

» Business Review January-June 2024

Seppo Voutilainen
CEO

Ville Sirviö
CFO

26 July 2024



Terrafame

» Terrafame's operating result for January-June 2024 improved year-on-year

Net sales
1-6/2024

EUR 246.0 million

1-6/2023 EUR 264,1 million

Net sales from the battery
chemicals business

EUR 65.0 million

1-6/2023 EUR 98.3 million

26.4% of total net sales

EBITDA
1-6/2024

EUR 37.5 million

1-6/2023 EUR 25.4 million

Operating result
1-6/2024

EUR 3.3 million

1-6/2023 EUR -5.5 million



»» Terrafame started uranium recovery in June

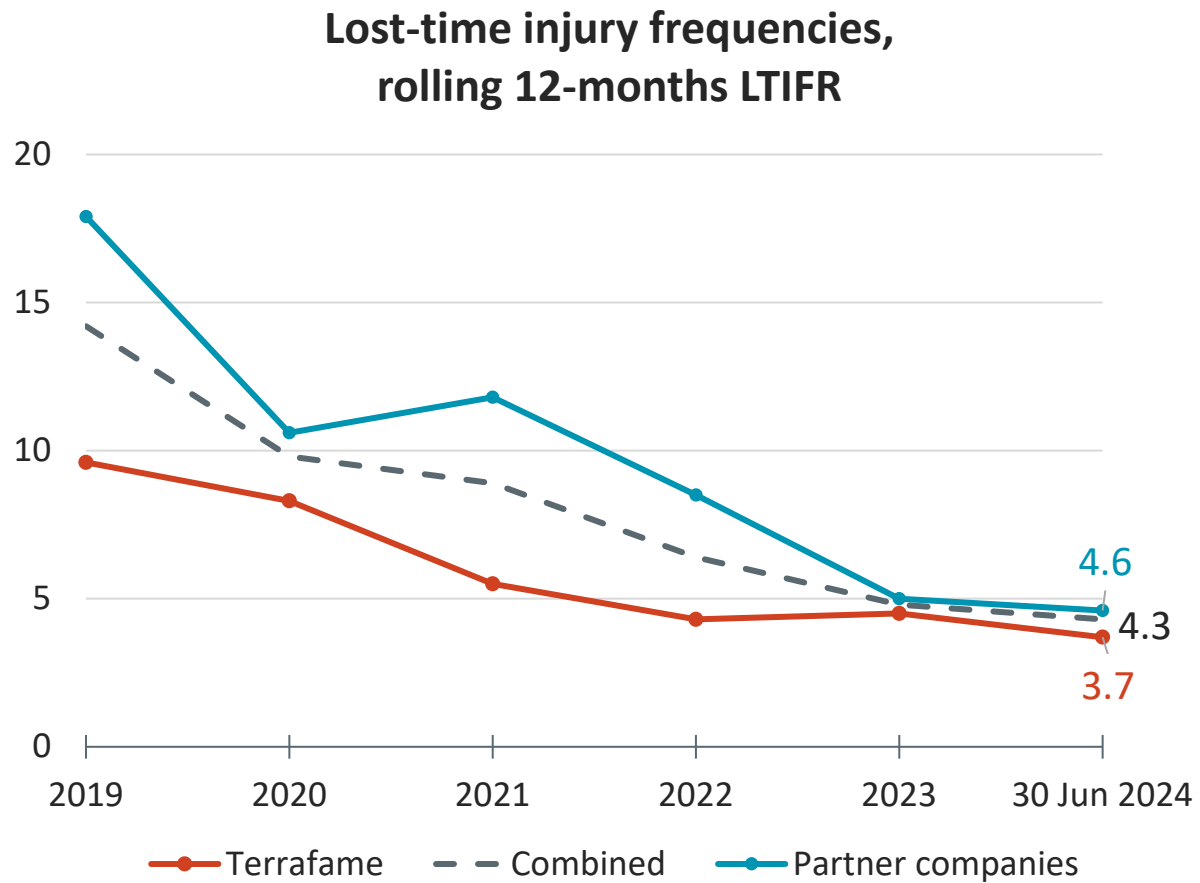
- The company's production process enables the low concentration of natural uranium found in the ore to be used as a by-product.
- After the ramp-up phase, the recovery of uranium will increase Terrafame's net sales by approximately EUR 30–40 million per year.
- With the start of operations, Finland is the only European Union member state that produces uranium.
- The utilization of natural uranium in energy production helps in achieving climate goals and building Europe's energy self-sufficiency.



» Sustainability as
a competitive
edge



» Aiming for 0 accidents



Terrafame employed **935** (887) persons at the end of June 2024 and, moreover, an average of **1,248** (1,046) partner companies' employees (FTE) worked in the industrial area during the review period.

Terrafame

» Sustainability is at the core of Terrafame's operations

- Related to the financing arrangements signed at the end of 2023, Terrafame defined three key sustainability performance indicators together with the banks, which, if achieved, would decrease our financing costs.
- The company also continued the preparations for complying with the EU corporate sustainability reporting standards (CSRD), and Terrafame will report in accordance with the regulation from 2025 onwards.
- Terrafame published its Sustainability Review in June, which describes the progress of the company's sustainability programme in 2023.



Terrafame's bioleaching based production process uses about 90% less energy than traditional methods.

» Terrafame's sustainability work is guided by a sustainability programme that includes concrete actions

Goal	Highlights from 2023
Our production will be carbon neutral by 2039.	Terrafame purchased fossil-free energy for 50% of its electricity consumption. The company is building an energy management system in line with ISO 50 001 and is preparing for its certification. Terrafame's Energy Efficiency working group has already identified a number of energy efficiency measures during on site workshops and this work will be continued in 2024
We utilize the side streams from production efficiently.	About 70.2% of the plastic irrigation pipes used in bioleaching were made from recycled material.
We minimize our emissions and impacts on waters and lakes.	99% of the sulphate was recycled from the process back into the bioleaching process. Only low-sulphate collection waters are treated and discharged out of the area.
We support and respect human rights and labour rights in our own operations.	We developed our Due Diligence process, which helps us identify and prevent human rights and environmental violations in the value chain, not only during the contracting phase but also throughout the co-operation.
Terrafame's operations are transparent.	Terrafame started preparing for reporting under the EU Corporate Sustainability Reporting Directive (CSRD). The work started with a forward-looking double materiality assessment, which will lay the groundwork for updating the sustainability program from 2024 onwards.

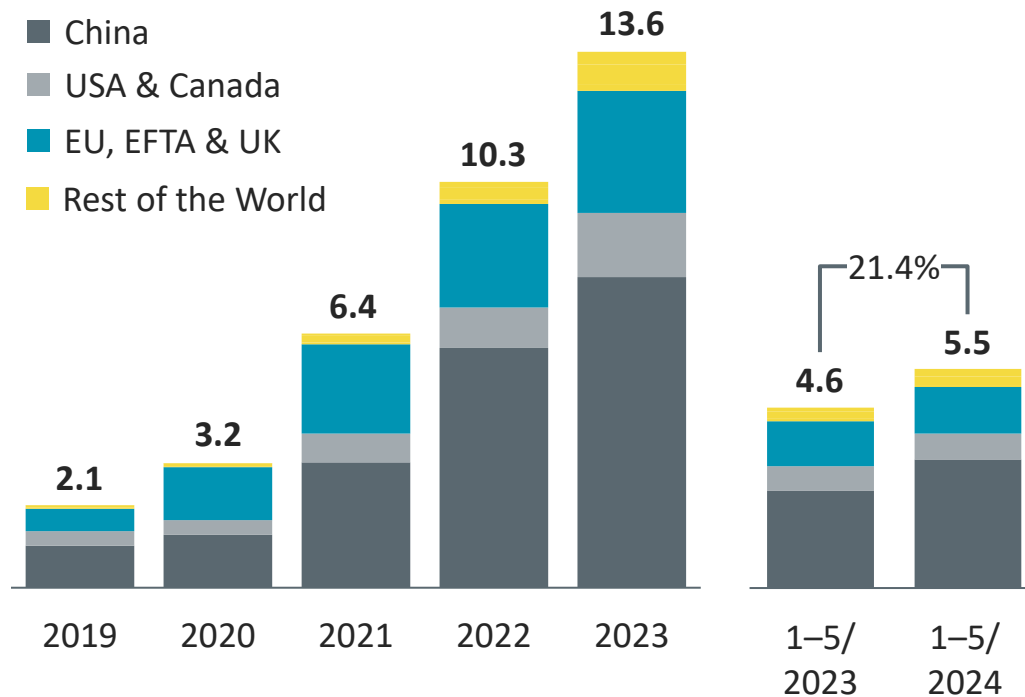
Terrafame published its Sustainability Review in June, which describes the progress of the company's sustainability programme in 2023. The review is available on the company's website at www.terrafame.com > Company > Reports and publications.



» **Market review**

» Sales of EVs increased by around 21% in January-May 2024 compared to the corresponding period in 2023

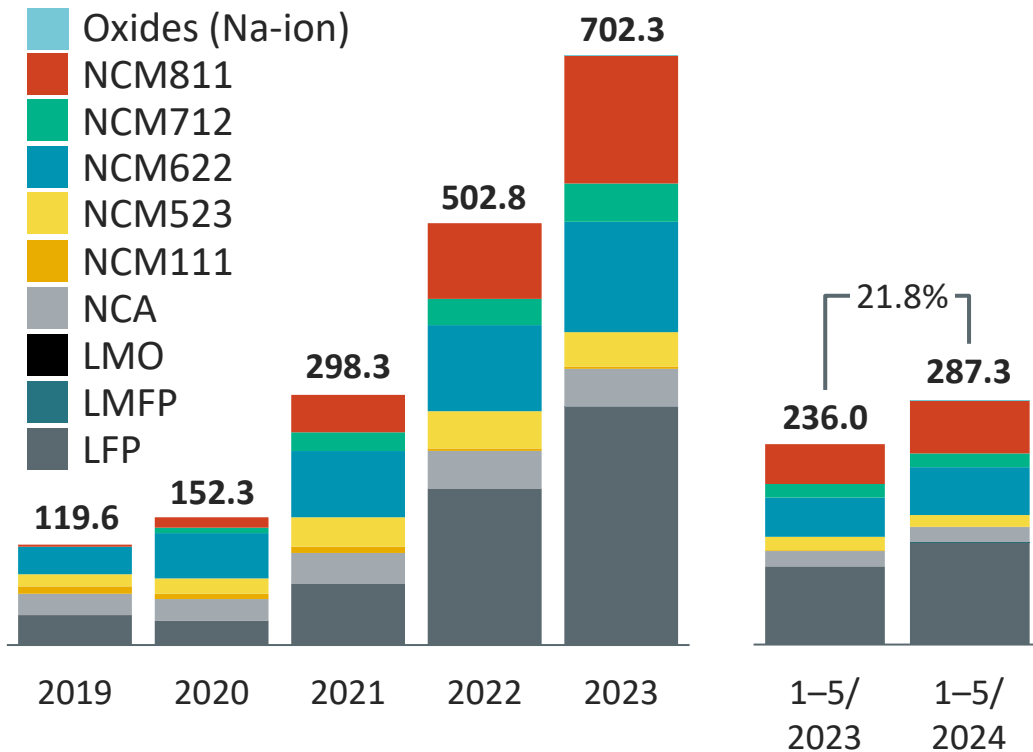
Global EV sales, million pcs



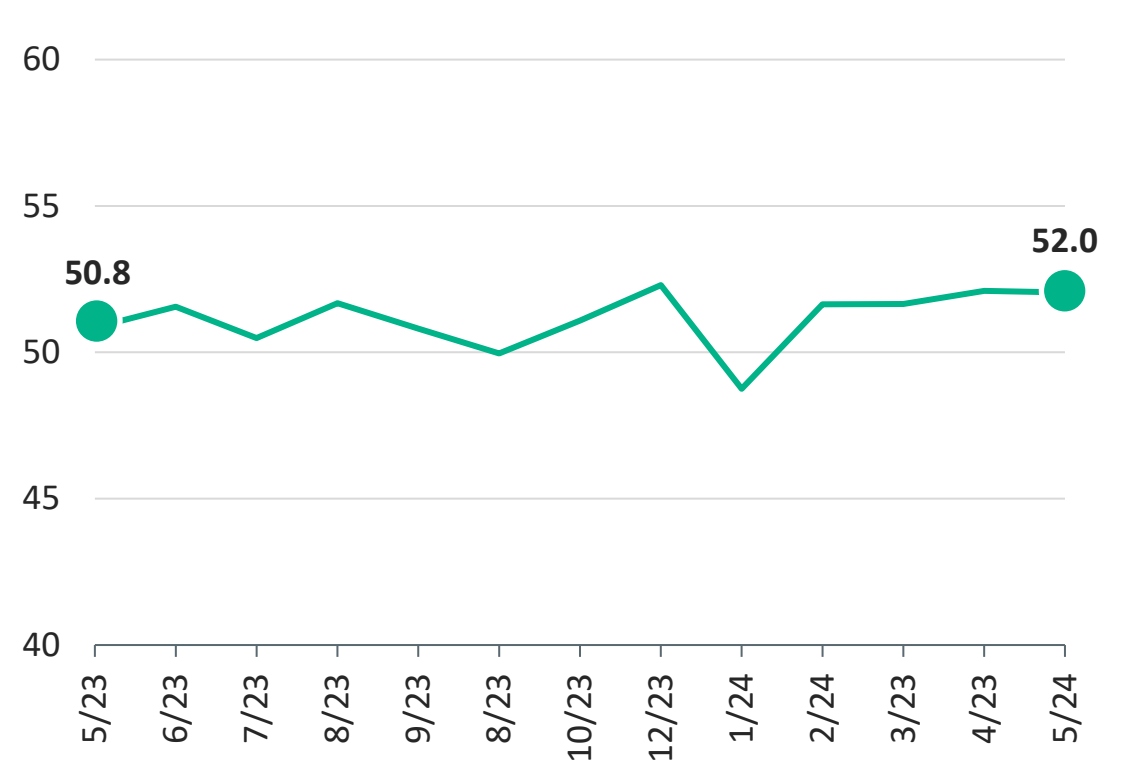
- Around 3.3 million electric vehicles were sold in China. Sales increased by about 32% compared to January–May 2023.
- A total of 654,329 electric vehicles were sold in the United States and Canada. Compared to January–May 2023, sales increased by about 7%.
- Around 1.2 million electric vehicles were sold in Europe. Sales increased by about 4% from the comparison period.

» The market share of NCM 811 batteries with high nickel content remained at the same level as a year earlier

EV battery deployment by cathode chemistry, GWh

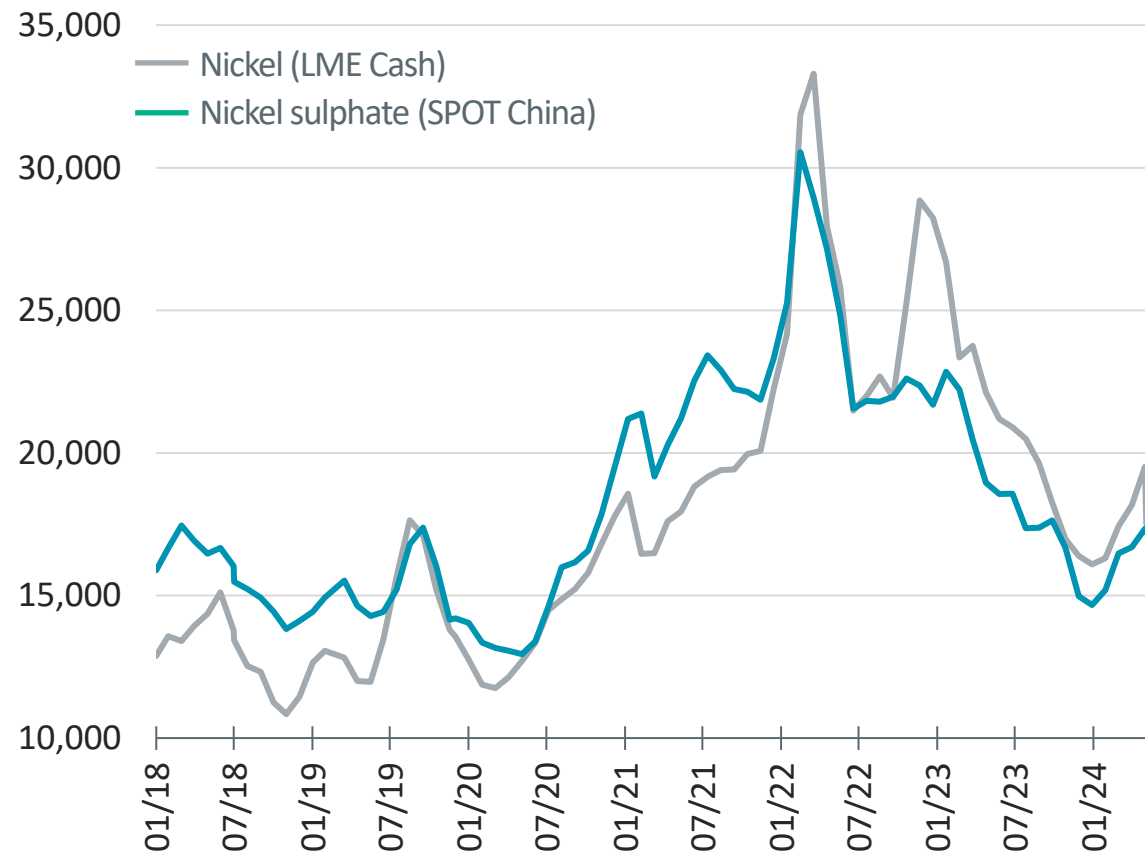


Sales weighted average EV battery size, kWh



»» Price development of nickel and nickel sulphate

Price development of nickel and nickel sulphate, USD/t



The average market price of nickel:

- In January–June 2024 17,487 USD/t, which is about 28% lower than in the corresponding period in 2023.
- In April–June 2024 18,415 USD/t, which is about 17% lower than in corresponding period in 2023.

The average market price of nickel sulphate:

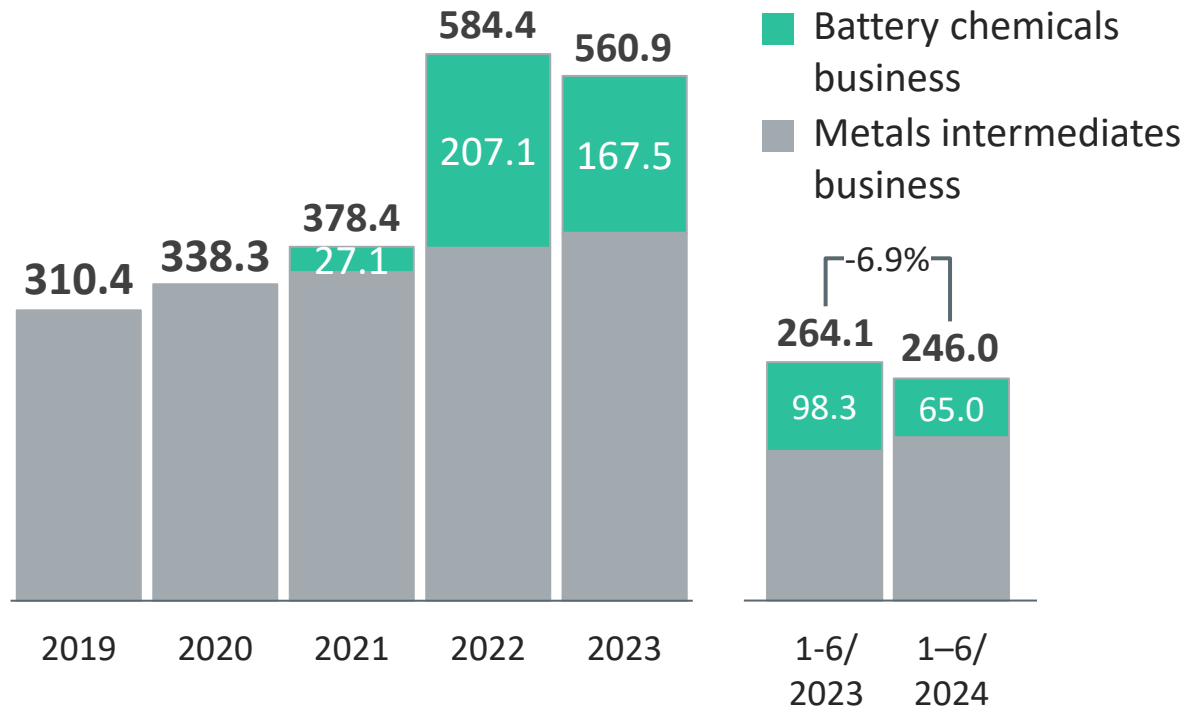
- In January–June 2024 17,039 USD/t, which is about 22% lower than in the corresponding period in 2023.
- In April–June 2024 22,308 USD/t, which is about 12% lower than in corresponding period in 2023.

» Financial review



»» The decrease in net sales resulted from the declined production and delivery volumes of the battery chemicals plant and lower market prices of metals

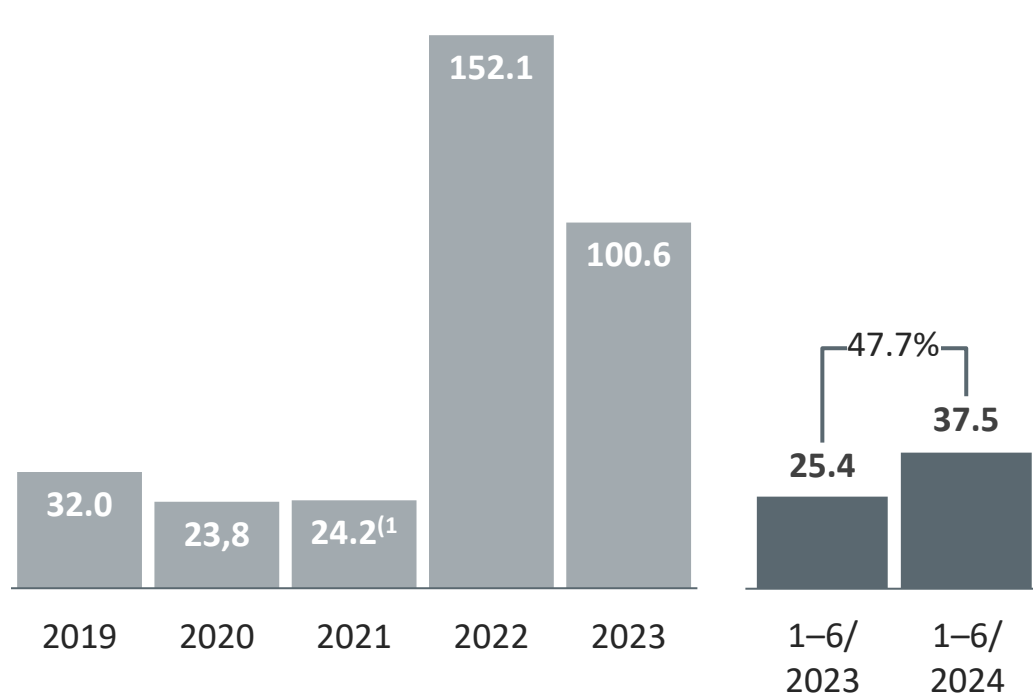
Net sales, EUR million



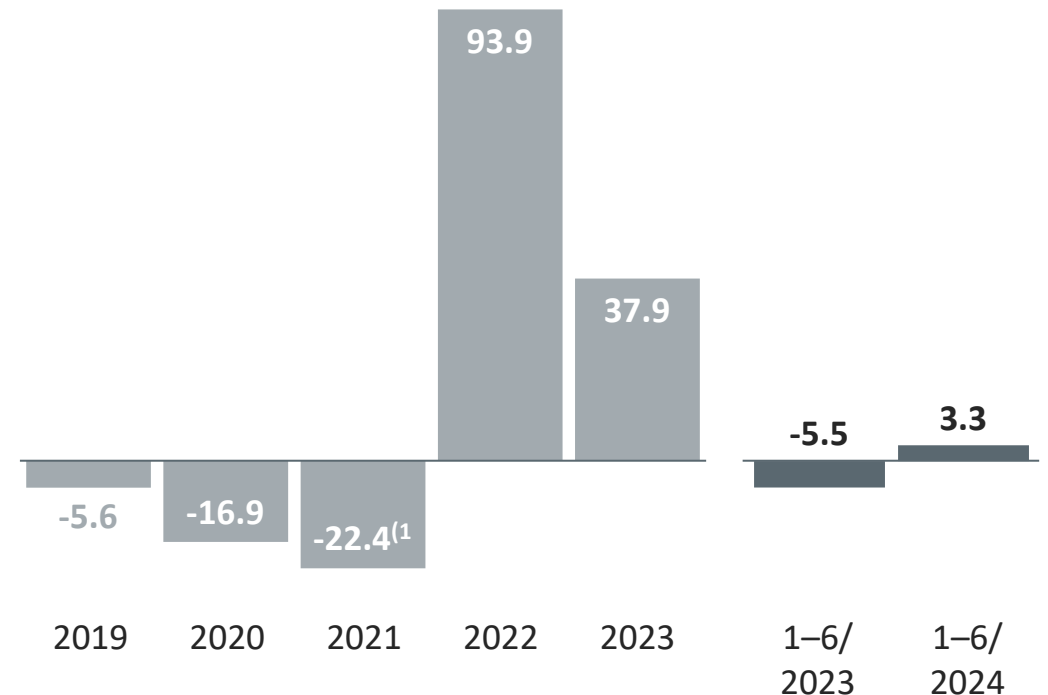
The financial information for 2023–2024 consists of unaudited IFRS figures. For the business reviews in the financial year 2024, the pertinent pieces of the information regarding the 2023 comparison period have been subsequently adjusted to comply with the IFRS principles. The information for 2019–2022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

>> Improved cost efficiency increased EBITDA and the operating result

EBITDA, EUR million



Operating result, 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.

>> Key figures in brief

Financial key figures, EUR million	4–6/2024	4–6/2023	Change	1–6/2024	1–6/2023	Change	2023
Net sales	116.0	91.4	21.2%	246.0	264.1	-6.9%	560.9
Battery chemicals business	29.4	32.1	-9.2%	65.0	98.3	-33.9%	167.5
Metal intermerdiates business	86.6	59.3	31.5%	181.0	165.8	9.2%	393.4
EBITDA	-2.4	-17.4	n.a.	37.5	25.4	47.7%	100.6
Operating result	-20.3	-32.9	n.a.	3.3	-5.5	n.a.	37.9
Free cash flow from operating activies ¹	-14.9	-33.9	n.a.	-44.5	-22.0	n.a.	-52.5
Total capital expenditure	74.6	36.6	50.9%	134.8	59.2	127.7%	138.2

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.

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

»» 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 enables flexible operations also 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.
- The production ramp-up of the uranium recovery.





Terrafame

Enhancing low-carbon
mobility with responsible
battery chemicals.

www.terrafame.com

