

» Business Review January-December 2024

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Terrafame

» January-December 2024 in brief

- Despite the challenging market situation, Terrafame succeeded in expanding its customer portfolio.
- Significant investments proceeded as planned.
- The progress of the profitability programme has had a positive impact on the company's result.
- In June, Terrafame started uranium recovery.
- In December, Terrafame received two decisions from the Vaasa Administrative Court, which are challenging for Terrafame.



»Terrafame 2024: EBITDA decreased in a challenging market

Net sales
1–12 2024

EUR 544.5 million

1–12 2023 EUR 560.9 million

Net sales from the battery
chemicals business

EUR 196.7 million

1–12 2023 EUR 167.5 million

36% of total net sales

EBITDA
1–12 2024

EUR 66.3 million

1–12 2023 EUR 100.6 million

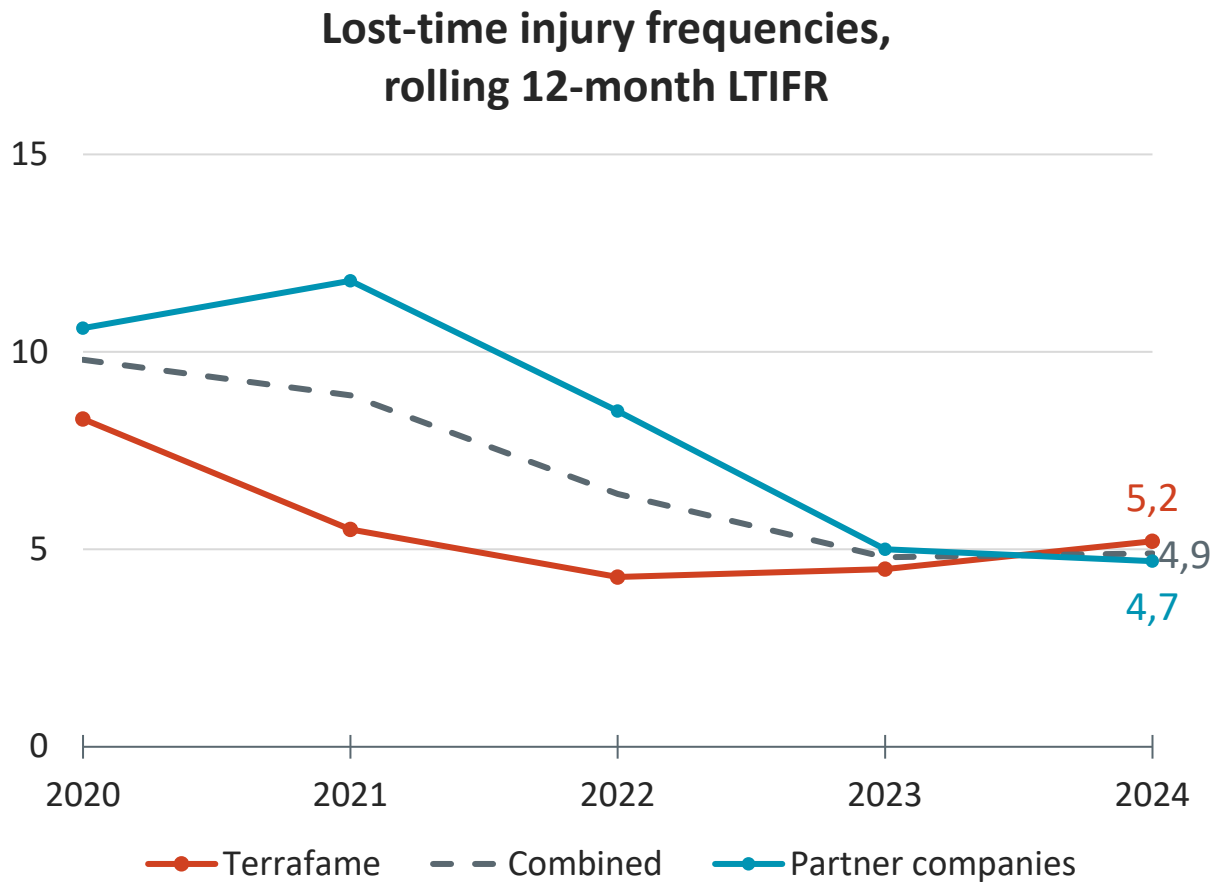
Operating result
1–12 2024

EUR -12.6 million

1–12 2023 EUR 37.9million



» Aiming for 0 accidents



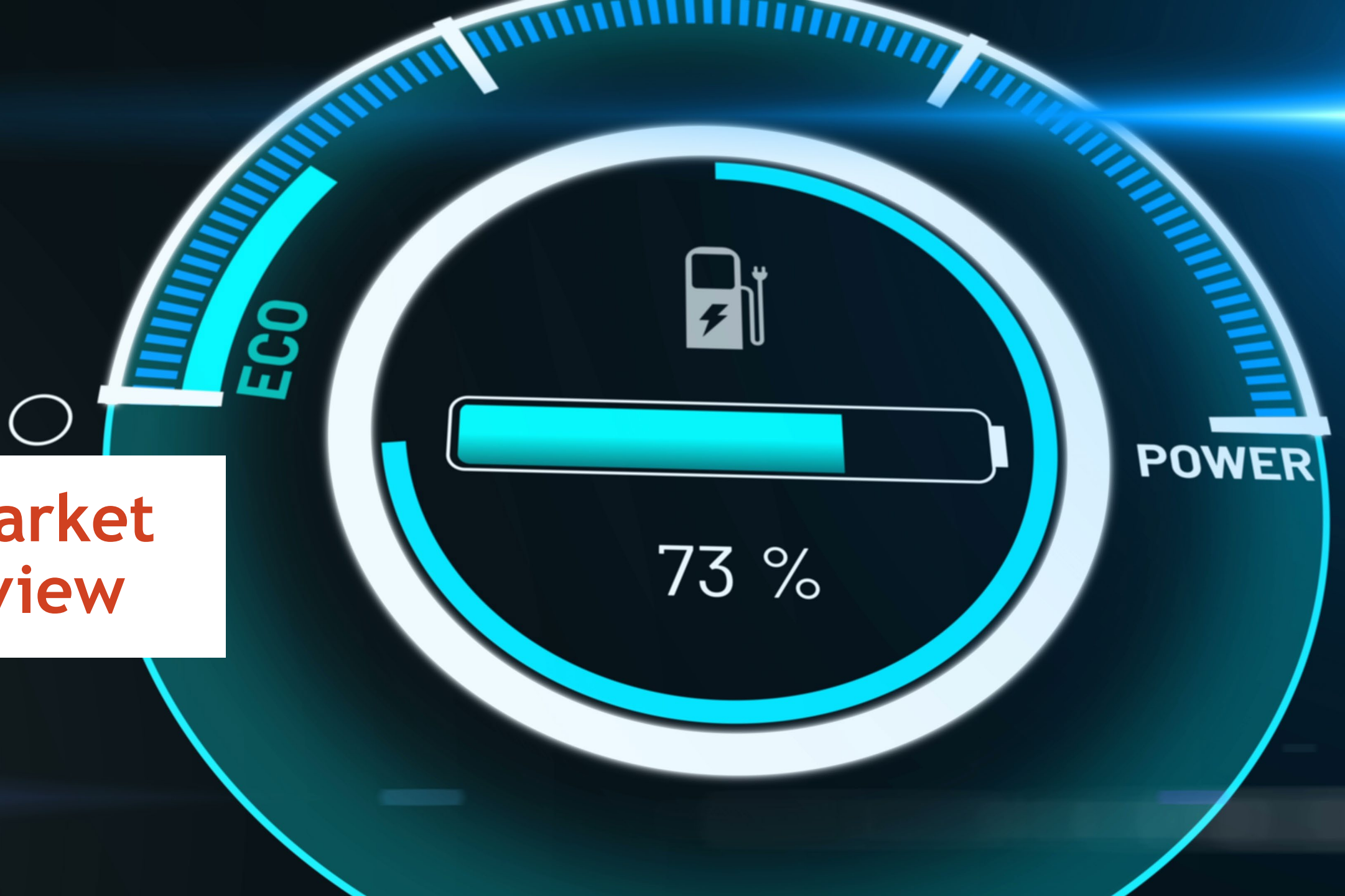
At the end of 2024, Terraframe employed **793** (842) people, in addition to which an average of **1,217** (1,038) employees (FTE) employed by partner companies worked at the industrial site during the review period.

» Terrafame achieved gold level in EcoVadis sustainability assessment

- Terrafame's sustainability work was also evaluated as part of a customer audit at the end of 2024.
- One of the assessment tools used was the internationally recognised and trusted EcoVadis, which helps companies evaluate their sustainability efforts related to the environment, labour practices and human rights, ethics, and sustainable procurement.
- In its first EcoVadis assessment, Terrafame achieved the second highest gold level, which has been reached by 5% of the companies evaluated in the past 12 months.

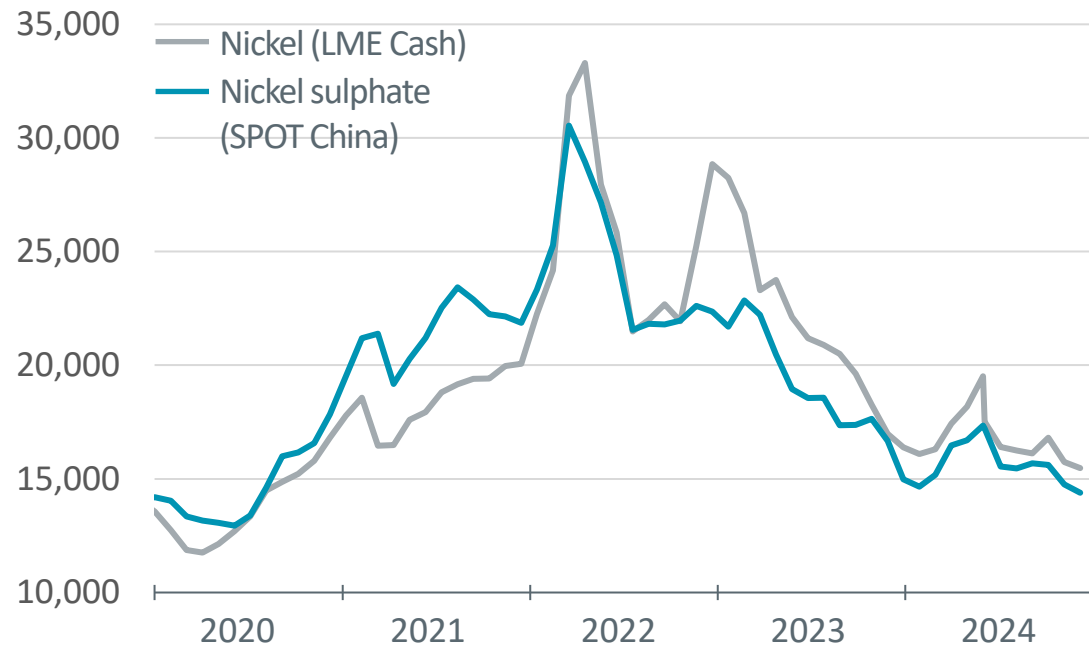


»» **Market
review**



» Prices of nickel and nickel sulphate lower than in the previous year

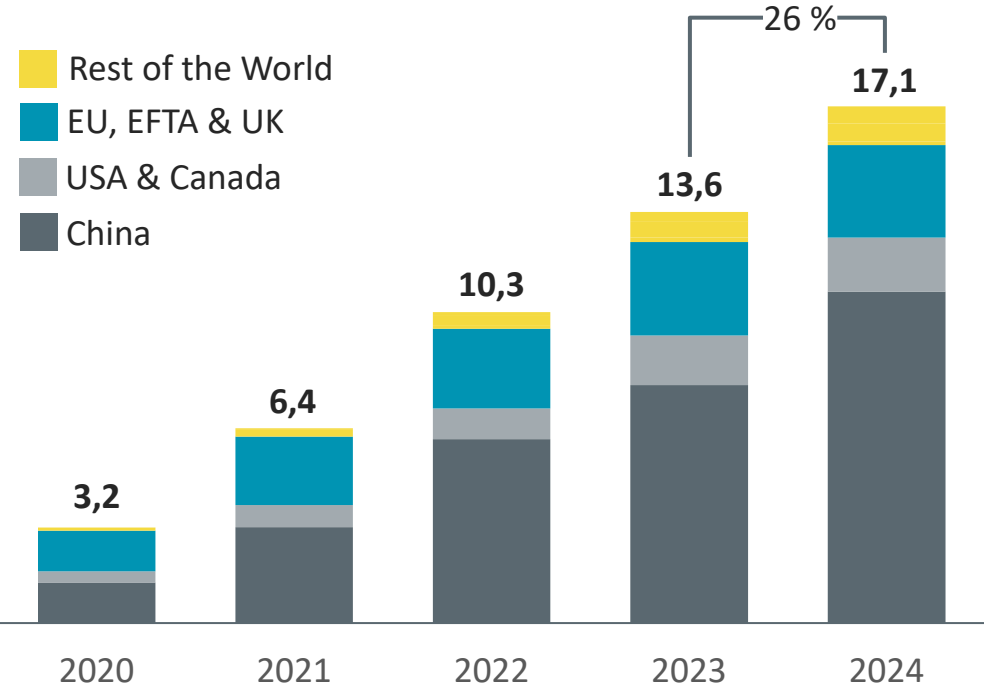
Price development of nickel and nickel sulphate, USD/t



	10-12 2024	10-12 2023	Change	1-12 2024	1-12 2023	Change
Nickel LME Cash	16,038	17,247	-7.0%	16,812	21,474	-22.0%
Nickel sulphate SPOT China	15,735	18,930	-17.0%	14,936	16,449	-9.2%

>>Global EV sales increased by approximately 26% compared to 2023

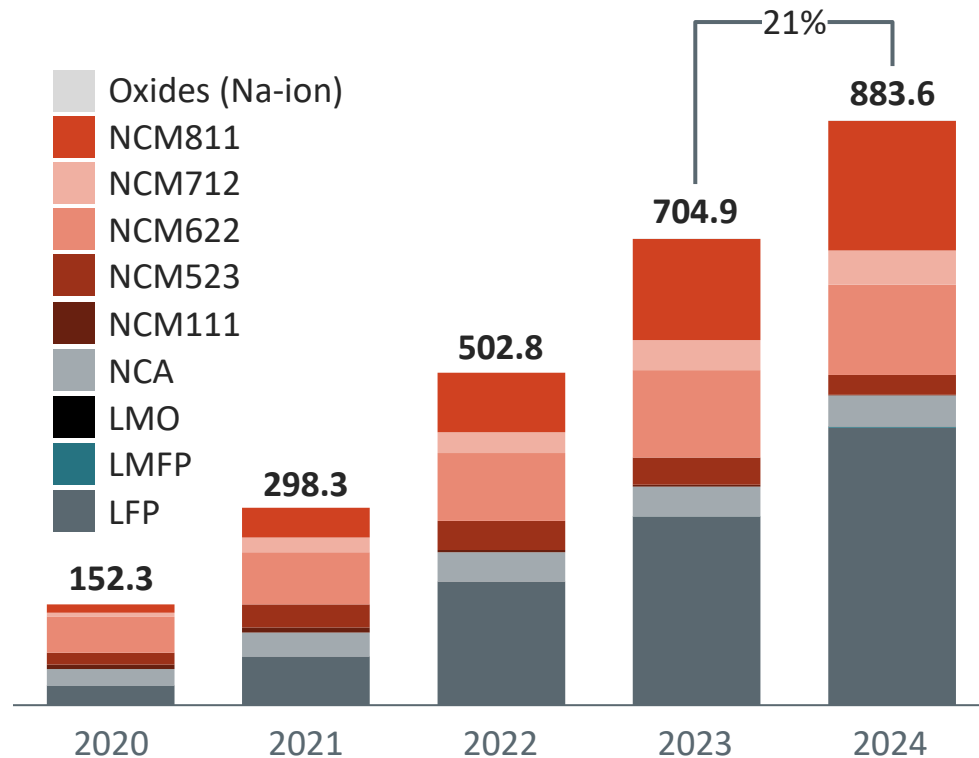
Global EV sales, million pcs



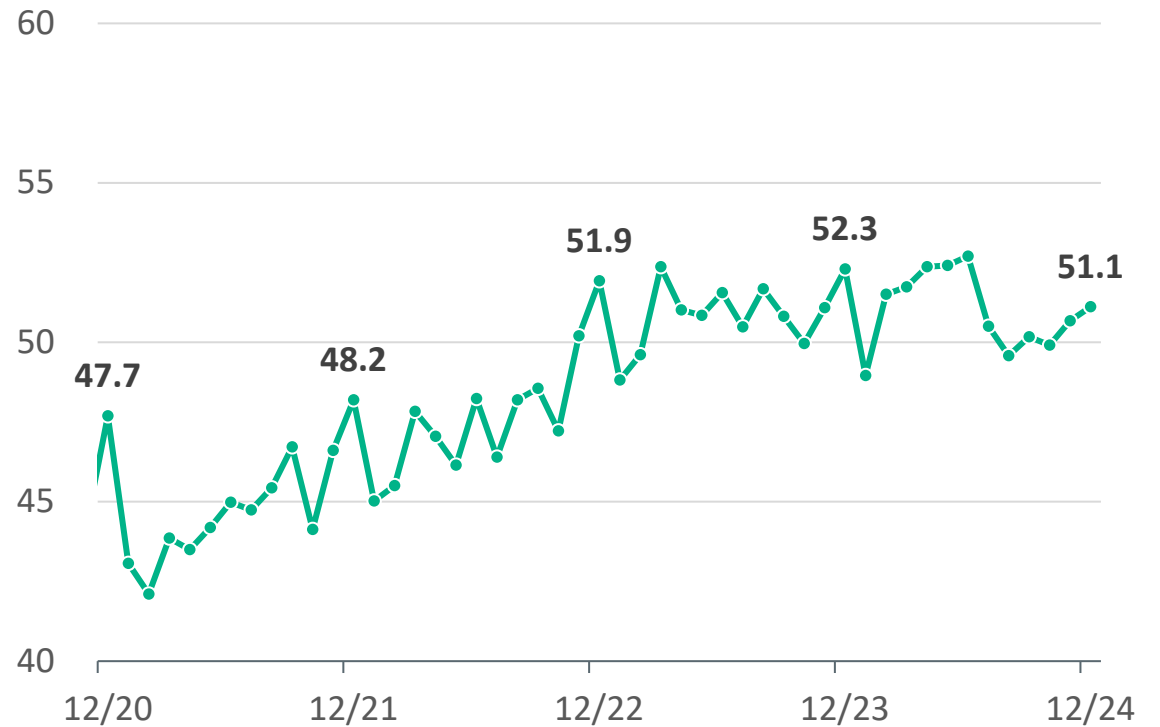
Million pcs	1–12 2024	1–12 2023	Change
China	11.0	7.9	39%
Europe	3.06	3.10	-1.2%
USA & Canada	1.79	1.64	9.3%
Rest of the World	1.29	0.99	30%
Total	17.1	13.6	26%

» The market share of NCM811 batteries remained almost at the same level as in 2023

EV battery deployment by cathode chemistry, GWh



Sales weighted average EV battery size, kWh

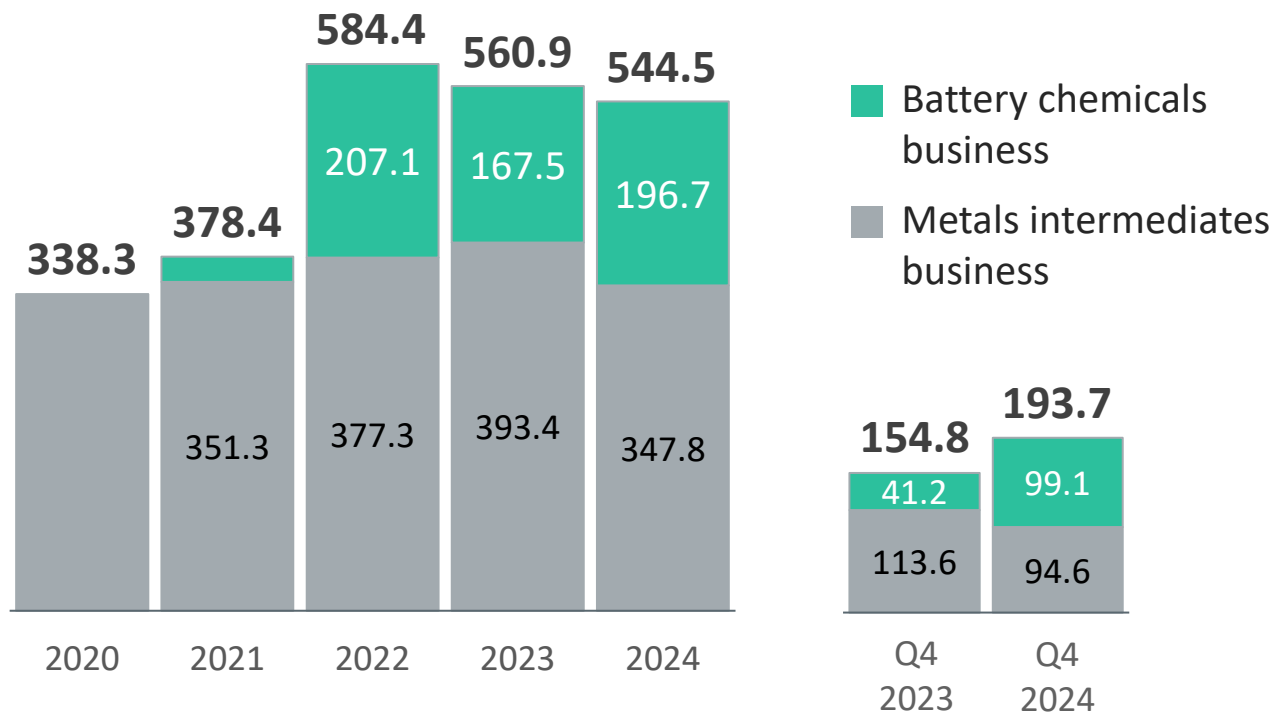




» Financial
review

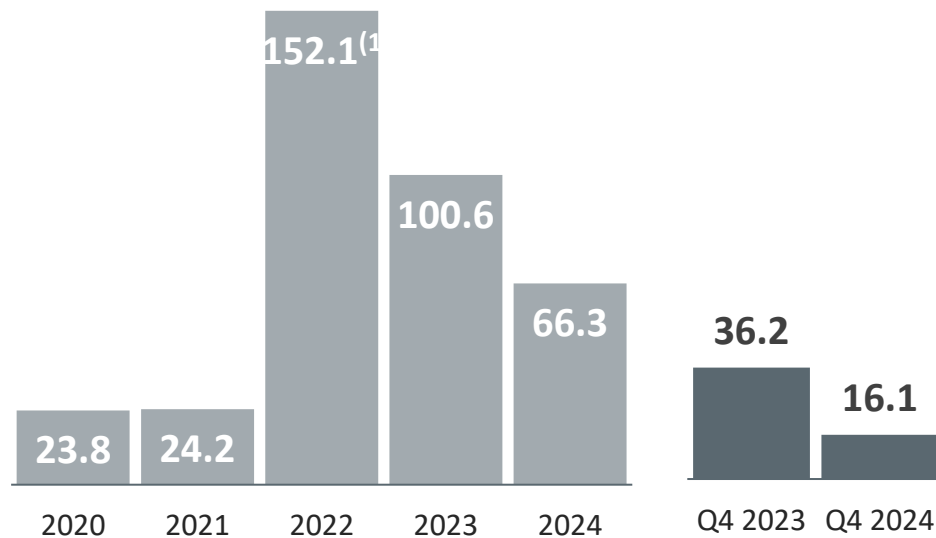
» Net sales of the battery chemicals business accounted for approximately 36% of net sales in 2024

Net sales, EUR million

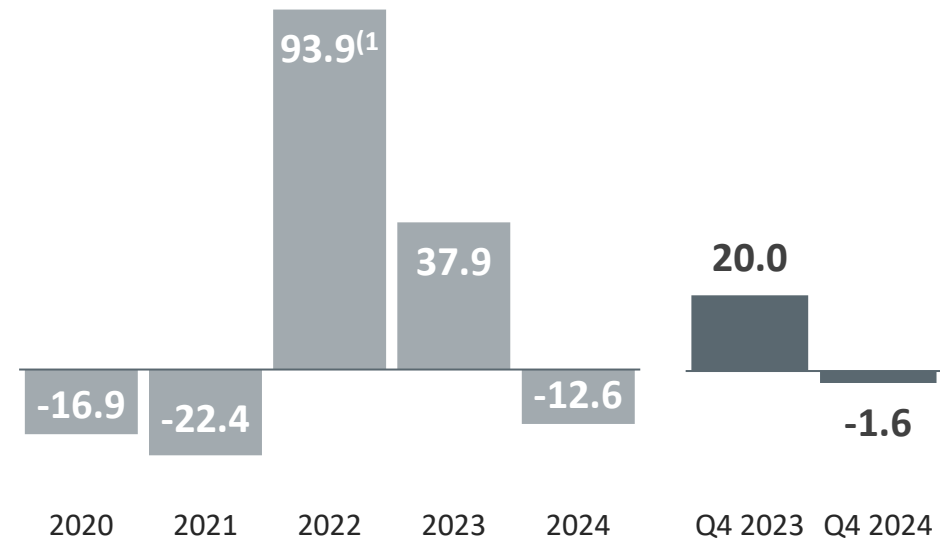


>> In 2024, EBITDA decreased to 66.3 million in challenging market situation

EBITDA, EUR million



Operating result, EUR million



» Key figures in brief

EUR million	10-12 2024	10-12 2023	Change	1-12 2024	1-12 2023	Change
Net sales	193.7	154.8	25.1%	544.5	560.9	-2.9%
Battery chemicals business	99.1	41.2	40.6%	196.7	167.5	17.4%
Metal intermerdiates business	94.6	113.6	-16.7%	347.8	393.4	-11.6%
EBITDA	16.1	36.2	-55.5%	66.3	100.6	-34.1%
Operating result	-1,6	20.0	n.a.	-12.6	37.9	n.a.
Free cash flow from operating activies ¹	1.7	-5.0	n.a.	-85.9	-52.5	n.a.
Total capital expenditure	27.3	41.9	-34.8%	211.1	138.2	52.7%

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



»Key events after
the financial period

» Terrafame has sought leave to appeal regarding the Vaasa Administrative Court's (VAC) decisions

- On January 2025, Terrafame announced that it has sought leave to appeal in the Supreme Administrative Court (SAC) regarding the decisions passed by the VAC in December 2024.
- Additionally, Terrafame is requesting the SAC to pass an interim decision regarding key restrictions on operations.
- From Terrafame's perspective, it was important that the VAC upheld the ore extraction volume of 18 million tonnes per year.
- The other regulations pertaining will negatively impact the company's operations and cause significant additional costs.
- The VAC's decisions unjustifiably undermine Terrafame's operating conditions and create unnecessary uncertainty in the planning of the company's operations.



»Terrafame has negotiated a financing arrangement to fund the investment programme over the next few years

The financing arrangement in brief

- An arrangement of EUR 100 million with Finnish Minerals Group (FMG) and the Galena funds, consisting of a shareholder loan of EUR 50 million and an equity financing commitment of EUR 50 million.
- A EUR 50 million advance payment arrangement with Trafigura.
- A one-year extension to the maturity of an existing EUR 250 million bank loan agreement as well as on extending a EUR 65 million revolving credit facility previously received from FMG for the same period. The new maturity of the bank loan and the revolving credit facility ends in December 2028.
- The newly announced arrangement does not have a significant impact on the status of ownership.

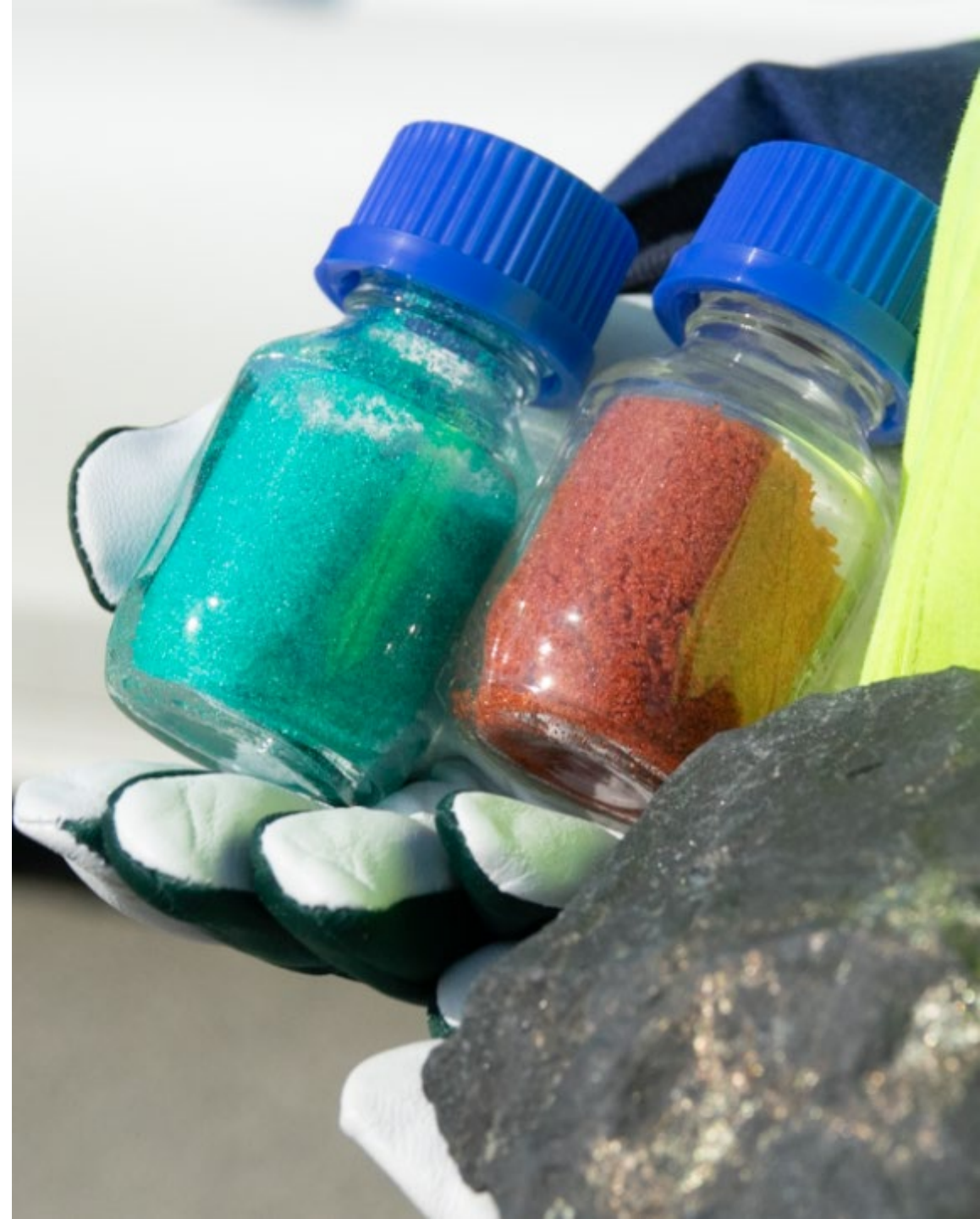


Terrafame's shareholder base on 31 Dec 2024

Finnish Minerals Group	56.1%
Galena funds	39.4%
Mandatum Holding Oy	4.5%

»» Near-term outlook

- The battery chemicals market is expected to continue to be challenging in 2025, 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.
- Terrafame is awaiting resolutions on key permit matters from the Supreme Administrative Court and the Kolmisoppi CRMA application in the first half of 2025.





Terrafame

Enhancing low-carbon
mobility with responsible
battery chemicals.

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