

» Business Review January–March 2023

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Chief Executive Officer

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Terrafame

» Net sales and operating result continued to grow at the beginning of 2023

Net sales
Q1 2023

EUR 172.7 mn

Q1 2022 EUR 127.0 mn

Net sales of battery
chemicals business

EUR 66.2 mn

Q1 2022 EUR 44.0 mn

38 % of total net sales

EBITDA
Q1 2023

EUR 42.5 mn

Q1 2022 EUR 27.7 mn

Operating result
Q1 2023

EUR 27.5 mn

Q1 2022 EUR 13.5 mn



»» Other key events in January–March

- In January 2023, Terrafame and Stellantis announced that they had signed an agreement on the supply of nickel sulphate for electric vehicle batteries.
- In February 2023, Umicore and Terrafame announced that they had signed a long-term agreement on the supply of nickel sulphate.
- The guarantee arrangement related to the environmental and water management permit concerning all Terrafame's operations was negotiated during the review period. The value of the arrangement is EUR 365 million.



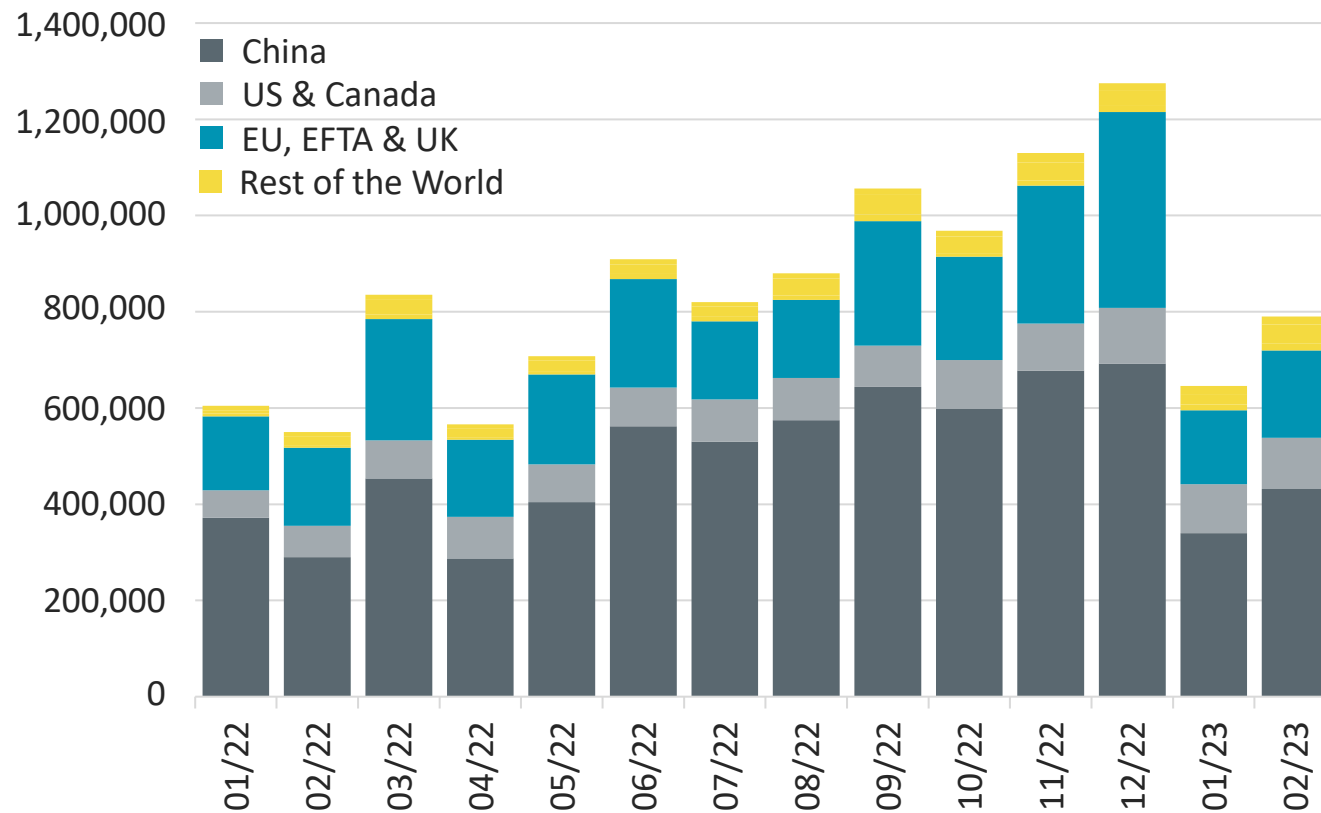
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A photograph of a modern industrial chemical plant. The scene is dominated by a complex network of white pipes and grey metal structures. A prominent feature is a set of yellow safety railings that run along a walkway or staircase on an elevated level. In the foreground, a large, horizontal white pipe is supported by a metal frame. To the left, a large, cylindrical, corrugated metal component, possibly a heat exchanger or a storage tank, is visible. The background shows more industrial equipment, including a blue vertical tank and various pipes and valves. The overall atmosphere is one of a clean, well-maintained industrial facility.

» Specialty chemicals
company

» Global EV sales grew in January-February 2023

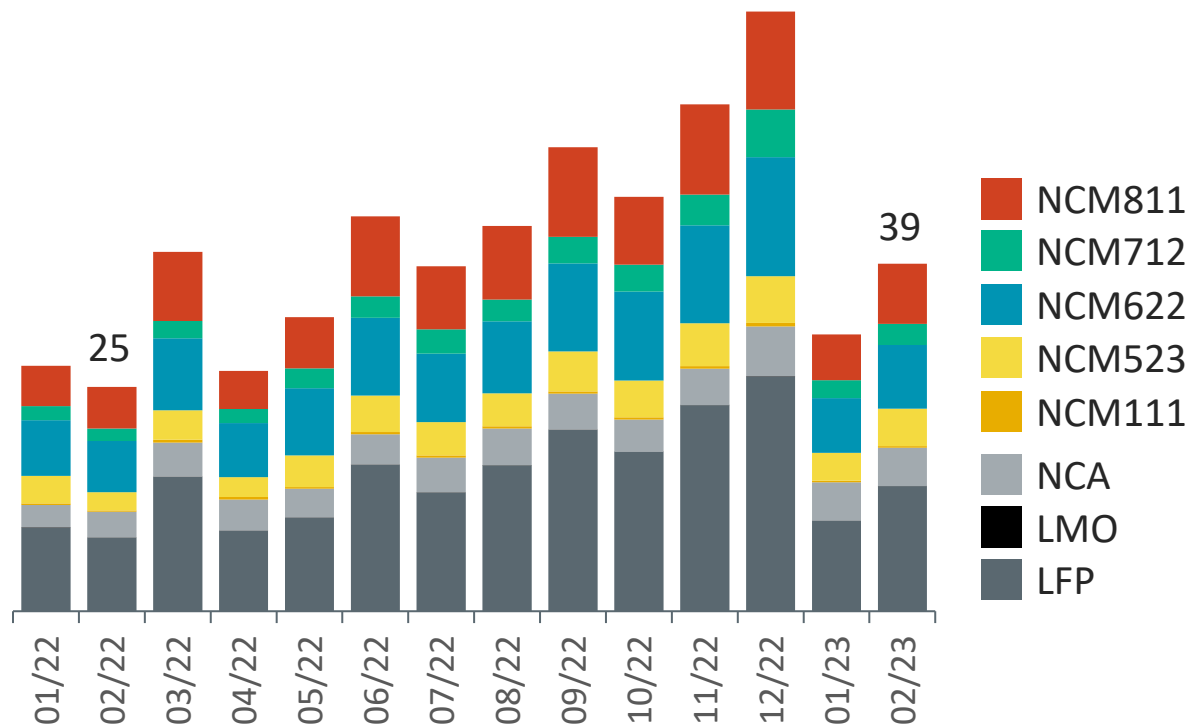
Global EV sales, million units



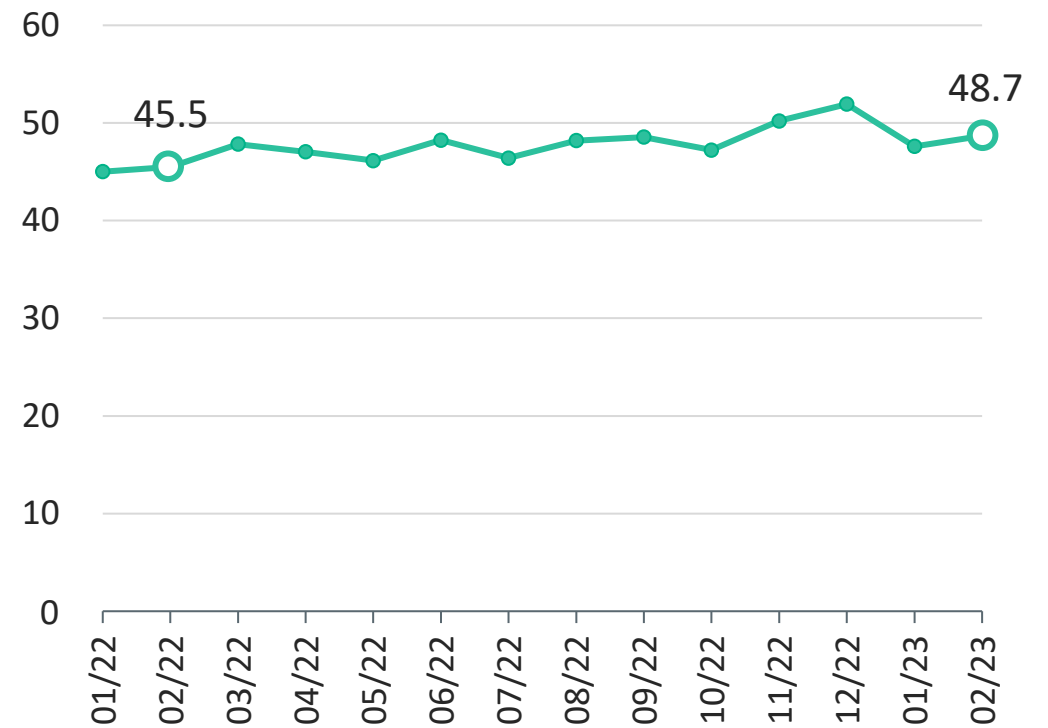
- In January–February, about 1.5 (1.2) million electric vehicles were sold worldwide, which is about 25% more than in the corresponding period in 2022.
- 771,527 electric vehicles were sold in China. Sales increased by 17% compared to January–February 2022.
- Total sales in the US and Canada were 208,742 electric vehicles. Compared to January–February 2022, sales grew by 71%.
- In Europe, 335,330 electric vehicles were sold. Sales grew by 6.2% from the corresponding period.

» Share of NMC 811 and LFP have increased in EV batteries

Monthly weighted average EV battery cathode chemistry, GWh



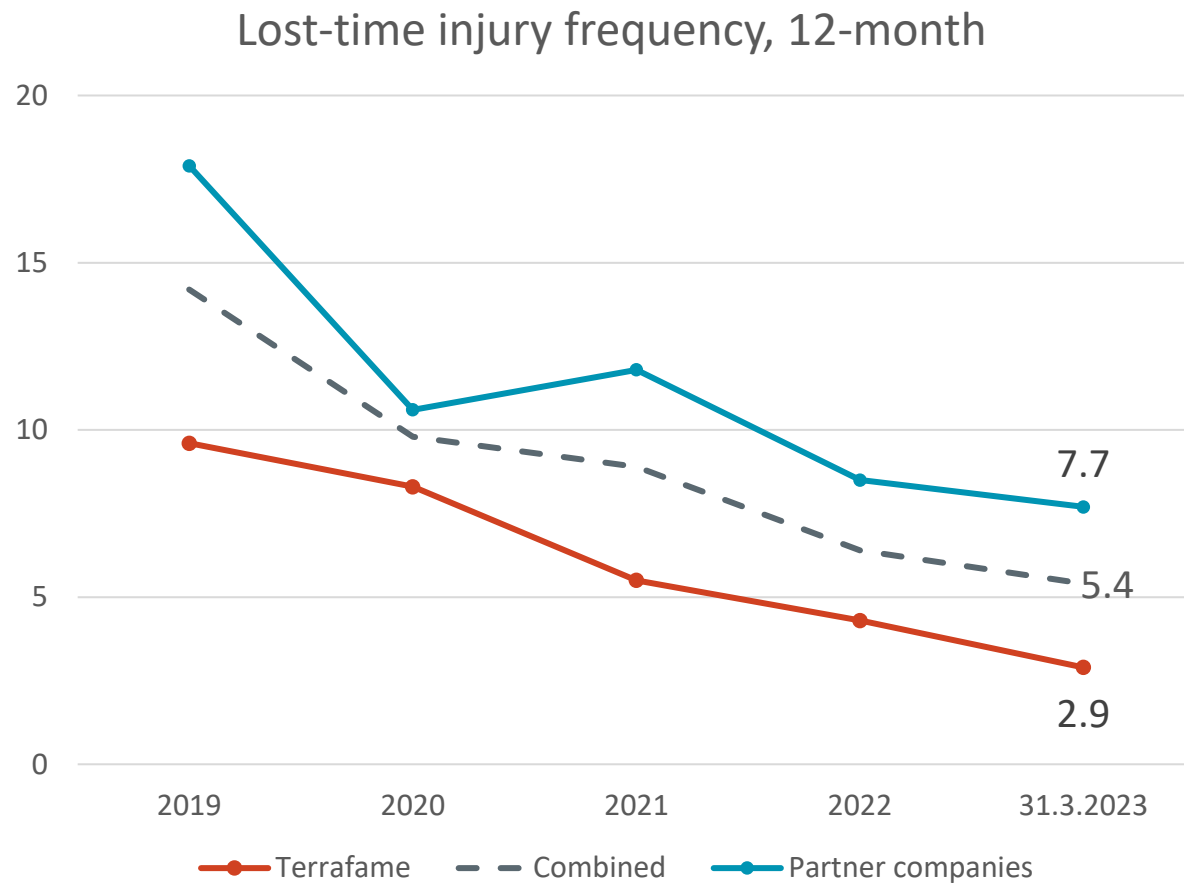
Sales weighted average EV battery pack size, kWh



A photograph of a field of tall, golden-brown grasses, likely a meadow or prairie, under a clear blue sky. The grasses are in sharp focus in the foreground, with some blurred in the background. A white rectangular box is overlaid on the left side of the image, containing text.

**» Sustainability as a
competitive advantage**

»» The positive development of occupational safety continued



Our target: 0 accidents

»» Terrafame's environmental impacts are widely monitored

- Terrafame has its own environmental monitoring programme. In addition, external experts conduct environmental monitoring in accordance with the monitoring programme approved by the authority.
- Monitoring includes, for example, water emissions, surface and groundwater, air emissions and dust deposition both in the mining district and in a very large area outside it.
- Environmental monitoring provides valuable information not only to Terrafame, but also to the authorities and near-by residents. Based on the monitoring, the implementation of the conditions of the environmental permit is verified, among other things.



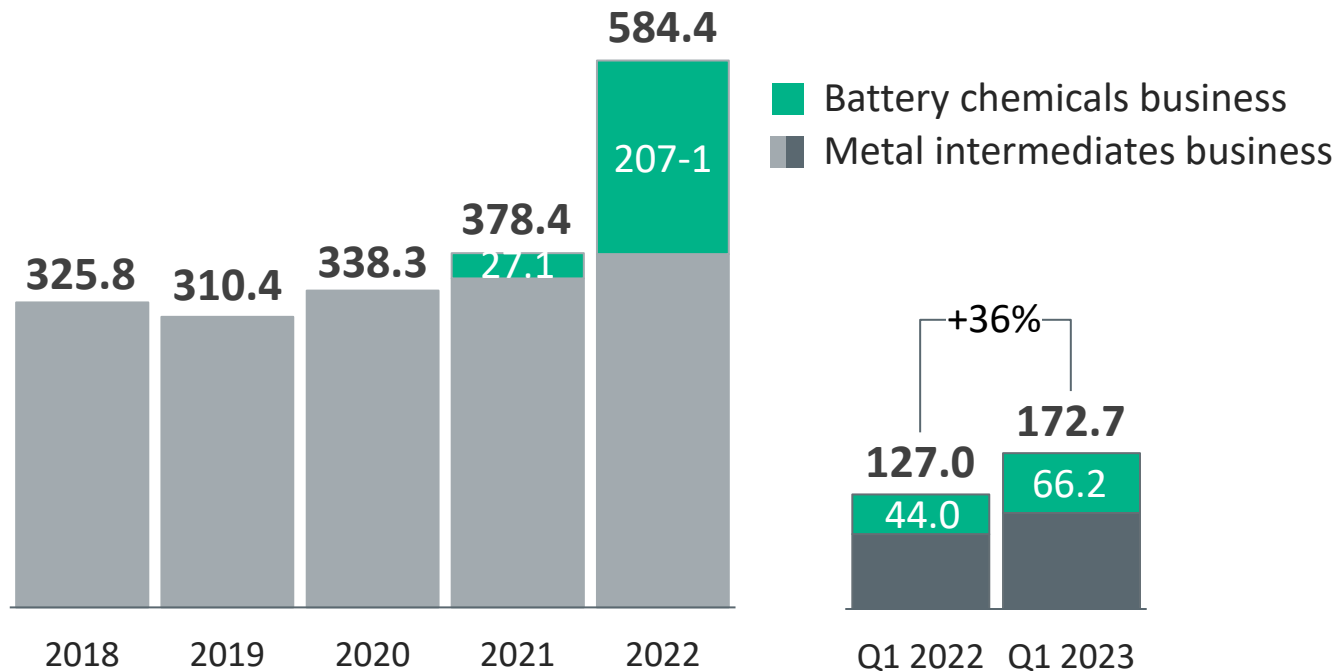
The reports are available in Finnish at www.terrafame.fi > Naapureille > [Ympäristötarkkailu-raportit](#).



» **Financially
solid company**

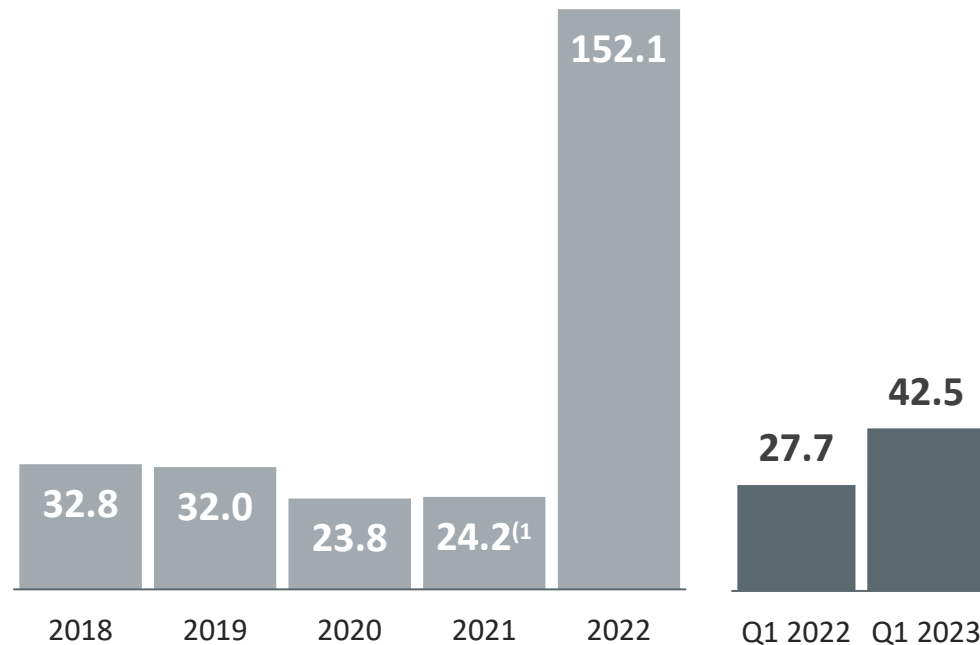
» Battery chemicals business accounted for 38% of the company's total net sales in January-March 2023

Net sales, EUR million

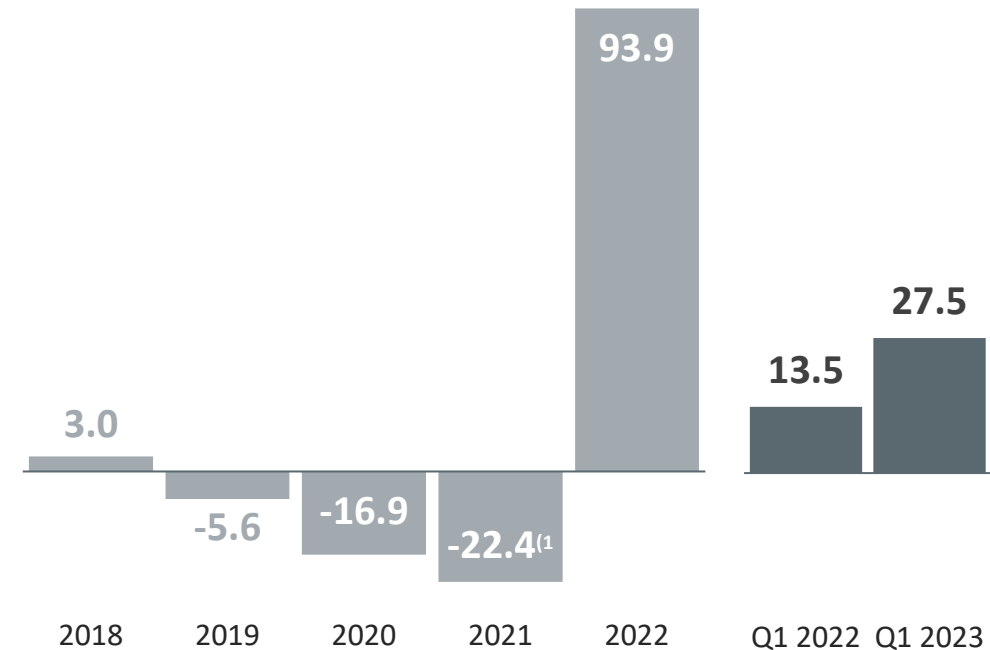


>> EBITDA and operating profit increased compared with January-March 2022

EBITDA, EUR million



Operating result, EUR million



1) Excl. non-recurring items. The increase in the environmental reserve in Q4/2021 reduced EBITDA and operating income by EUR 72.9 million. Reported EBITDA for 2021 was EUR -48.8 million and operating income was EUR -95.3 million.

>> Key figures in brief

	Q1 2023	Q1 2022	Change	2022
Net sales, EUR million	172.7	127.0	36%	584.4
Battery chemicals business	66.2	44.0	50%	207.1
Metal intermediates business	106.5	83.0	28%	377.3
EBITDA, EUR million	42.5	27.7	53%	152.1
Operating result, EUR million	27.5	13.5	104%	93.9
Free cash flow, EUR million⁽¹⁾	11.9	-23.7	n.a.	9.8
Total capital expenditure, EUR million	22.6	17.7	28%	83.0

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

»» Outlook for 2023

- The ramp-up of production at the battery chemicals plant continues.
- The price development of base metals and battery chemicals involves considerable uncertainty.
- The development of operational efficiency and occupational safety continues in accordance with the principles of continuous improvement (Operational Excellence).
- Terrafame continues recruitment related to the decision made in late 2022 on an investment of around EUR 20 million to start uranium recovery by the summer of 2024.





Terrafame

**Enhancing low-carbon
mobility with responsible
battery chemicals.**

www.terrafame.com

