



Production ramp up at Terrafame's battery chemicals plant has started

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Production ramp up at Terrafame's new battery chemicals plant has started. Terrafame decided on the EUR 240 million investment in the battery chemicals plant in 2018. At the time of its completion, the battery chemicals plant has globally one of the highest production capacities.

Terrafame's integrated production process – from in-house mining to battery chemicals on one industrial site – is a unique and energy-efficient production chain that provides customers battery chemicals with carbon footprint among the smallest in the world.

Lauri Ratia, Chairman of the Board of Terrafame Ltd:

“In 2018, the company's Board of Directors made a far-reaching investment decision, which moves Terrafame downstream in the processing chain to become a producer of battery chemicals. When the plant now starts its production, we can be pleased with the timing of the project, as the concerns regarding climate change and particularly the carbon emissions of transport are sharply increasing the demand for electric vehicles.

During the roughly six years of operations, an enormous amount of work has been done at Terrafame to ramp up the operations. During the early stages, some sceptical comments were made regarding the company's future and its chances of success. The company's development has taken much time and patience, but systematic activities have succeeded in meeting the production expectations and placing environmental matters in order. In parallel with stabilising the production, the company has built one of the world's largest production lines for battery chemicals. I therefore wish to thank and congratulate all those who have participated in these projects for their strong commitment and a job well done.

The production of battery chemicals will broaden the core of Terrafame's operations from mining to being a part of the success story of the Finnish chemical industry. The battery chemicals plant is also very important for Finland because the country is aiming to make the operations related to the battery value chain into a significant driver of the national economy. With battery chemicals production, Terrafame's operations will account for, with all multiplier effects included, almost 20% of the gross domestic product of the Kainuu region and employ directly and indirectly over 5,500 people in Finland in total. The new business will also be material part in the total export of Finland.”

Joni Lukkaroinen, CEO of Terrafame:

“The construction of the battery chemicals plant was an intensive project that took more than two years. The strong commitment of the project organisation and all parties participating in the project has resulted in the successful completion of the extensive project cost-effectively and to a high quality. Big thanks to everyone for this.

We are pleased on the timing of the start-up of our battery chemicals plant. In 2021, the sales of electric vehicles are expected to total approximately 4.7 (3.2) million cars, almost 50 per cent more than in 2020. Global battery value chains are building up fast and they need battery minerals, which Terrafame now can offer to its customers.

At Terrafame, we provide sustainably mined and refined battery minerals to electric vehicle supply chain. We trust the importance of the carbon footprint and sustainability of battery minerals will be

considerably highlighted in the future. Terrafame's production stands out in a positive manner in terms of sustainability: As a company, Terrafame has the smallest carbon footprint of all the world's nickel producers, and the carbon footprint of the nickel sulphate produced by the company is more than 60 per cent smaller than the average in nickel sulphate production. We believe that these factors are significantly helping Terrafame in the discussions with actors further down the value chain."

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Terrafame enhances low-carbon mobility by supplying the global battery industry with responsibly produced battery chemicals. At its industrial site in Finland, Terrafame operates one of the world's largest production lines for battery chemicals used in electric vehicle (EV) batteries. The plant has capacity to supply nickel sulphate for about one million electric cars per year. The carbon footprint of the nickel sulphate produced by Terrafame is one of the lowest in the industry average.

Terrafame's integrated production process – which begins in its own mine and ends with battery chemicals on one industrial site – is unique and energy-efficient. It provides customers with a transparent, traceable, and truly European battery chemicals production chain in a world of scarcity.

Terrafame Ltd was founded in 2015. In 2020, Terrafame's net sales amounted to EUR 338 million. The company's industrial site employs approximately 1,600 people, of which about half are employees of its partner companies.