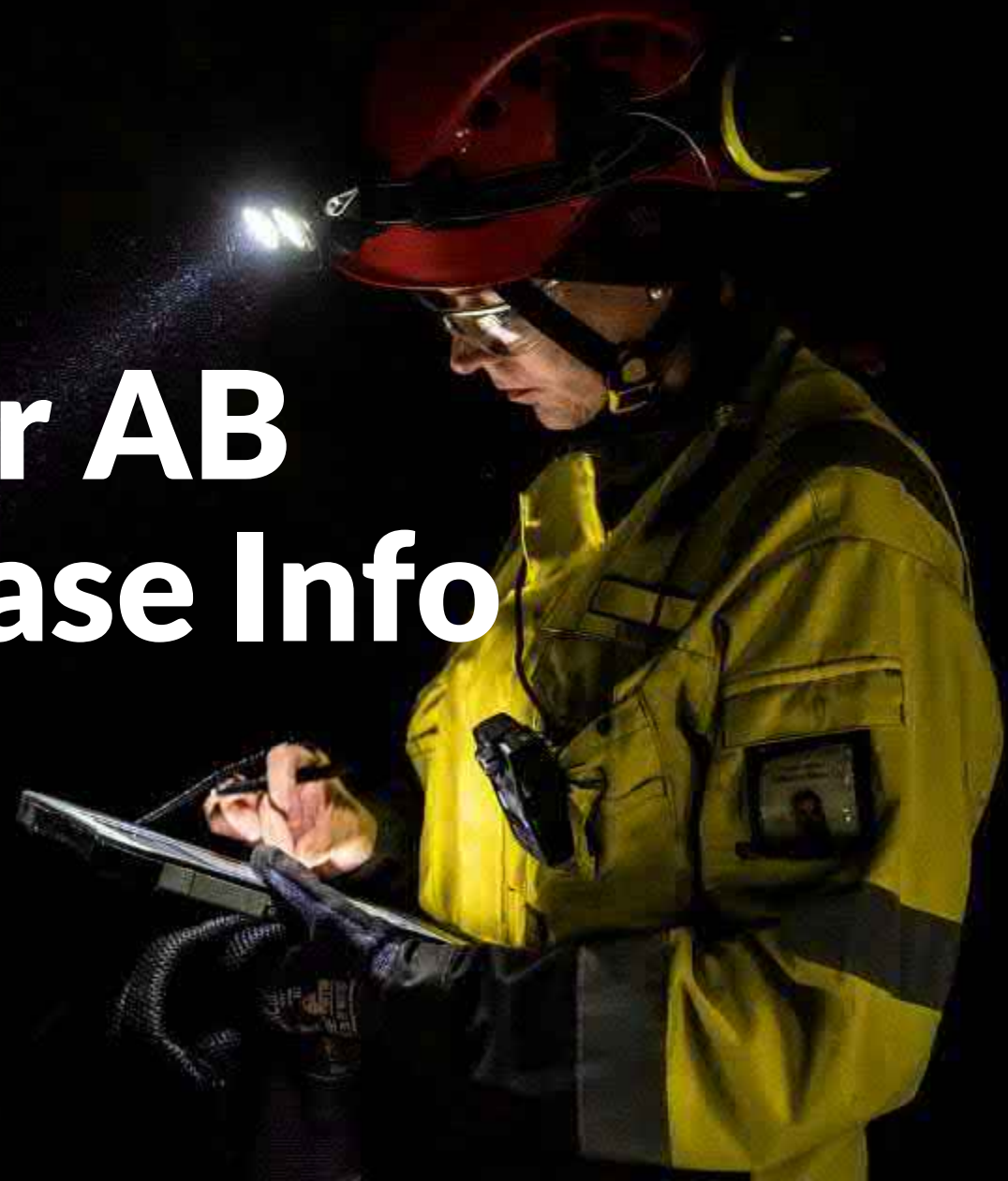
Sotkamo Silver AB

Q2/2021 Release Info

CEO Erkki Kuronen

CFO Mikko Sopanen

15.7.2021

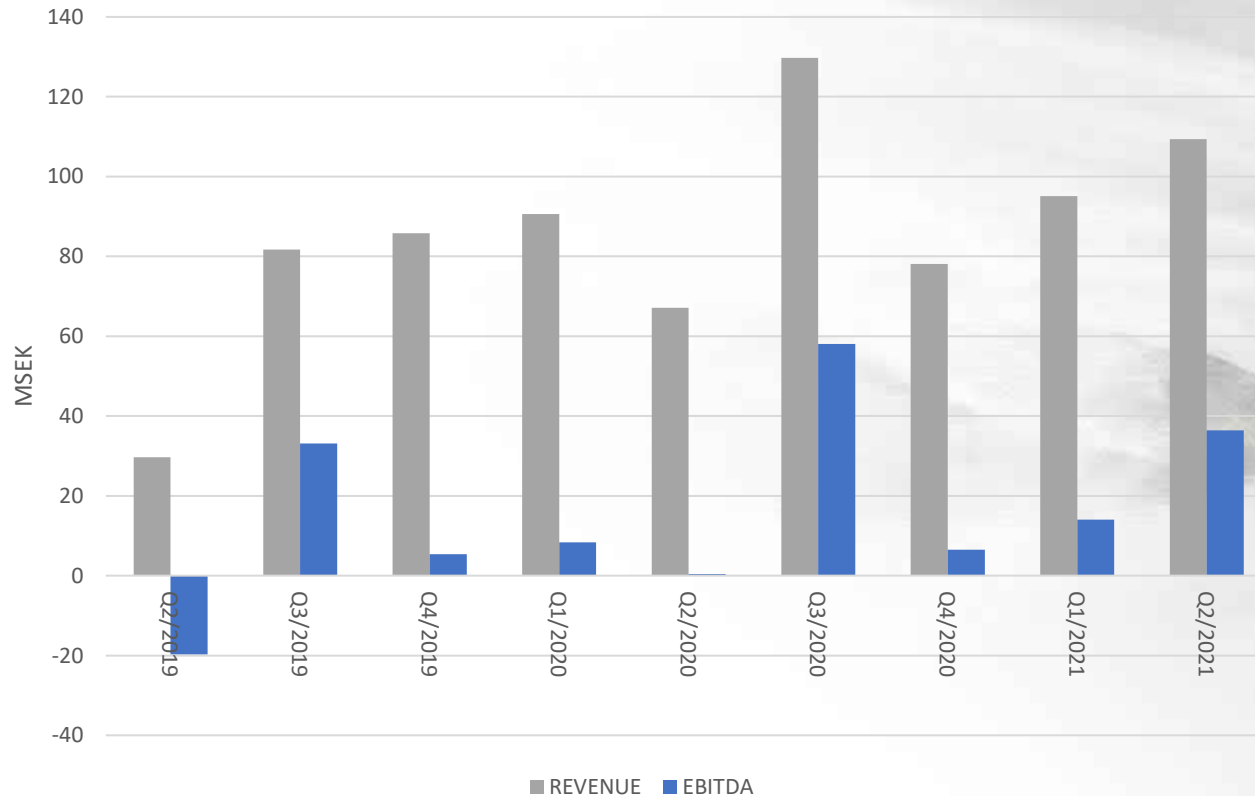


Agenda of today

- Q2/2021 and Operational Update – CEO Erkki Kuronen
- Financial Result of Q2/2021 – CFO Mikko Sopanen
- Questions and Answers

Second best Quarter of the Company

Revenue and EBITDA

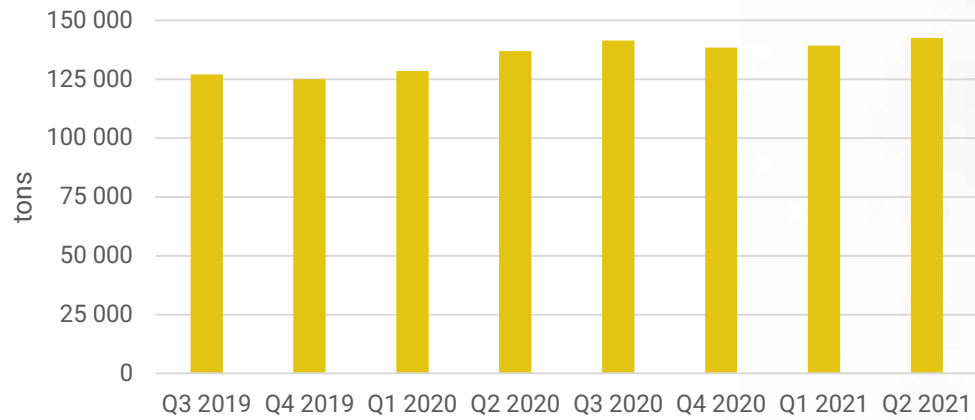


HIGHLIGHTS OF THE SECOND QUARTER 2021

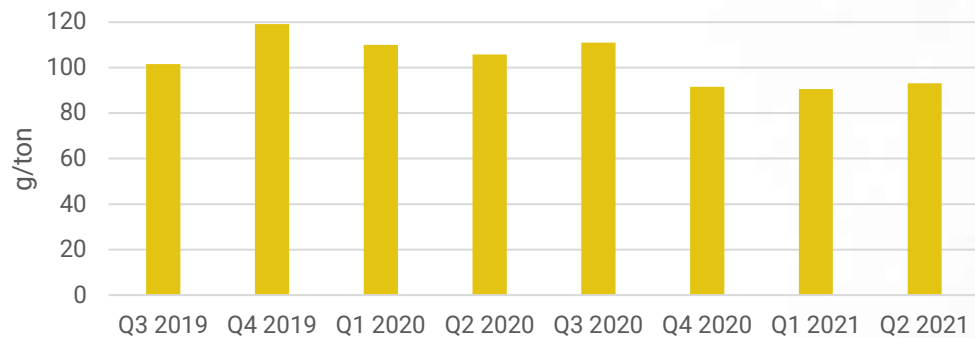
- Net sales 109 MSEK (previous year 67 MSEK)
- EBITDA 36 MSEK (0)
- EBIT 16 MSEK (-22)
- Cash and cash equivalents 52 MSEK (14)
- Earnings per share 0.05 SEK (-0.32)
- The production in concentrates
 - **382 000** (406 000) ounces **silver**,
 - **988** (1 067) ounces **gold**,
 - **396** (321) tonnes **lead**, and
 - **919** (722) tonnes **zinc**
- A total of 10 314 104 new shares were subscribed by the warrants of series 2020/2021 in May 2021 adding 19 MSEK new equity

Ore production and Silver grade

Milled ore (t)

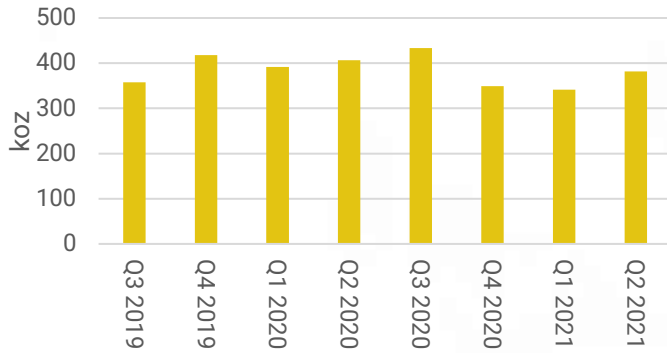


Head grade Silver (g/ton)

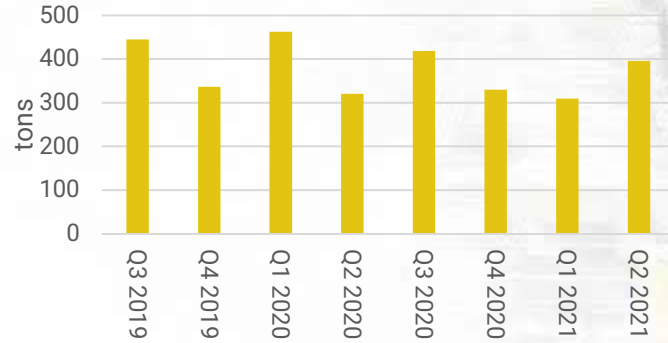


Metal production

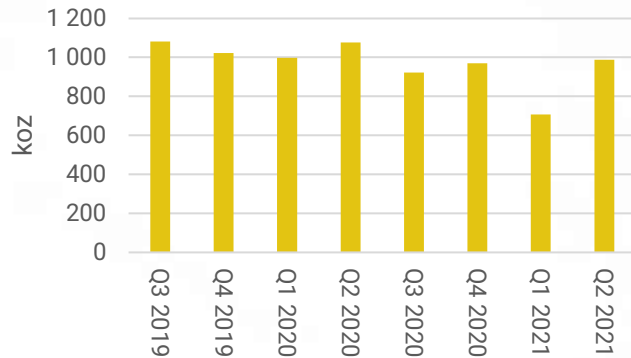
Produced Silver (koz)



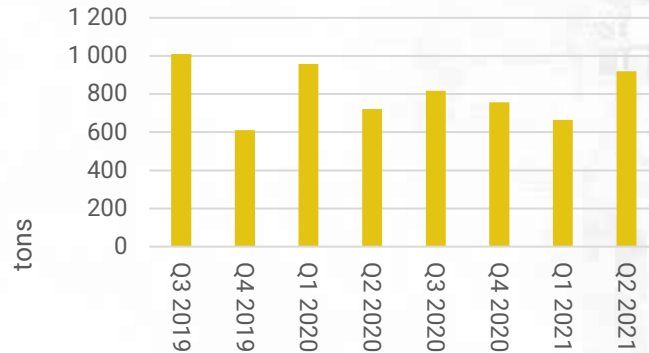
Produced Lead (tons)



Produced Gold (oz)



Produced Zinc (tons)





Our Mission and Values

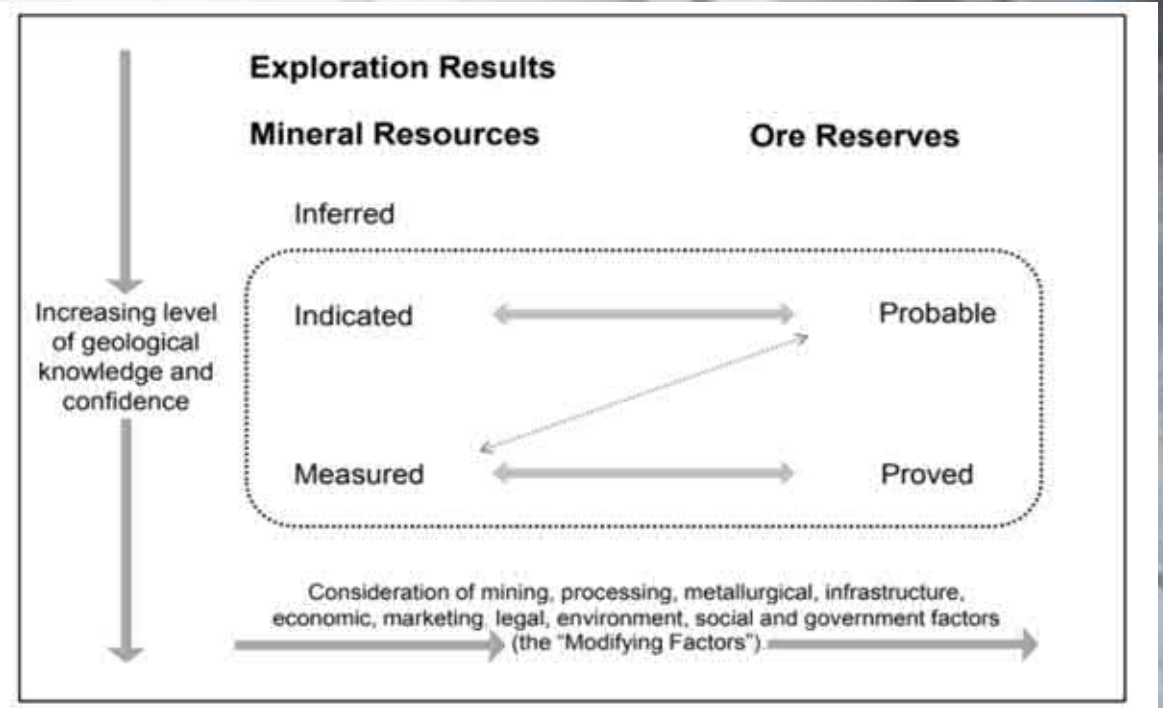
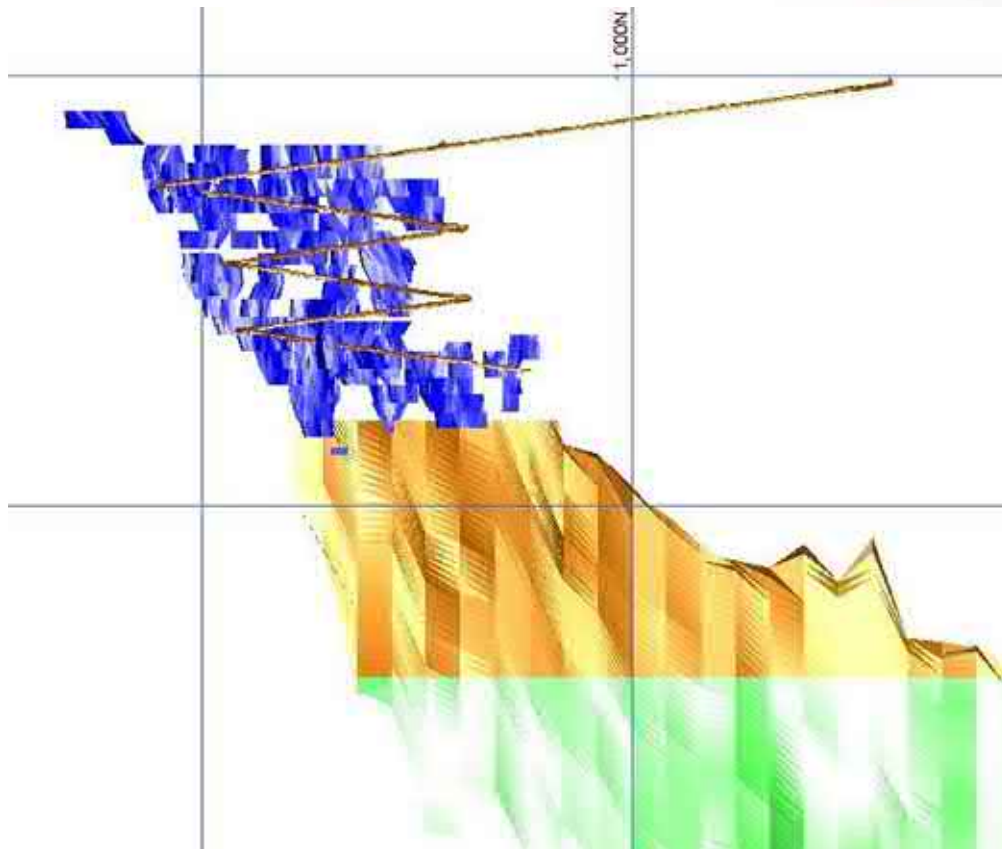
Our Mission

“Discover, Mine and Deliver –
metals and value”

We believe in being

Responsible and Local

Project 700 – Mining continues until year 2030



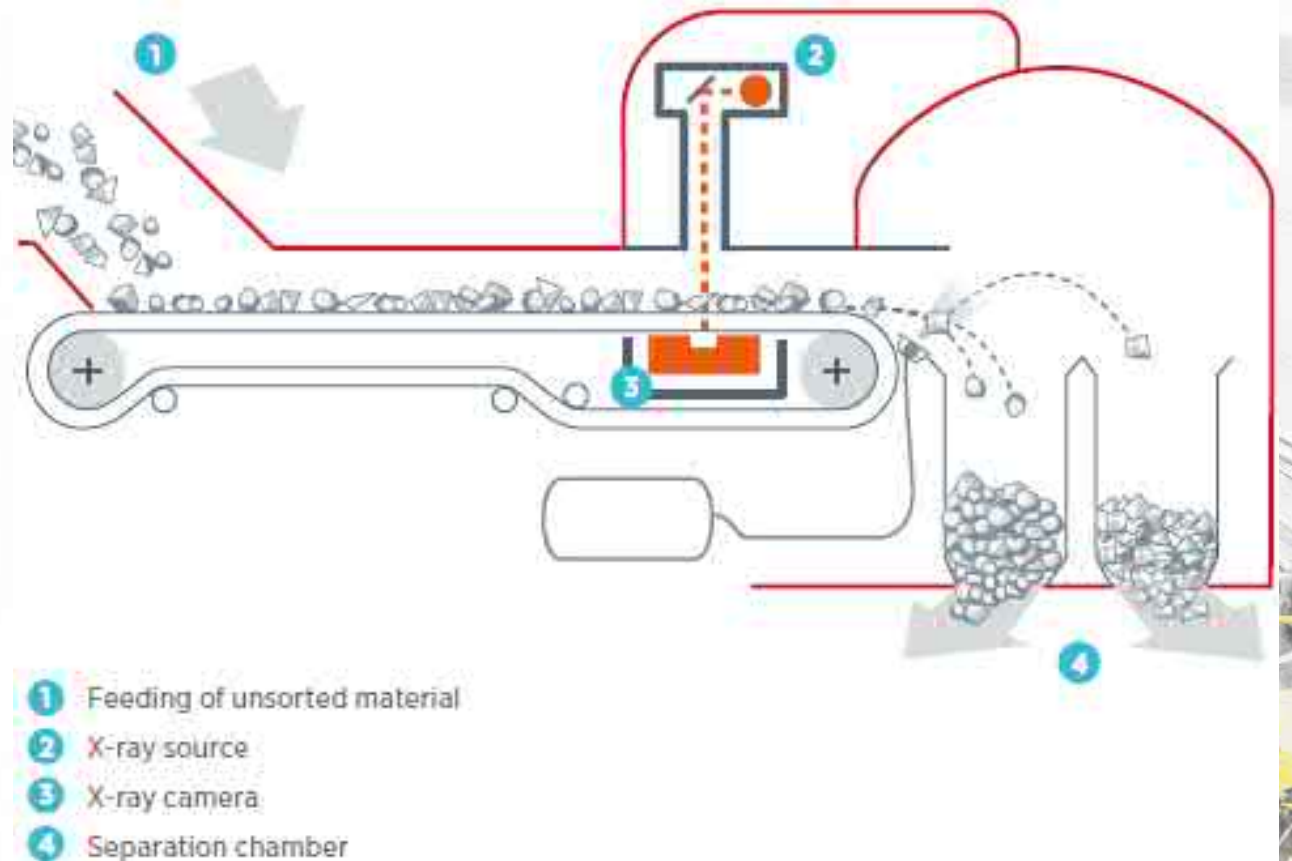
Preconcentrating process

XRT (X-Ray Transmission)

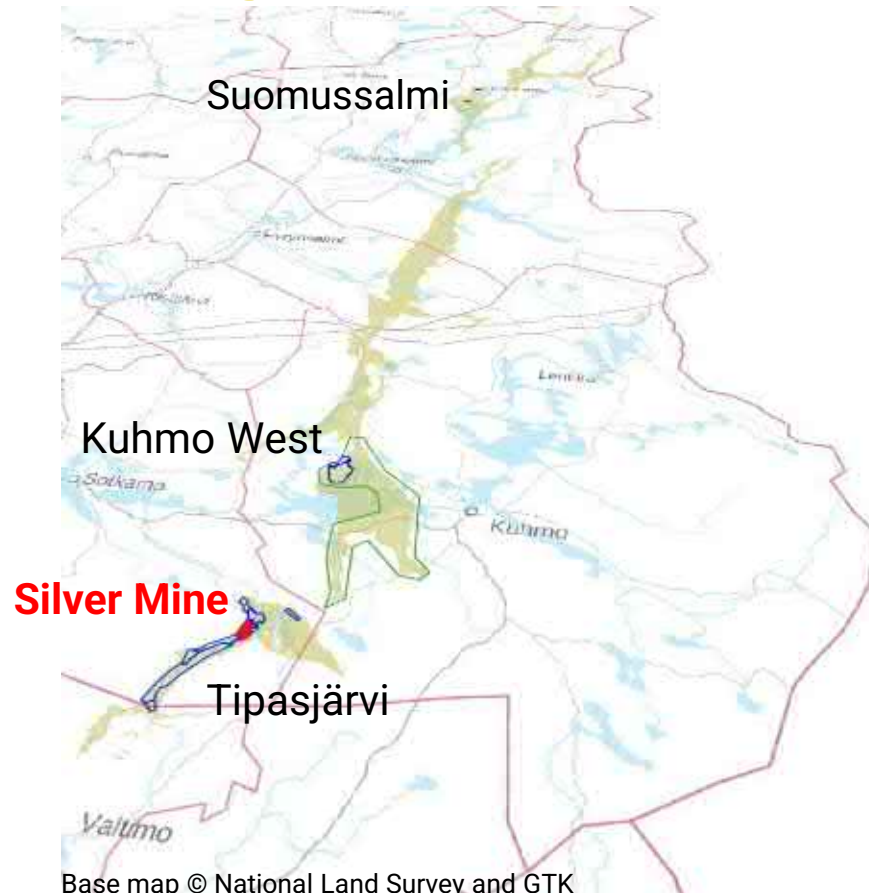
Classifies ores according to their specific atomic density.

Simple process

- Crushing and sieving of the fines
- Feeding to conveyor
- Analysis by XRT
- Pneumatic separation to
 - Preconcentrated ore
 - Rejected gangue



Project REX – creating opportunities



Environment

- Committed to maintain Social License and active collaboration with stakeholders
- Working on:
 - Finnish Towards Sustainable Mining – standard (Network of Sustainable Mining)
 - Implement the management systems for Quality, Environment and Occupational Health and Safety
- Promote recycling and principles of circular economy in its activities



Q2 2021 (Q2 2020)

- Net sales 109 MSEK (67 MSEK)
- EBITDA 36 MSEK (0 MSEK)
- EBIT 16 MSEK (-22 MSEK)
- Milled tonnes about 143 000 (137 000)
- The production in the concentrates
 - 382 000 ounces silver (406 000),
 - 988 ounces gold, (1 067),
 - 396 tonnes lead (321), and
 - 919 tonnes zinc (722)

H1 2021 (H1 2020)

- Net sales 204 MSEK (158 MSEK)
- EBITDA 51 MSEK (9 MSEK)
- EBIT 10 MSEK (-30 MSEK)
- Milled tonnes about 282 000 (266 000)
- The production in concentrates
 - 726 000 ounces silver (798 000) ,
 - 1 695 ounces gold (2 073) ,
 - 705 tonnes lead (783), and
 - 1 582 tonnes zinc (1 680)

The silver production guidance for 2021 is 1.45 - 1.75 million ounces

Income statement Q2 H1 2021

<i>Amount in MSEK</i>	2021 Q2-21	2020 Q2-20	2021 H1-21	2020 H1-20	2020 FY20
Net sales	109	67	204	158	365
Change of finished goods	0	2	1	-1	-2
Other income	2	6	0	6	12
Supplies	-55	-54	-109	-110	-212
Other expenses	-10	-11	-26	-24	-52
Employee expenses	-10	-10	-20	-19	-39
EBITDA	36	0	51	9	73
Depreciation and amortization	-21	-22	-41	-42	-83
EBIT	16	-22	10	-33	-10
Financial income*	0	-24	0	4	7
Financial expenses*	-6	-14	-12	-25	-41
Interest expenses on lease payments	0	-1	-1	-2	-3
Financial net	-6	-39	-13	-23	-37
Result after financial items	10	-61	-4	-57	-46
Taxes	0	0	0	0	0
RESULT FOR THE PERIOD	10	-61	-4	-57	-47

Balance sheet Q2 2021

Amount in MSEK	30.6.2021	30.6.2020	31.12.2020
Assets			
Fixed assets			
Intangible fixed assets	0	0	0
Tangible fixed assets	510	543	521
Right of use assets	38	60	49
Financial fixed assets	15	9	11
Total fixed assets	563	612	581
Current assets			
Inventories	5	5	4
Trade receivables	35	29	28
Other assets	9	12	10
Cash and cash equivalents	52	14	35
Total current assets	101	60	77
Total assets	664	673	658
Equity			
Share capital	275	247	247
Other contributed capital	213	191	191
Retained earnings	-223	-165	-179
Result of the period	-4	-57	-47
Total Equity	261	216	212
Liabilities			
Provision	42	30	41
Non-current borrowings	113	276	245
Non-current lease liabilities	21	40	30
Current borrowings	134	0	15
Current lease liabilities	22	23	23
Trade payables and other payables	73	87	91
Total liabilities	403	457	446
Total equity and liabilities	664	673	658

Cash flow statement H1 2021

CONSOLIDATED, CONDENSED STATEMENT OF CASH FLOW

<i>Amount in MSEK</i>	1.1.2021- 30.6.2021	1.1.2020- 30.6.2020	1.1.2020- 31.12.2020
Operating activities			
Result for the period	-4	-57	-47
Adjustments for items not effecting cash	50	62	108
Interests paid	-17	-21	-25
Cash flow from operating activities before changes in working capital	29	-16	36
Cash flow from changes in working capital			
Change in inventories	-1	1	2
Change in operating receivables	-11	-5	-5
Change in operating liabilities	-13	-27	-31
Cash flow from operating activities	4	-47	2
Investing activities	-13	-21	-32
Share issue and convertible loan conversion	52	62	62
Issue costs	-1	-9	-9
Repayments of lease liabilities	-11	-11	-21
Change in loans	-16	10	5
Cash flow from financing activities including share issue	25	52	37
Change in cash and cash equivalents	16	-16	7
Cash and cash equivalents in the beginning of the period	35	30	30
Translation differences in cash and cash equivalent	0	0	-1
CASH AND CASH EQUIVALENTS AT END OF PERIOD	52	14	35



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