

Terrafame's net sales increased in July–September 2025, EBITDA weakened by low prices and exchange rate fluctuations

The financial information presented about Terrafame Ltd in this media release consists of unaudited IFRS figures. The figures in brackets refer to the corresponding period in the previous year unless otherwise stated.

July–September 2025 in brief

- Net sales were EUR 140.3 (104.8) million, representing an increase of 33.9% year-on-year.
- Net sales from the battery chemicals business totalled EUR 48.4 (32.6) million, or 34.5% (31.1) of the company's net sales. Net sales growth was supported by an increase in delivery volumes, despite a longer maintenance shutdown at the battery chemicals plant in August–September. Net sales were negatively affected by lower market prices compared to the comparison period and a weakened US dollar.
- Net sales from the metal intermediates business increased by 27.3% to EUR 91.9 (72.2) million, driven by higher production volumes. Lower market prices compared to the comparison period and a weakened US dollar exchange rate had a negative impact on net sales.
- EBITDA was EUR 10.0 (12.7) million, or 7.1% (12.1) of net sales. EBITDA was weakened by lower market prices of nickel sulphate and metals compared to the comparison period and unfavourable exchange rate fluctuations, despite increased production and delivery volumes and improved cost efficiency.
- Operating cash flow¹ was EUR 42.4 (-1.3) million. Cash flow increased due to good net working capital management.

January–September 2025 in brief

- Net sales were EUR 373.9 (350.8) million, representing an increase of 6.6% year-on-year.
- Net sales from the battery chemicals business totalled EUR 155.9 (97.6) million, or 41.7% (27.8) of the company's net sales. The increase in delivery volumes boosted net sales, despite a longer maintenance shutdown at the battery chemicals plant in August–September. Net sales were negatively affected by lower market prices of nickel sulphate compared to the comparison period and a weakened US dollar.

- Net sales from the metal intermediates business decreased by 13.9% to EUR 218.0 (253.2) million. Lower market prices compared to the comparison period and a weakened US dollar exchange rate had a negative impact on net sales.
- EBITDA was EUR 35.5 (50.2) million, or 9.5% (14.3) of net sales. EBITDA was weakened by lower market prices of nickel sulphate and metals, unfavourable exchange rates and high waste rock extraction volumes. EBITDA was positively affected by increased production volumes of nickel and zinc, higher delivery volumes of battery chemicals and improved cost efficiency.
- Operating cash flow¹ increased to EUR 74.9 (46.7) million due to good net working capital management.
- The total lost-time injury frequency rate on the industrial site was 2.4² (5.1), the lowest in Terrafame's history.

Key figures

EUR million	7-9/2025	7-9/2024	Change	1-9/2025	1-9/2024	Change	1-12/2024
Net sales	140.3	104.8	33.9%	373.9	350.8	6.6%	544.5
Battery chemicals business	48.4	32.6	48.5%	155.9	97.6	59.7%	196.7
Metal intermediates business	91.9	72.2	27.3%	218.0	253.2	-13.9%	347.8
EBITDA	10.0	12.7	-21.3%	35.5	50.2	-29.3%	66.3
Operating result	-17.6	-14.3	n.a.	-41.7	-11.0	n.a.	-12.6
Operating cash flow ¹	42.4	-1.3	n.a.	74.9	46.7	60.5%	69.2
Total capital expenditure	47.2	49.0	-3.8%	101.2	183.8	-44.9%	211.1
Sustaining capital expenditure	34.2	41.8	-15.5%	73.5	134.3	-45.3%	159.6
Investments in productivity improvement and capacity growth	13.0	7.2	80.6%	27.7	49.5	-44.0%	51.5

	30 Sept 2025	30 Sept 2024	Change	31 Dec 2024
Shareholders' equity, EUR million	647.2	734.5	-11.9%	733.9
Work in progress, EUR million	278.3	271.5	2.5%	269.7
Balance sheet total, EUR million	1,433.5	1,387.5	3.3%	1,451.9
Own personnel, FTE	816	826	-1.2%	793
Partner companies' personnel on average on review period, FTE	1,188	1,402	-15.3%	1,217
Total lost-time injury frequency rate, 12-month LTIFR1 ²	2.4	5.1	-52.9%	4.9
Own personnel	2.8	4.4	-36.4%	5.2
Partner companies' personnel	2.1	5.5	-61.8%	4.7

1) Operating cash flow = EBITDA - change in net working capital (incl. advance payments) 2) LTIFR1 = The number of occupational accidents leading to an absence of at least one day per million hours worked, rolling 12 months.

The figure for the full year 2024 was corrected in the January-June 2025 results publication on 18 July 2025.

CEO Antti Koulumies

Global sales of electric vehicles have continued to grow, driven by China and Europe, despite market uncertainties and geopolitical turbulence. This trend positively impacted Terrafame's net sales from battery chemicals, even with declining sales prices and a weaker US dollar. However, it should be noted that much of this growth has focused on nickel-free batteries.

The global nickel and nickel sulphate markets, which are important for Terrafame, are showing signs of oversupply. As a result, market prices for nickel and nickel sulphate were lower during the review period than in the comparison period, although the decline appears to have stabilised during the year. This imbalance stems from a significant increase in capacity in recent years, particularly in Asia. Meanwhile, the market situation for our other products, such as zinc, remained fairly stable during the third quarter.

In the third quarter, Terrafame's net sales grew significantly, driven by increased delivery and production volumes of both battery chemicals and metal intermediates. This growth was achieved despite a longer shutdown at the battery chemicals plant, a decision prompted by the narrowing price difference between nickel sulphate and nickel intermediate. EBITDA was weakened by lower metal prices compared to the comparison period and by adverse exchange rate fluctuations, and the operating result remained clearly negative. We continue to enhance the efficiency of our operations to ensure sustainable operations in the current market situation, which we do not expect to improve in the near future.

In the third quarter, our personnel and partners continued their excellent work on our cash flow and profitability improvement programme. Through this programme, we have achieved annual savings of around EUR 50 million in areas such as procurement, mining efficiency, and net working capital management. The results were also reflected in our operating cash flow, which improved significantly in the third quarter. The programme's positive impact on our results is expected to grow further in the final quarter of this year and during 2026.

However, it is important to state that the hard work invested in Terrafame's profitability programme is at risk of being undermined if the Finnish government decides to implement the proposed increase in the mining tax and the change in the electricity tax class for mines.

Based on current information, these measures would impose additional annual costs of around EUR 25-30 million for Terrafame. These costs, combined with the challenging market situation, would affect on the company's profitability. As the mining tax is directly tied to extraction volumes, Terrafame is evaluating the possibility of temporarily reducing mining volumes in order to optimise cash flow and mitigate the tax impact. The tax changes would also jeopardise our ability to finance necessary future investments on market terms. Furthermore, the tax changes would conflict with the EU's goal of strengthening Europe's self-sufficiency in raw materials that are essential for the economy and the clean transition.

The systematic development of our safety culture, with continued emphasis on proactive safety work, has yielded good results. We achieved the lowest lost-time injury frequency rate in Terrafame's history for both our own personnel and the employees of our partner companies. Of course, we still have some way to go to reach our long-term goal of a zero-accident work community.

In September, the Supreme Administrative Court (SAC) conducted a judicial examination of the industrial site in connection with the appeal concerning the decisions of the Vaasa Administrative Court

(VAC). While the interim decision we received from the SAC in June has made production planning easier and allowed us to proceed with the significant ongoing investments as planned, it is essential for our future that the SAC overturns the VAC's decisions in its final ruling. We have presented compelling grounds for this in our application for leave to appeal.

I started as CEO of Terrafame at the beginning of September, and together with the Terrafame team, our task is to guide the company into its next phase of development. The company is currently in a challenging situation – our primary goal is to achieve financially sustainable operations even in the current market conditions. However, in the longer term, Terrafame's ore deposit holds significant untapped potential.

We will provide more details on our updated strategy later this year. Currently, we are analysing our operational logic to maximise the value extracted from our raw material while also planning options for future growth, that will enable Terrafame to meet Europe's need for critical minerals long into the future. Our starting point – one of the smallest carbon footprints in our industry and our position as Europe's largest nickel producer – is good. I am convinced that together we will find the right solutions and the strategic path forward.

Market environment

Electric vehicle and battery markets

According to Rho Motion's Monthly EV Battery Chemistry Assessment report, a total of around 12.53 (9.96) million electric passenger cars and light commercial electric vehicles were sold worldwide in January–August 2025, representing an increase of around 25.8% from the corresponding period in 2024. The growth was driven especially by China, but sales also developed well in other markets. Growth was slower only in North America.

Sold electric passenger cars and light commercial electronic vehicles

Million pcs	1–8/2025	1–8/2024	Change, %	2024
China	7.65	6.09	25.7	11.0
North America	1.27	1.20	5.8	1.90
Europe	2.59	2.0	31.3	3.19
Asia	0.69	0.45	53.0	0.74
Other countries	0.33	0.25	32.3	0.39
Total	12.53	9.96	25.8	17.2

Source: Rho Motion Monthly EV Battery Chemistry Assessment. The figures for 2024 have been updated.

Manufacturers of battery cells and cathode materials have announced investments in giga factories that will strengthen the European and North American battery markets. As stated in the Terrafame's January–June 2025 review, some of the projects have progressed more slowly than previously anticipated. According to Rho Motion, the global sales of electric vehicles are expected to continue to increase in 2025, albeit at a slightly more moderate pace than in 2024. Sales are expected to increase by around 24% to 21.9 million cars.

The electric vehicle battery market is clearly divided between high-nickel-content NCM batteries and LFP batteries. In January–August 2025, 5.3 (4.9) million electric vehicles utilising NCM battery technology were sold. Sales increased by 7.9% compared to the comparison period. Sales of electric vehicles utilising LFP battery technology increased by approximately 49% to 6.6 (4.5) million cars sold.

(Source: Rho Motion Monthly EV Battery Chemistry Assessment)

Nickel market

The price of nickel on the London Metal Exchange (LME) in January–September 2025 was lower than in the comparison period. The average market price was 15,252 (17,089) USD/t, which was 10.7% lower than in January–September 2024.

In July–September 2025, the average market price of nickel was 15,015 (16,562) USD/t, which was 7.7% lower than a year earlier. Compared with the second quarter of 2025, the average market price of nickel decreased by 1.0%.

The price of nickel sulphate (SPOT China) also fell, and the average price in January–September 2025 was 15,140 (16,031) USD/t, which was 5.6% lower than in January–September 2024. In July–September 2025, the average market price of nickel sulphate was 15,318 (15,562) USD/t, which was 1.6% lower than a year earlier. Compared to the second quarter of 2025, the average market price of nickel sulphate remained almost unchanged. The spot price (SPOT China) of nickel sulphate has not been linked to the LME price since 2022.

The total combined nickel stocks on LME and the Shanghai Futures Exchange (SHFE) at the end of September 2025 were 260,512 tonnes, which was approximately 66 per cent higher than at the end of the corresponding period in 2024 (156,682). The stocks at the end of September 2025 were 14% lower than at the end of the previous quarter (228,604). The stock level at the end of September 2025 corresponded to demand for 4 weeks (2).

Net sales and financial performance

July–September 2025

Net sales were EUR 140.3 (104.8) million, representing an increase of 33.9% year-on-year. Net sales growth was driven by higher delivery and production volumes of battery chemicals and metal intermediates. Net sales were negatively affected by lower prices of nickel sulphate and metals compared to the comparison period, as well as the weakening of the US dollar against the euro.

Net sales from the battery chemicals business totalled EUR 48.4 (32.6) million, or 34.5% (31.1) of the company's net sales. Net sales from the metal intermediates business totalled EUR 91.9 (72.2) million.

EBITDA was EUR 10.0 (12.7) million, or 7.1% (12.1) of net sales. The operating result was EUR -17.6 (-14.3) million. The lower market prices for nickel sulphate and metals had a negative effect on EBITDA and the operating result, although price hedging softened the impact. In addition, profitability was weakened by adverse exchange rate fluctuations. Increased production and delivery volumes and improved cost efficiency were not enough to compensate for the impact of the above-mentioned factors that weakened EBITDA.

Operating cash flow* increased to EUR 42.4 (-1.3) million due to good net working capital management.

*Operating cash flow = EBITDA - change in net working capital (incl. advance payments)

January–September 2025

Net sales were EUR 373.9 (350.8) million, representing an increase of 6.6% year-on-year. Net sales growth was driven by higher delivery volumes of battery chemicals. Net sales were negatively affected by lower prices of nickel sulphate and metals compared to the comparison period, as well as the weakening of the US dollar against the euro.

Net sales from the battery chemicals business totalled EUR 155.9 (97.6) million, or 41.7% (27.8) of the company's net sales. Net sales from the metal intermediates business totalled EUR 218.0 (253.2) million.

EBITDA was EUR 35.5 (50.2) million, or 9.5% (14.3) of net sales. The operating result was EUR -41.7 (-11.0) million. EBITDA and the operating result were weakened by lower market prices of nickel sulphate and metals, although price hedging softened the impact of lower sales prices on net sales and the result. EBITDA was also affected by higher waste rock extraction volumes compared to the previous year. In 2024, permit restrictions limited the extraction of waste rock. In addition, profitability was weakened by adverse exchange rate fluctuations. The increased delivery volumes of battery chemicals, increase in work-in-progress inventory and improved cost efficiency had a positive impact on EBITDA. The operating result was also affected by increased depreciations due to significant investments.

The net sales and result for the comparison period were negatively affected by the approximately two-month halt of the battery chemicals plant operations due to political strikes and a maintenance shutdown.

Operating cash flow* increased to EUR 74.9 (46.7) million due to good net working capital management.

*Operating cash flow = EBITDA - change in net working capital (incl. advance payments)

Key events in July–September 2025

Antti Koulumies appointed as new CEO of Terrafame

Terrafame has initiated an update of its strategy, and as part of this, the Board of Directors decided to strengthen the company's management system. Consequently, on 25 July 2025, the Board appointed Antti Koulumies as the new CEO of Terrafame, effective 1 September 2025. The company's former CEO, Seppo Voutilainen, moved to the new role of Chief Operating Officer as of 1 September. Voutilainen will continue as a member of Terrafame's Leadership Team, reporting to Koulumies.

Terrafame initiated change negotiations on temporary layoffs in the battery chemicals business

On 1 August 2025, Terrafame announced that it would initiate change negotiations concerning the personnel of the battery chemicals plant and other functions closely connected to the plant on production-related and financial grounds. In addition to possible layoffs, the negotiations also covered possible temporary changes to job descriptions and working hours, for example.

A total of 120 Terrafame hourly-paid, salaried and senior salaried employees were in the scope of the negotiations. The potential need for layoffs was up to 90 days. The extent and duration of the possible layoffs depended on the development of the battery chemicals market.

The change negotiations ended in mid-August, and as a result, some of the personnel were temporarily laid off. The majority of the employees covered by the change negotiations could be offered other job duties in different parts of the organisation.

Terrafame reorganises its management structure

On 19 September 2025, Terrafame announced that it is reorganising its management structure. As of 1 October 2025, Terrafame will have a company Leadership Team, which will focus on leading the company's business and implementing its strategy, and a new Operations Leadership Team, which will focus on the management of mining operations as well as metals and chemicals production. The changes are related to Terrafame's ongoing strategy update process.

Terrafame's Leadership Team as of 1 October 2025:

Antti Koulumies, CEO

Ville Sirviö, Chief Financial Officer

Seppo Voutilainen, Chief Operating Officer

Sander de Leeuw, Chief Commercial Officer

Heini Rötsä, Chief People and Governance Officer

Veli-Matti Hilla, Chief Sustainability Officer

Kolmisoppi project page reports on the progress

At the end of July, Terrafame launched the Kolmisoppi project page at www.terrafame.com/kolmisoppi-project. The progress of the project will be followed on the page until the start of mining.

Kolmisoppi, the second, as-yet unexploited ore deposit located in Terrafame's mining concession, was granted strategic project status under the EU's Critical Raw Materials Act in March 2025.

Shares and shareholders

Terrafame has one series of shares. At the end of September 2025, the company had 5,968,655 (5,968,655) shares. Its share capital was EUR 2.0 (2.0) million, and its shareholders' equity was EUR 647.2 (734.5) million.

At the end of September 2025, Finnish Minerals Group, a special-assignment company of the state of Finland, owned 56.1% (56.1), Galena funds 39.4% (39.4) and Mandatum owned 4.5% (4.5) of Terrafame.

Finnish Minerals Group's holding may decrease to no lower than 50.1% in the future if Galena funds and Mandatum exercise all their option rights. In such a case, the holding of Galena funds would be around 45.0% and the holding of Mandatum around 5.0%.

Governance

Terrafame's Annual General Meeting (AGM) was held on 25 March 2025. The AGM adopted the financial statements for 2024, decided on profit distribution in accordance with the Board of Directors' proposal and discharged the members of the Board and the CEO from liability.

The AGM confirmed the number of Board members as six. Matti Hietanen, Julian Sanchez, Peter Schuhmacher and Jyrki Vainionpää were re-elected as Board members, while Patrick Burke and Markku Teräsvasara were elected as new Board members, the latter as of 15 May 2025. Markku Teräsvasara was elected as Chair of the Board as of 15 May 2025 and Matti Hietanen as Vice Chair, with the latter

acting as Chair of the Board until 14 May 2025. Lauri Ratia, Jesus Fernandez and Riitta Mynttinen had previously announced that they were not available to be elected as members of the Board.

The AGM decided to keep the Board members' fees unchanged. The annual fee for the Chair of the Board is EUR 72,000. The annual fee for each member of the Board is EUR 36,000. In addition, the Chair and members of the Board are paid EUR 600 for each Board meeting or Board committee meeting they attend.

KPMG Oy Ab, Authorised Public Accountants, was elected as the auditor, with APA Toni Aaltonen as the principal auditor.

Terrafame's Extraordinary General Meeting was held on 30 April 2025. The EGM confirmed the number of Board members as seven and elected Markus Mannström as a new member of the Board.

Personnel and partner network

Around 2,000 people work regularly on Terrafame's industrial site. Terrafame had 816 (826) full-time equivalent employees (FTE) at the end of September 2025.

An average of 1,188 (1,402) people (FTE) employed by contractors and subcontractors worked on the industrial site during the review period. Terrafame has transferred some work ordered previously from partners to its own personnel as part of the implementation of the cash flow and profitability improvement programme.

Permits

Kolmisoppi project

On 20 June 2022, Terrafame announced that it had submitted its environmental permit application for the exploitation of Kolmisoppi and the expansion of the mining concession to the Regional State Administrative Agency for Northern Finland (PSAVI). Kolmisoppi, which remains unexploited, is the second ore deposit located in Terrafame's mining concession. Including Kolmisoppi, Europe's largest nickel ore reserves are located in Terrafame's mining concession in Sotkamo. In addition to nickel, also zinc, cobalt, copper and uranium are recovered from the ore. Since 2021, nickel and cobalt have been processed into battery chemicals at the company's battery chemicals plant for use in electric car batteries.

On 17 February 2023, the Regional State Administrative Agency for Northern Finland decided to not process the Kolmisoppi project permit application. A key obstacle to processing the permit application in accordance with the scope of the application submitted in June 2022 was the fact that the procedure to deviate from the objectives of the water management plan requires a legislative amendment, which was still under preparation when the permit application was submitted. The legislative amendment entered into force from the beginning of the year 2025.

Terrafame decided to change the Kolmisoppi project plans so that the project will proceed in two phases. In the first phase, the company will apply for a permit to exploit the ore deposit in the Kolmisoppi land area, with mining scheduled for 2028–2033. The first-phase permit application was submitted to the Regional State Administrative Agency for Northern Finland in the summer of 2023, and a decision on this phase is expected from PSAVI in November 2025. In the second phase, Terrafame will apply for a permit to expand the mine into a water area to be drained, with mining planned to begin in

the 2030s. The permit for water area expansion will be submitted to the Regional State Administrative Agency for Northern Finland at the end of 2025.

In August 2024, Terrafame applied for a strategic status for the Kolmisoppi ore deposit as part of a supply chain that complies with the EU's Critical Raw Materials Act (CRMA). The Kolmisoppi project was granted strategic project status by the European Commission on 25 March 2025. The status was granted to the Kolmisoppi project in full, including the water area excavation. The strategic project status will ensure that permitting processes proceed according to the set deadlines.

Environmental and water permit and waste rock area KL1

In December 2024, Terrafame received two final decisions from the Vaasa Administrative Court (VAC), one of which concerns the environmental and water permit covering all of Terrafame's operations, i.e. the main permit, and the other concerns the KL1 waste rock area. The Regional State Administrative Agency for Northern Finland gave a permit decision on the main permit in 2022 and a permit decision on the KL1 waste rock area in 2023. In January 2024, the VAC passed interim decisions on the abovementioned permits, restricting the ore and waste rock extraction volumes, among other things.

In its decisions, the VAC confirmed the increase in the ore extraction volume to 18 million tonnes per year, approved earlier by the Regional State Administrative Agency for Northern Finland, but restricted the waste rock extraction volume to 30 million tonnes per year. In its own decision, the Regional State Administrative Agency for Northern Finland had approved an increase in the waste rock extraction volume from 30 million tonnes to 45 million tonnes per year. The VAC's decisions partly restrict the construction and use of the new secondary leaching area SEK5-8 and the new waste rock area KL1.

On 27 January 2025, Terrafame announced that it has sought leave to appeal in the Supreme Administrative Court (SAC) regarding the decisions issued by the Vaasa Administrative Court (VAC) in December 2024. Additionally, Terrafame requested the SAC to issue an interim decision regarding key restrictions on operations.

In June 2025, the SAC issued interim decisions to Terrafame regarding the decisions issued by the VAC in December 2024. The interim decision concerns the enforcement of the VAC's decisions during the processing of the appeal. In its interim decision, the SAC raised the waste rock extraction volume to 35 million tonnes per year for the duration of the proceedings. In addition, the SAC permits the construction of blocks 5-6 of the secondary leaching area SEK5-8 and block 2 of the waste rock area KL1 during the proceedings, in accordance with the permit granted by the Regional State Administrative Agency for Northern Finland. These blocks may not be commissioned before the SAC's final decision.

The SAC conducted a judicial examination at the industrial site in September 2025. The company expects the SAC's final decision at the end of 2025 or at the beginning of 2026.

Closure structures

In June 2025, the Regional State Administrative Agency for Northern Finland (PSAVI) issued two permit decisions on the closure structures of Terrafame's waste rock areas KL1 and KL2. The company has been preparing for the closure of decommissioned production and waste areas for years alongside its active production operations and submitted a comprehensive closure plan to PSAVI at the end of 2024.

In its permit decisions, PSAVI approved the closure structures presented by Terrafame for the most part, with the exception of the protective and growth layer above the liner structure, where PSAVI increased its thickness.

In addition, PSAVI issued a permit decision which enables the disposal of the old water treatment sludge in the industrial site in geotubes in their current location.

Key events after the financial period

Terrafame had no significant events after the review period.

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 safety at work, operational efficiency and profitability will continue.

Further information

CEO Antti Koulumies, Terrafame Ltd, tel. +358 20 7130 800 (switchboard),
antti.koulumies(at)terrafame.fi

A Finnish-language webcast will be held on 23 October 2025 at 12:00 noon EEST. At the event, Antti Koulumies, CEO of Terrafame, and Ville Sirviö, CFO, will discuss the company's performance. The webcast can be followed live at terrafame.videosync.fi/q3-2025. Questions can be submitted using the form at the bottom of the page.

Terrafame enhances low-carbon mobility by delivering responsibly produced battery chemicals to the global battery industry. One of the world's largest production lines for chemicals used in electric vehicle batteries is located on Terrafame's industrial site. The plant is capable of producing nickel sulphate for around 1 million EVs per year. The carbon footprint of the nickel sulphate produced by Terrafame is among the smallest in the industry.

Terrafame's integrated, unique and energy-efficient production process from the mine to battery chemicals is located on a single industrial site. It provides customers with a transparent, traceable and truly European battery chemical supply chain.

Terrafame Ltd was founded in 2015. Its net sales in 2024 were EUR 544.5 million. Around 2,000 people work on its industrial site, approximately 1,200 of whom are employees of partner companies.