



» Business Review January-March 2024

Seppo Voutilainen
Chief Executive Officer

Ville Sirviö
Chief Financial Officer

26 April 2024

Terrafame

» Terrafame's operating result was at a good level in a challenging market

Net sales
1–3/2024

EUR 130,0 million

1–3/2023 EUR 172.7 million

Net sales of battery
chemicals business

EUR 35.6 million

1–3/2023 EUR 66.2 million

27.4% of total net sales

EBITDA
1–3/2024

EUR 39,9 million

1–3/2023 EUR 42.8 million

Operating result
1–3/2024

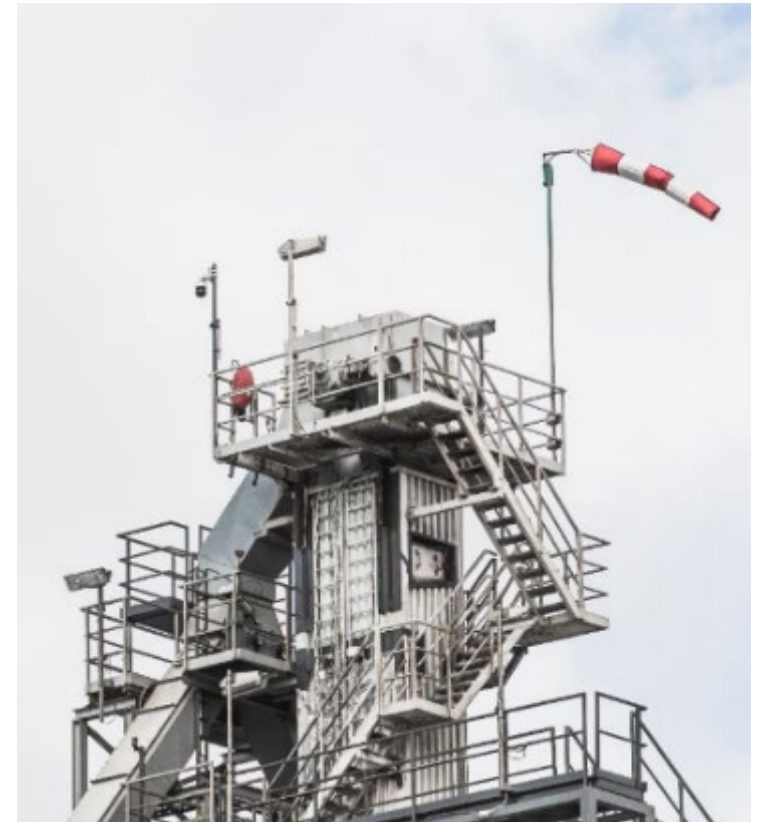
EUR 23,6 million

1–3/2023 EUR 27.4 million



» Terrafame initiated a profitability programme to improve the company's international competitiveness and profitability

- On February 2024, Terrafame announced that it had decided to initiate a profitability programme, aiming for EUR 10 million in annual savings.
- As part of the profitability programme, Terrafame issued an invitation to change negotiations. As a result of the negotiations, Terrafame will make a reduction of 34 person-years, of which 27 are redundancies.
- During the change negotiations, Terrafame and the employee representatives also discovered other measures that will improve Terrafame's profitability.
 - The company estimates that the cash flow effect of the measures under the programme will amount to approximately EUR 10 million in 2024, of which the personnel reductions account for approximately EUR 1 million.
 - From 2025, the annual cash flow impact is estimated to be in total EUR 10–14 million, of which the impact of the personnel-related measures is approximately EUR 2 million.

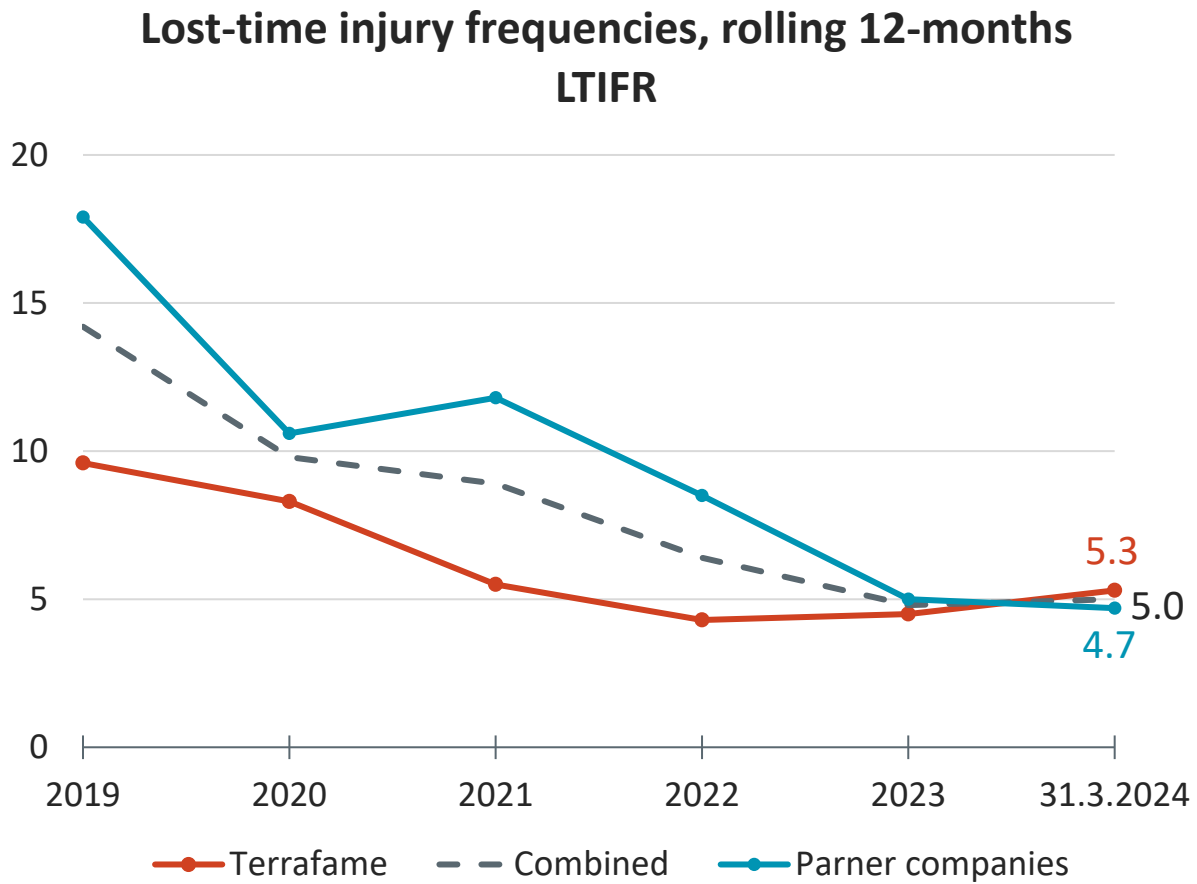


Terrafame



» Safety is one of our key values

» Good development in the occupational safety of partner companies



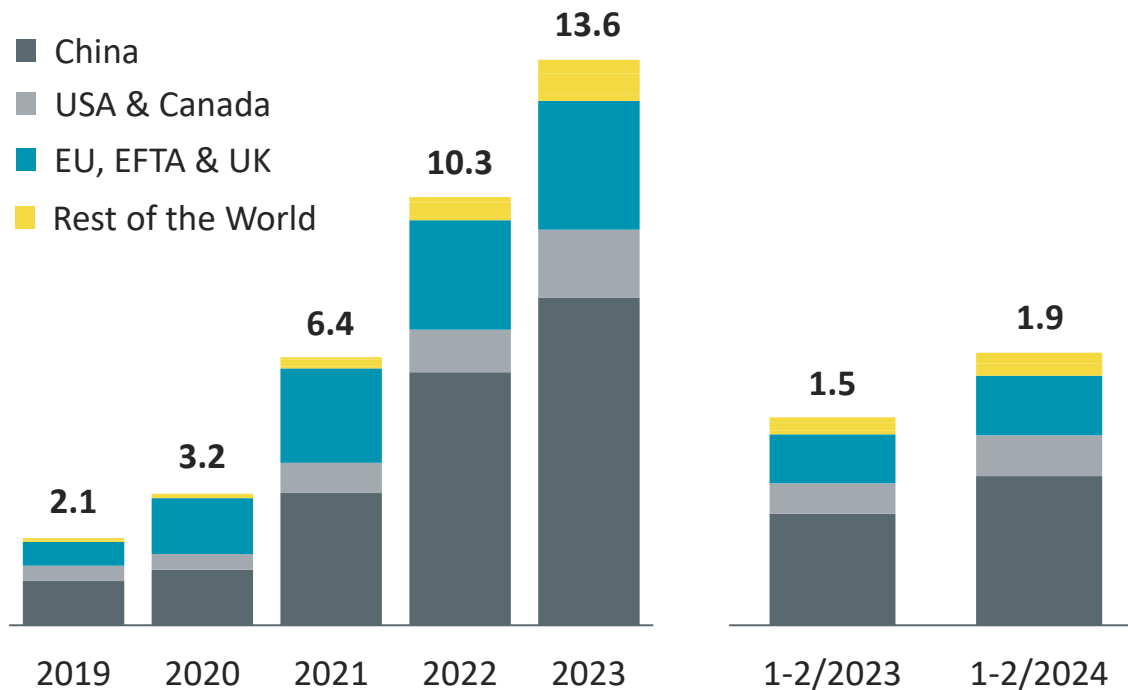
Terraframe employed **853** (780) persons at the end of March 2023 and, moreover, an average of **1,175** (937) partner companies' employees (FTE) worked in the industrial area during the review period.



»» **Market
review**

» Sales of EVs increased by about a third in January-February 2024 compared to the corresponding period of 2023

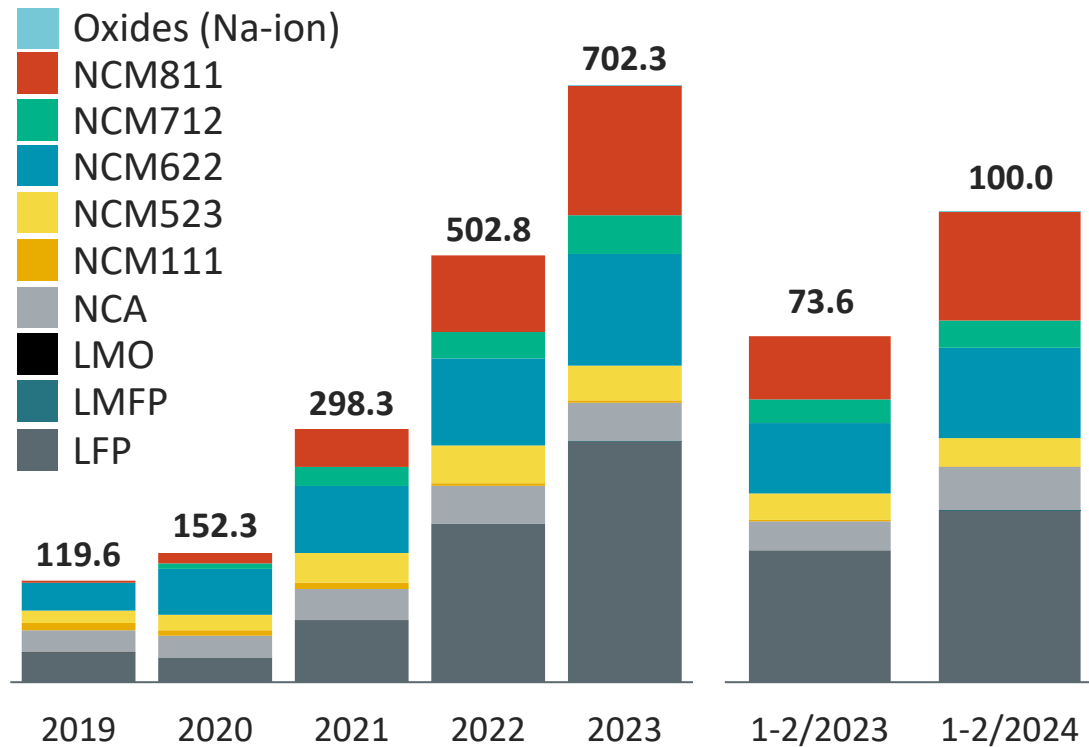
Global EV sales, million pcs



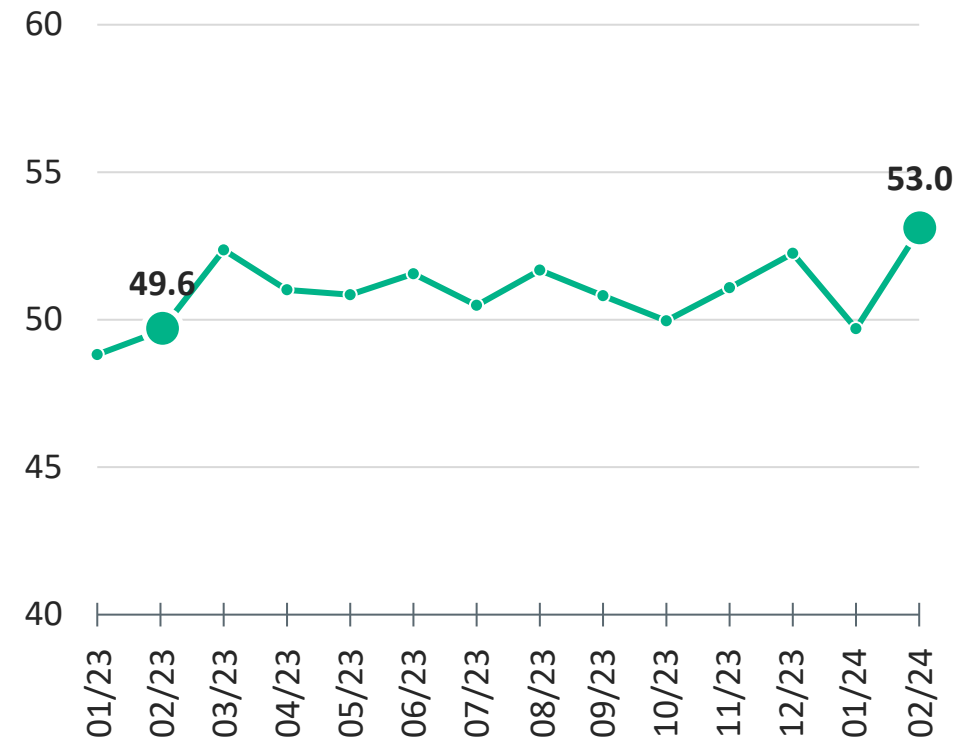
- In January–February 2024, around 1.9 million EVs were sold globally, which represents an increase of around 31% from the corresponding period in 2023.
- Around 1.1 million EVs were sold in China. Sales increased by around 34% compared to January–February 2023.
- A total of 289,055 EVs were sold in the United States and Canada. Compared to January–February 2023, sales increased by around 34%.
- 421,819 EVs were sold in Europe. Sales increased by 21% from the corresponding period in 2023.

» The EV battery market is divided between high-nickel-content NCM batteries and LFP batteries

EV battery deployment by cathode chemistry, GWh

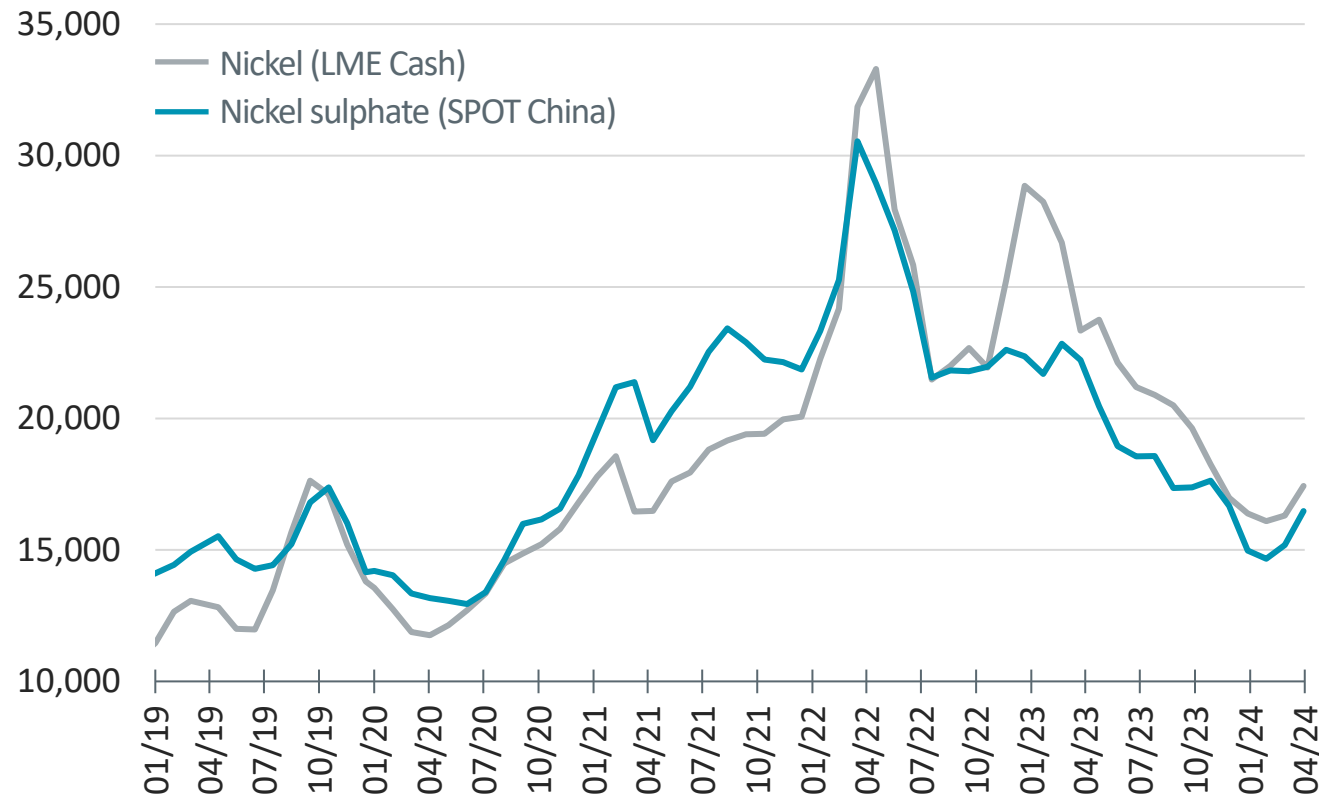


Sales weighted average EV battery size, kWh



»» Price development of nickel and nickel sulphate

Price development of nickel and nickel sulphate, USD/t



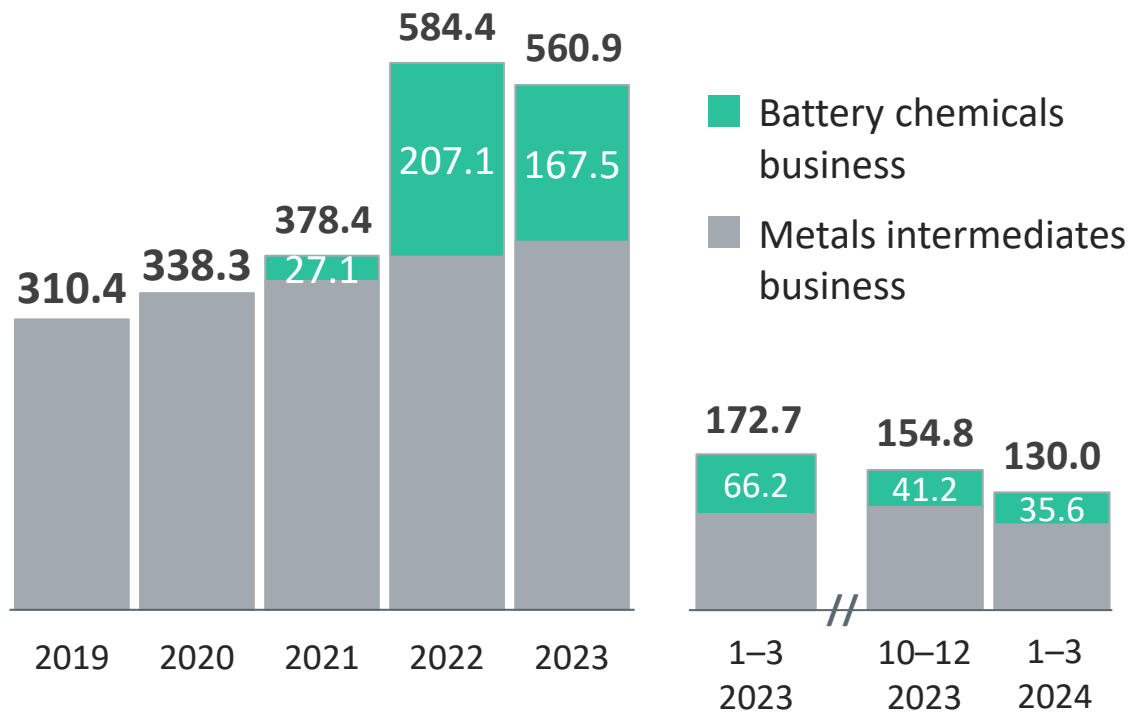
- In January–March 2024, the average market price of nickel was 16,589 USD/t, which is around 36% lower than in the corresponding period in 2023. Compared with the fourth quarter of 2023, the average market price of nickel decreased by around 3.8%.
- In January–March 2024, the average price of nickel sulphate (SPOT China) was 15,418 USD/t, which is around 31% lower than in the corresponding period in 2023. Compared with the fourth quarter of 2023, the average market price of nickel sulphate decreased by 6.3%.

» Financial review



» Net sales from the battery chemicals business were 27.4% of the company's total net sales

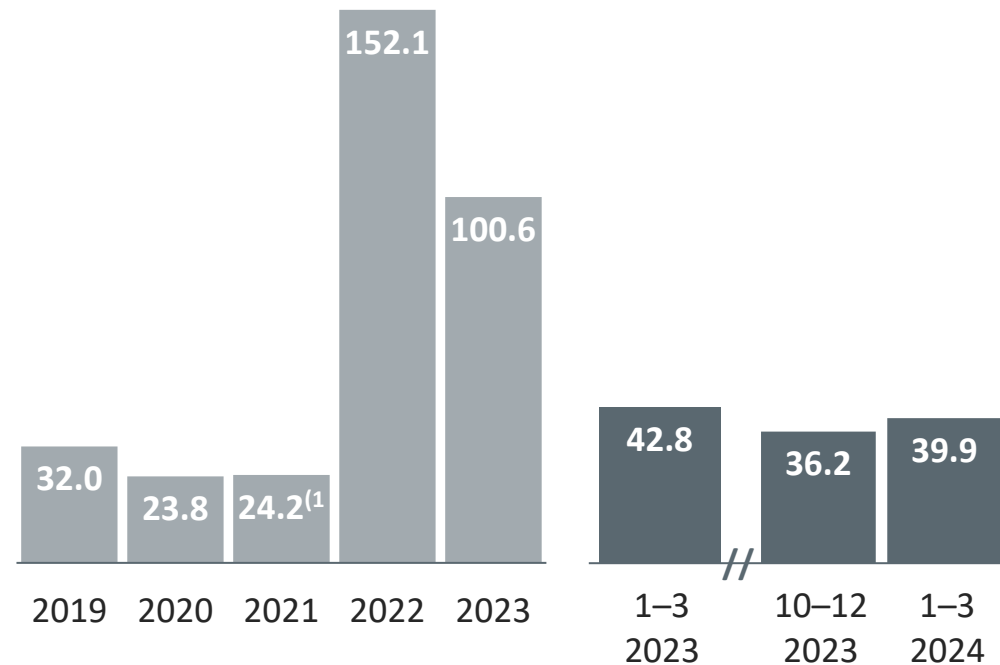
Net sales, EUR million



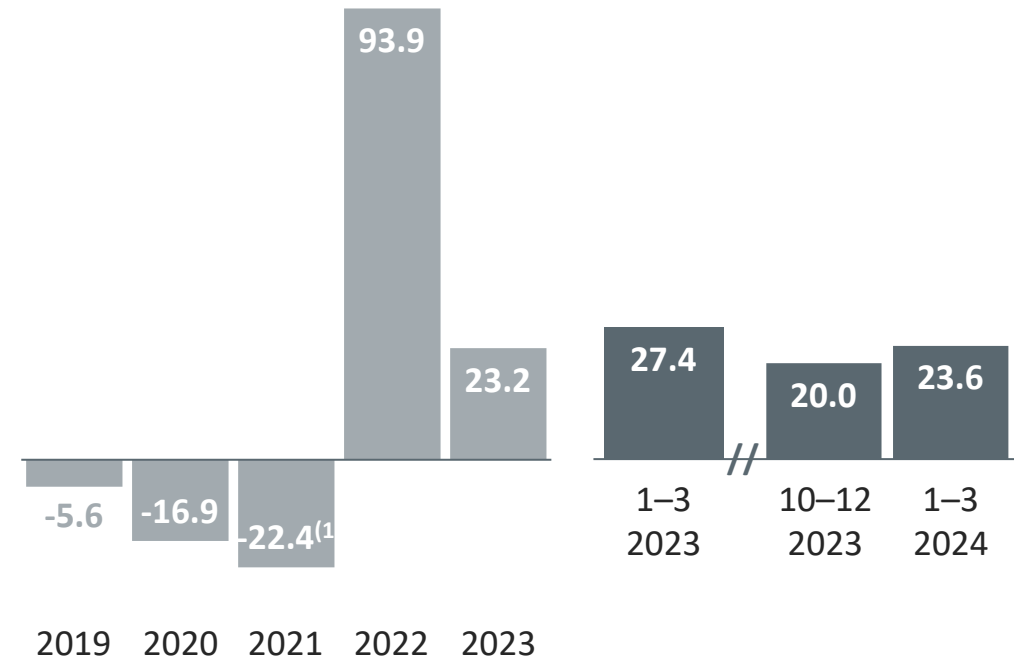
The financial information for 2023–2024 consists of unaudited IFRS figures. For the business reviews in the financial year 2024, the pertinent pieces of the information regarding the 2023 comparison period have been subsequently adjusted to comply with the IFRS principles. The information for 2019–2022 consists of audited FAS figures.

» In January-March 2024, financial performance was at a good level in a challenging market situation

EBITDA, EUR million



Operating result, EUR million



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1) 2021: Excl. non-recurring items

>> Key figures in brief

Financial key figures, EUR million	1-3/2024	1-3/2023	Change	10-12 /023	2023
Net sales	130.0	172.7	-24.7%	154.8	560.9
Battery chemicals business	35.6	66.2	-46.2%	41.2	167.5
Metal intermerdiates business	94.4	106.5	-11.4%	113.6	393.4
EBITDA	39.9	42.8	-6.8%	36.2	100.6
Operating result	23.6	27.4	-13.8%	20.0	37.9
Free cash flow from operating activies ¹	-29.6	11.9	n.a.	-5.0	-52.5
Total capital expenditure	60.2	22.6	166%	41.9	138.2

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1) Free cash flow from operating activities after sustaining capital expenditure = EBITDA - change in net working capital - sustaining capital expenditure



» Key events after the financial period

» Terrafame brought its battery chemicals plant to a halt due to the national strikes in Finland

- On 5 April 2024, Terrafame announced that it had decided to bring its battery chemicals plant to a halt for approximately four weeks. The decision arose from the national strikes in Finland that had continued for several weeks and were affecting the logistics chain.
- Due to the strikes, Terrafame was not able to execute the export deliveries of the products of its battery chemicals plant, which forced the company to store the products in its industrial site.
- The shutdown of the battery chemicals plant will not affect Terrafame's metal intermediates production.



»» Near-term outlook

- The production ramp-up of the battery chemicals plant will be continued. The battery chemicals market will continue to be challenging in 2024, but Terrafame's production process will also enable flexible operations in the intermediates market.
- The price development of base metals and battery chemicals involves considerable uncertainty.
- The development of operational efficiency, profitability and safety at work will continue.
- Terrafame is preparing to start uranium recovery by the summer of 2024.





Terrafame

Enhancing low-carbon
mobility with responsible
battery chemicals.

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