

# » Business Review January-December 2025

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**Terrafame**

# » January–December 2025 in brief

- The market environment continued to be challenging for battery chemicals, and the price of nickel fluctuated greatly.
- Terrafame's year ended operationally on a positive note: production volumes exceeded expectations and occupational safety was at a record good level.
- Cost-efficiency improved during the year as a result of the cash flow and profitability development programme. The programme's impact is expected to increase further during the current year as the company continues to implement its development measures.
- Cash flow after investments was still negative.
- The implementation of the revised strategy has begun rapidly.





# Terrafame

Our strategy for  
2026–2030  
is to first adapt  
and then grow

We will redesign the production logic of our metal intermediate products to improve cash flow

We will reduce the production costs of battery chemicals to ensure profitability

We will create new products to build the foundation for the future

# » Terrafame 2025: EBITDA increased despite a challenging market

Net sales 1–12/2025

**EUR 556.1 million**

1–12/2024 EUR 544.5 million

Net sales of battery  
chemicals business 1–12/2025

**EUR 197.0 million**

1–12/2024 EUR 196.7 million

**35%** of total net sales 2025

EBITDA 1–12/2025

**EUR 79.5 million**

1–12/2024 EUR 66.3 million

Operating cash flow\* 1–12/2025

**EUR 98.9 million**

1–12/2024 EUR 69.2 million

Total capital expenditure  
1–12/2025

**EUR 134.7 million**

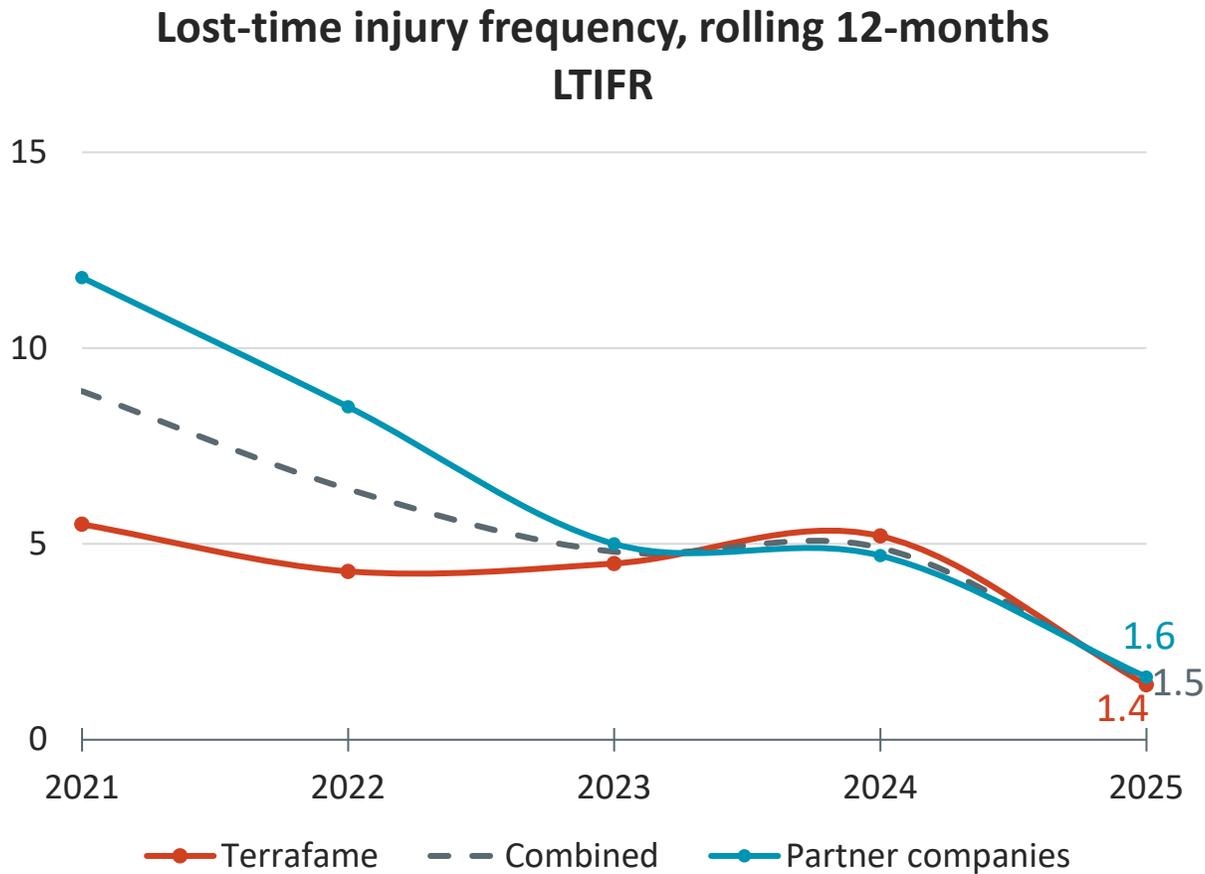
1–12/2024 EUR 211.1 million

\*Operating cash flow = EBITDA - change in net working capital (incl. advance payments EUR 44.3 million)

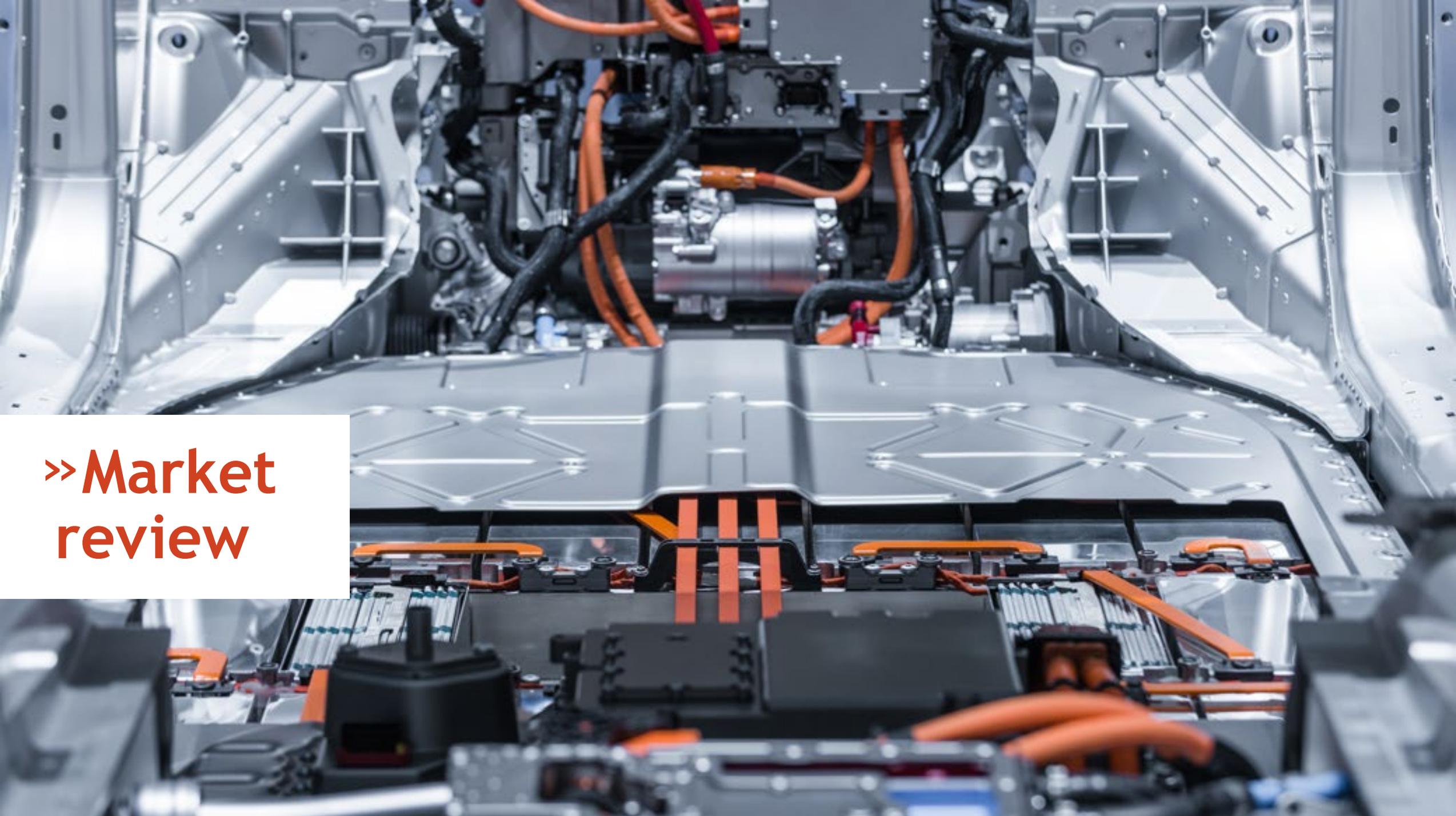
Terrafame Ltd's financial information is unaudited IFRS figures. Figures in parentheses refer to the corresponding period in the previous year, unless otherwise stated.



# » Occupational safety at a record-breaking level



At 31 December 2025, Terrafamen employed **887** (793) people and an average of **956** (1,217) people employed by partner companies worked in the industrial area during the review period (FTE).

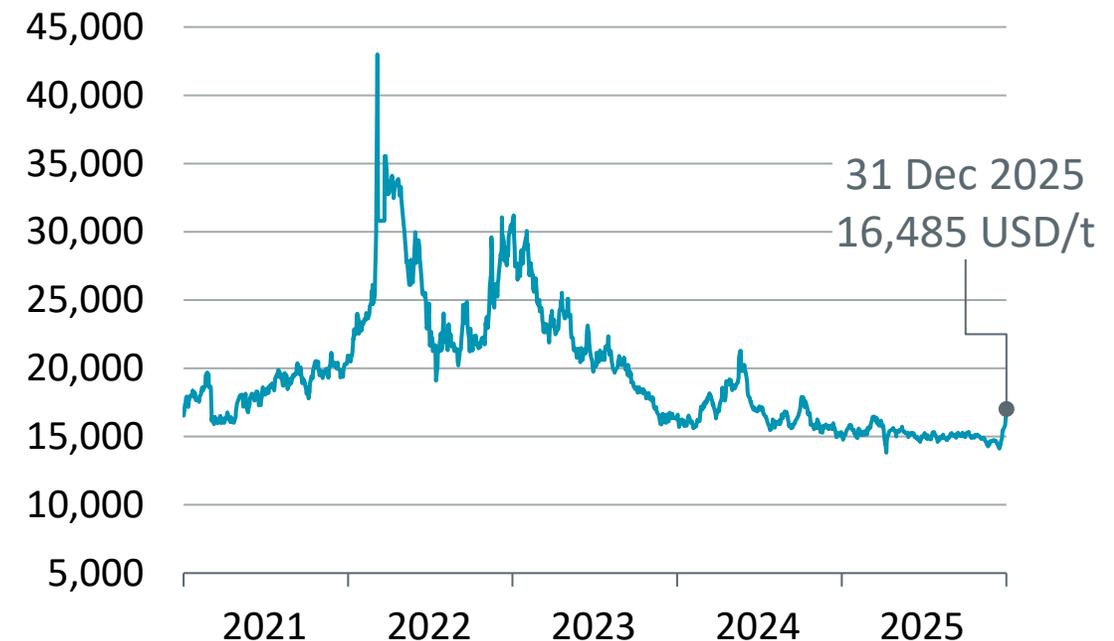


» **Market  
review**

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

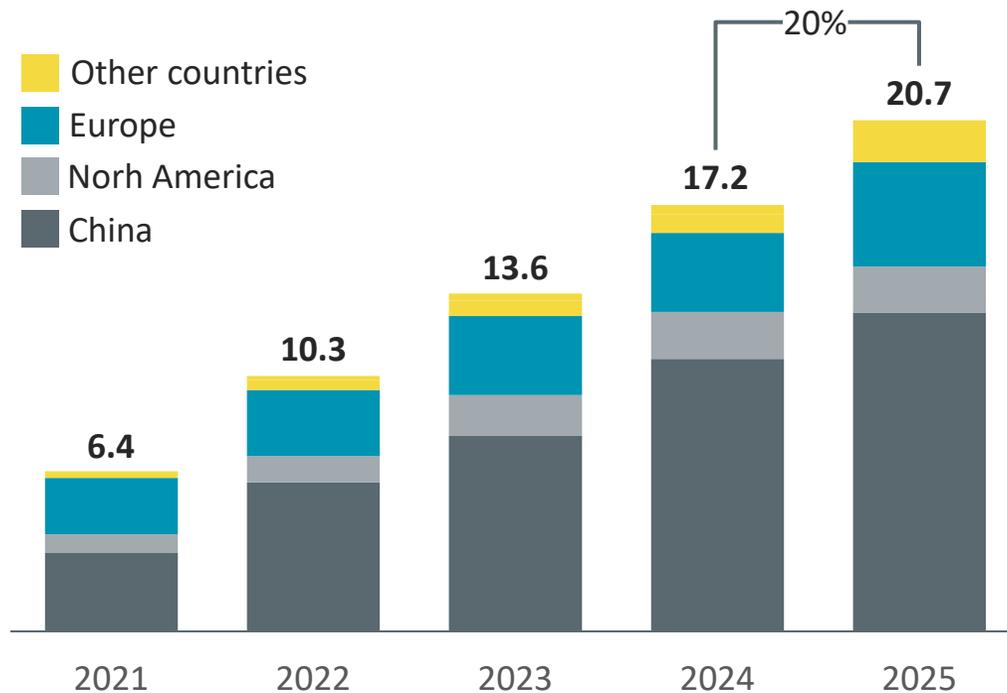
Price USD/t	10–12 2025	10–12 2024	Change	1–12 2025	1–12 2024	Change
Nickel LME Cash	<b>14,892</b>	16,038	-7.1%	<b>15,160</b>	16,812	-9.8%
Nickel sulphate SPOT China	<b>15,774</b>	14,936	5.6%	<b>15,301</b>	15,735	-2.8%
<b>Currency exchange rate USD/EUR</b>	<b>1.16</b>	1.07	8.4%	<b>1.13</b>	1.08	4.6%

Nickel price development, USD/t  
Daily LME price



# » Global sales of EVs increased by about 20 % compared to 2024

Global EV sales, million pcs



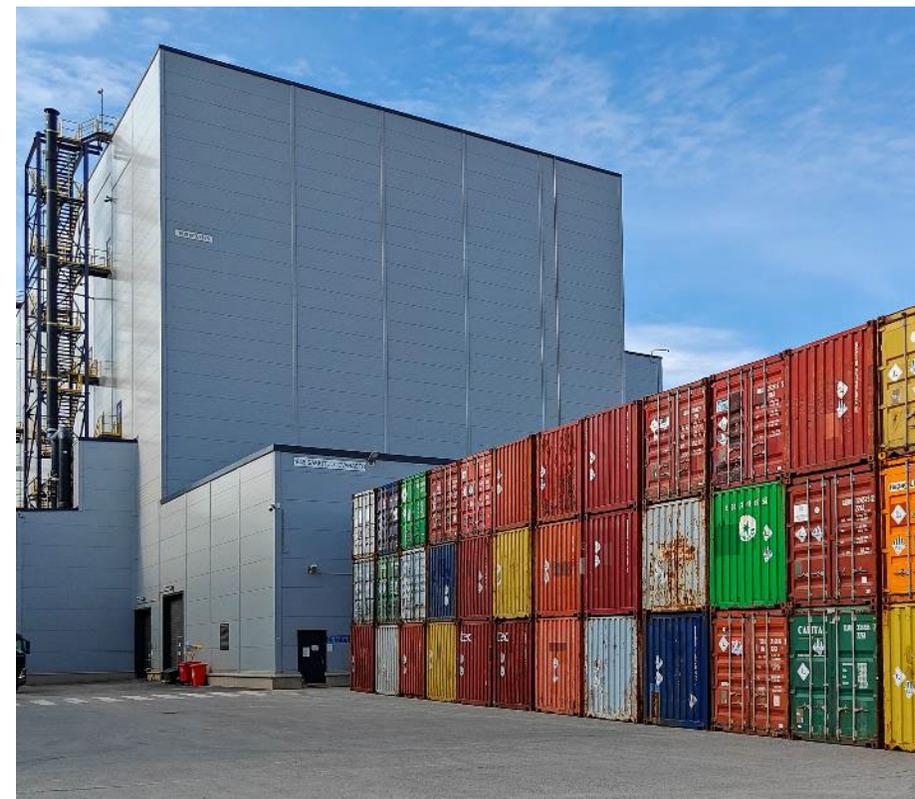
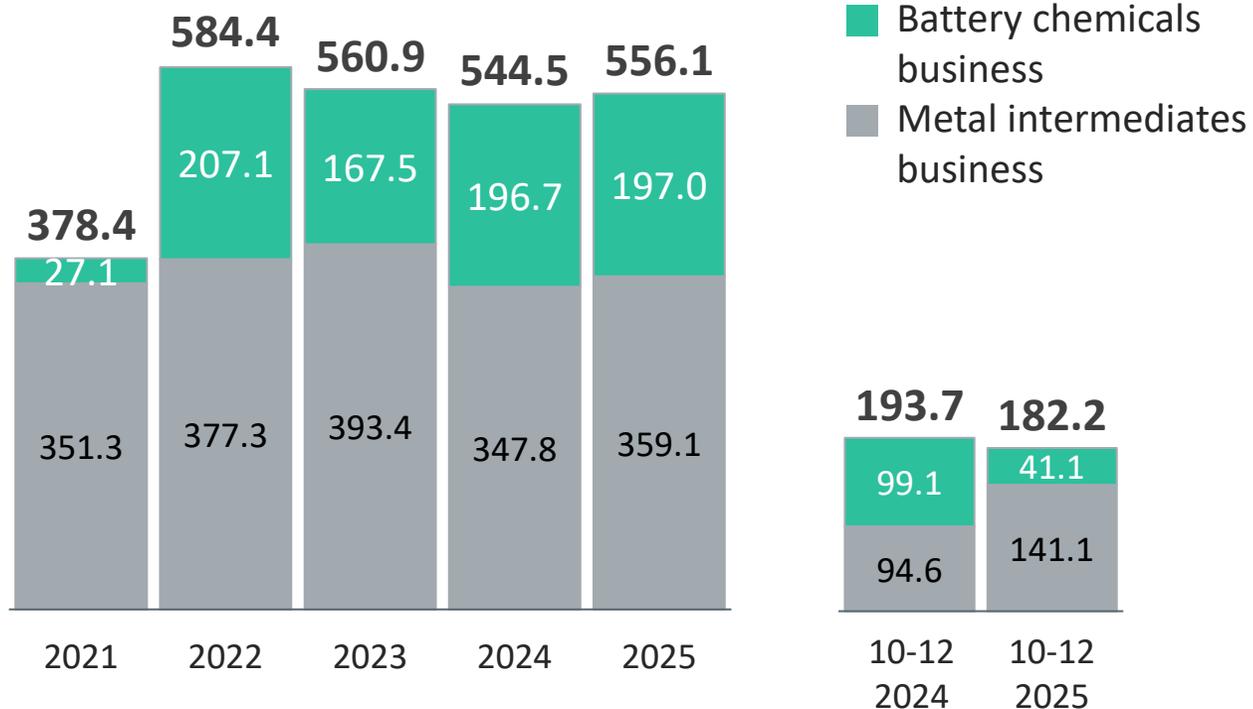
Million pcs	2025	2024	Change
China	12.88	11.00	17.1%
Europe	4.22	3.20	31.9%
North America	1.86	1.90	-2.1%
Other countries	1.69	1.13	49.6%
Total	20.65	17.23	19.8%

# » Financial review



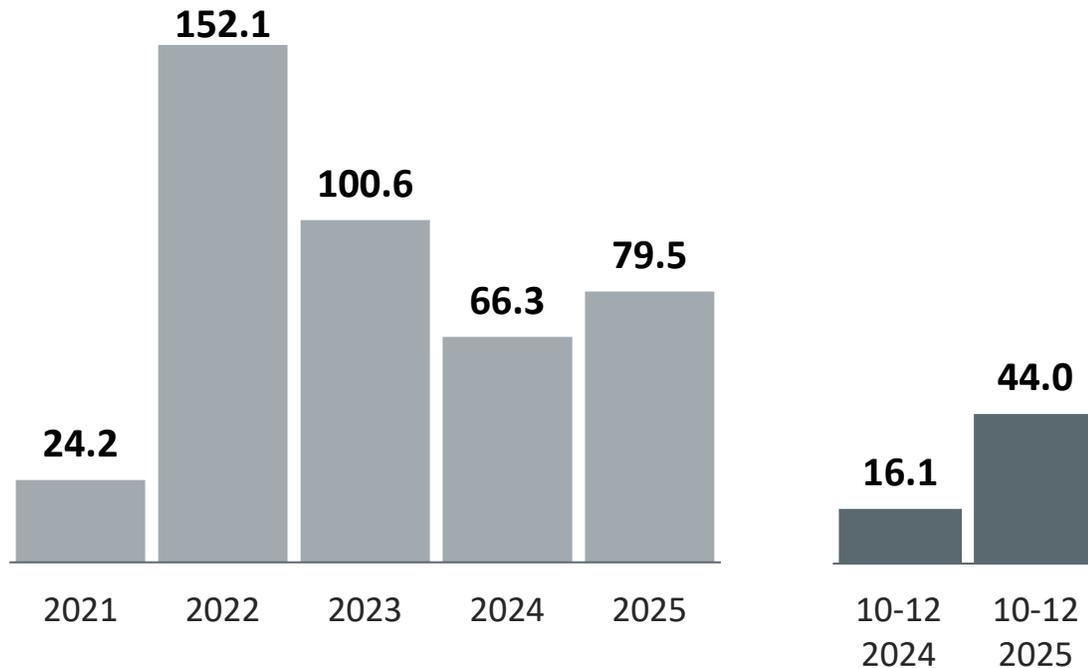
# » The net sales of the battery chemicals business were around 35% of total net sales in 2025

Net sales, EUR million



# » EBITDA increased due to higher production volumes, improved cost efficiency and successful price hedging

EBITDA, EUR million



## »» Key figures in brief

EUR million	10–12 2025	10–12 2024	Change	1–12 2025	1–12 2024	Change
<b>Net sales</b>	<b>182.2</b>	193.7	-5.9%	<b>556.1</b>	544.5	2,1%
Battery chemicals business	41.1	99.1	-58.5%	197.0	196.7	0.2%
Metal intermediates business	141.1	94.6	49.2%	359.1	347.8	3.2%
<b>EBITDA</b>	<b>44.0</b>	16.1	173.3%	<b>79.5</b>	66.3	19.9%
<b>Operating result</b>	<b>6.7</b>	-1.6	n.a.	<b>-35.0</b>	-12.6	n.a.
<b>Operating cash flow*</b>	<b>23.9</b>	22.6	6.0%	<b>98.9</b>	69.2	42.8%
<b>Total capital expenditure</b>	<b>33.5</b>	27.3	22.7%	<b>134.7</b>	211.1	-36.2%

\*Operating cash flow = EBITDA - change in net working capital (incl. advance payments EUR 44.3 million)

# »» Key events after the financial period

**On 12 February 2026, the Supreme Administrative Court (SAC) issued its final decisions concerning Terrafame's environmental and water management permit covering all its operations, i.e., the main permit, as well as the KL1 waste rock area.**

The decisions enable the implementation of the new strategy as planned and reduce the financial risks associated with permitting, as Terrafame prepares to submit a new main permit application in April 2026.

## **In its ruling on the main permit, the SAC approved:**

- Extraction volumes of 18 Mt/a ore and 45 Mt/a waste rock with the average amount of waste rock below 35 Mt/a.
- Construction of sections 5 and 6 in the new secondary leaching area SEK5-8, allowing the use of black shale waste rock in the base structure of section 5, in accordance with the permit granted by the Regional State Administrative Agency for Northern Finland.

## **In its ruling on the KL1 waste rock area:**

- The SAC approved construction of the area, with the exception of sections 1 and 4.
- The SAC revoked the order of the Vaasa Administrative Court (VAC) to construct double base structures under the waste rock area but requires the structures to be reinforced.

# »» Terrafame to initiate change negotiations concerning the entire personnel

- The change negotiations are part of the company's determined efforts to improve competitiveness and profitability as well as mitigate the negative impact from the increased tax on mined minerals.
- The change negotiations concern both potential reduction of personnel, temporary layoffs and changing working arrangements.
- At the end of December 2025, Terrafame employed a total of 887 people. According to the company's initial estimate, the maximum personnel reduction need would be in total 120 person-years. The planned measures target savings of at least EUR 10 million per year.
- The change negotiations will begin on 27 February 2026 and will be conducted in accordance with the Finnish Co-operation Act and the applicable collective agreements.
- The change negotiations and their outcome will not negatively impact Terrafame's ability to fulfil existing contractual obligations or to continue long-term supply discussions with new customers.

## »» Near-term outlook

- The battery chemicals market is expected to continue to be challenging in 2026, 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, and the price development of nickel, in particular, is expected to be volatile. In early 2026, the market outlook for metal intermediates has developed in a positive direction.
- Terrafame continues to implement its strategy, which inherently includes improving occupational safety, further enhancing operational efficiency to improve short-term profitability, and preparing for long-term investments and their financing.
- Terrafame will report on its financial result on an annual basis and discontinue quarterly reporting.





# Terrafame

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

[www.terrafame.com](http://www.terrafame.com)

