

Terafame 2025: EBITDA increased despite a challenging market

The financial information presented about Terafame 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.

October–December 2025 in brief

- Net sales were EUR 182.2 (193.7) million, representing a decrease of 5.9% year-on-year.
- Net sales from the battery chemicals business decreased to EUR 41.1 (99.1) million, or 22.6% (51.2) of the company's total net sales. The decrease in net sales was due to lower delivery volumes, as well as lower nickel sulphate prices compared to the comparison period and a weakened U.S. dollar.
- Net sales from the metal intermediates business increased by 49.2% to EUR 141.1 (94.6) million, driven by higher production and delivery volumes.
- EBITDA increased to EUR 44.0 (16.1) million, or 24.1% (8.3) of net sales. Higher production volumes, improved cost efficiency and successful price hedging had a positive impact on EBITDA.
- Operating cash flow¹ was EUR 23.9 (22.6) million. The improvement in cash flow was weakened by seasonal fluctuations in net working capital items.

January–December 2025 in brief

- Net sales were EUR 556.1 (544.5) million, representing an increase of 2.1% year-on-year.
- Net sales from the battery chemicals business totalled EUR 197.0 (196.7) million, or 35.4% (36.1) of the company's net sales. Delivery volumes increased from the comparison period, whereas lower prices had a negative impact on net sales.
- Net sales from the metal intermediates business were EUR 359.1 (347.8) million, representing an increase of 3.2% year-on-year. The increase was due to higher production and delivery volumes.
- EBITDA increased to EUR 79.5 (66.3) million, or 14.3% (12.2) of net sales. Higher production volumes, improved cost efficiency and successful price hedging increased EBITDA. EBITDA was negatively affected by lower market prices of nickel and nickel sulphate and a weakened U.S. dollar.
- Operating cash flow¹ increased to EUR 98.9 (69.2) million thanks to strong EBITDA.
- The total accident frequency rate on the industrial site was 1.5² (4.9), which is the lowest figure in Terafame's history.

Key figures

EUR million	10-12/2025	10-12/2024	Change	1-12/2025	1-12/2024	Change
Net sales	182.2	193.7	-5.9%	556.1	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%
EBITDA	44.0	16.1	173.3%	79.5	66.3	19.9%
Operating result	6.7	-1.6	n.a.	-35.0	-12.6	n.a.
Operating cash flow ¹	23.9	22.6	6.0 %	98.9	69.2	42.8%
Total capital expenditure	33.5	27.3	22.7%	134.7	211.1	-36.2%
Sustaining capital expenditure	18.5	25.3	-26.9%	92.0	159.6	-42.4%
Investments in productivity improvement and capacity growth	15.0	2.0	n.a.	42.7	51.5	-17.1%

	31 Dec 2025	31 Dec 2024	Change
Shareholders' equity, EUR million	638.9	733.9	-12.9%
Work in progress, EUR million	272.8	269.7	1.1%
Balance sheet total, EUR million	1,395.8	1,451.9	-3.9%
Own personnel, FTE	887	793	11.9%
Partner companies' personnel on average on review period, FTE	956	1,217	-21.4%
Total lost time injury frequency rate, 12-month LTIFR1 ²	1.5	4.9	-69.4%
Own personnel	1.4	5.2	-73.1%
Partner companies' personnel	1.6	4.7	-66.0%

1) Operating cash flow = EBITDA – change in net working capital (incl. advance payments EUR 44.3 million)

2) LTIFR1 = The number of occupational accidents leading to an absence of at least one day per million hours worked, 12-month rolling.

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

CEO Antti Koulumies

In the final quarter of 2025, the market environment continued to reflect long-standing uncertainties, which may cause rapid changes in metal prices. World market prices for nickel decreased throughout the quarter but took a leap upward during the final days of the year after the Indonesian government announced planned changes to local mining permits. The price of zinc increased. We expect significant volatility in the global market prices of our main products to continue.

Terrafame's year ended positively in terms of operational performance. Production volumes exceeded our expectations, and the growth in the production of metal intermediates was particularly good: we achieved a new production record for nickel both on a quarterly and full-year level. Demand for metal intermediates was also at a good level. Battery chemicals production continued as planned after the extended maintenance shutdown in August–September, also reaching a new record in production rate.

One of our strengths is the flexibility of the production process between metal intermediates and battery chemicals during different phases of economic cycles, which we intend to continue to leverage when the market situation so requires.

Terrafame's net sales increased significantly from the third quarter, driven by strong production performance, and totalled EUR 182.2 million. Compared to the comparison period, net sales decreased by 5.9% as the price of nickel was at a lower level. Net sales from the battery chemicals business decreased in the fourth quarter but reached the previous year's level for the full year. In addition to successful production, we can also be pleased with the development of our cost efficiency, even though we have not yet reached the finish line.

Our EBITDA increased in the fourth quarter to EUR 44.0 million. It should be noted that EBITDA was also positively impacted by certain non-recurring items and successful hedging measures. We achieved a positive operating result of EUR 6.7 million for the quarter. On a full-year level, however, the operating loss increased from the previous year and totalled EUR -35.0 million. Operating cash flow after investments continued to also be clearly negative.

Terrafame's personnel and our partners worked vigorously throughout the year on our cash flow and profitability improvement programme. By early 2026, we have so far achieved annual savings of around EUR 70 million through the programme in areas such as procurement, mining efficiency, and net working capital management. The programme's positive impact on our results is expected to increase further during 2026. On the other hand, from the beginning of 2026, significant increases in the taxes on mined minerals and electricity entered into force, creating additional challenges for improving our cost efficiency.

In terms of the fourth quarter, I also want to highlight the record-high occupational safety. I see the further improved level of occupational safety as an indication of Terrafame employees and our partners' employees taking responsibility both for themselves and for their colleagues. I would like to extend my sincere thanks to all Terrafame employees and our partners for their consistent work for safety.

Fast-paced implementation of the renewed strategy

In early December, we published Terrafame's updated strategy for 2026–2030. The revised strategy outlines the path to secure positive cash flow, reduce dependence of nickel price fluctuations by introducing new products, and ensure a solidified position as a key player in the European critical materials value chain. During the strategy work, we identified clear changes to our ways of working that are required to achieve these targets, and we began the implementation of the strategy promptly at the end of the year.

However, several factors external to the company also affect the preconditions for achieving our targets. In December, the Regional State Administrative Agency for Northern Finland rejected Terrafame's application to start mining the Kolmisoppi land area and requires that the permitting for the exploitation of Kolmisoppi be handled as part of Terrafame's main permit covering all its operations. We intend to submit the permit application in spring 2026. It is important that the strategic status granted to the Kolmisoppi project under the EU's Critical Raw Materials Act is reflected in the accelerated processing of the main permit. In February 2026, we received the final decisions from the Supreme Administrative Court regarding the decisions issued by the Vaasa Administrative Court, and they were mostly positive for Terrafame. The third significant factor affecting our operating conditions is the

amendment to the Mined Minerals Tax Act, which entered into force at the beginning of 2026, and we are following the progress of the preparation of the so-called hybrid model with interest.

The current year, 2026, is extremely important from the perspective of Terrafame's strategy execution: our aim is first to adapt by continuing determined actions to improve our cost efficiency and stabilise our production system, while simultaneously laying the conditions for future growth. If we succeed in both, we will be well positioned to also turn our operating cash flow after investments positive over time. Implementing the strategy requires strong commitment and focus from Terrafame employees. In this context, we are changing our financial reporting practices so that going forward, Terrafame will report on its financial result on an annual basis and discontinue quarterly reporting. We will continue to communicate on current events, news and their impact on Terrafame's operations as before.

The year 2025 was once again a challenging year for Terrafame. Terrafame employees worked resolutely, for which I express my sincere thanks. I also want to thank our partner companies for their good cooperation and ability to change their ways of working in step with us.

Turning Terrafame's performance to a sustainable basis requires determined action and also, when necessary, difficult decisions. However, I am confident that we have all the prerequisites to succeed by relying on our strong premise: our carbon footprint which is among the smallest in the industry, and our position as Europe's largest nickel producer.

Strategy for 2026-2030

In December, Terrafame published its strategy for 2026–2030. The revised strategy outlines the path to secure positive cash flow, reduce dependence of nickel price fluctuations by introducing new products, and ensure a solidified position as a key player in the European critical materials value chain. In the initial phase of the strategy period, the company seeks to adapt to changes in the operating environment, followed by generating new growth.

The key elements of the revised strategy are:

- Redesigning the metal intermediates production logic to improve cash flow
- Reducing the production costs of battery chemicals to ensure profitability
- New products to reduce dependence on nickel prices

Key assumptions behind the renewed strategy and its goal setting are that Kolmisoppi, the second, as-yet unexploited ore deposit located in Terrafame's mining concession, would be operational during 2028. This requires a swift permitting process in line with the status granted to the Kolmisoppi project under the EU Critical Raw Materials Act (CRMA). The allowed ore and waste rock volumes are also assumed to be in line with the mining plan. The strategy is described in more detail in the [media release](#) of 3 December 2025.

Market environment

Electric vehicle and battery markets

According to Rho Motion's Monthly EV Battery Chemistry Assessment report, a total of around 20.65 (17.23) million electric passenger cars and light commercial electric vehicles were sold worldwide in

2025, representing an increase of around 19.9% from 2024. The growth was driven by China and Europe. Sales decreased only in North America.

Sold electric passenger cars and light commercial electronic vehicles

Million pcs	1-12/2025	1-12/2024	Change, %
China	12.88	11.00	17.1
North America	1.86	1.90	-2.1
Europe	4.22	3.20	31.9
Other countries	1.69	1.13	49.6
Total	20.65	17.23	19.9

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 Terrafame's earlier 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 grow moderately in 2026. Sales are expected to increase by around 13% to 24.4 million cars.

The electric vehicle battery market is divided between high-nickel-content NCM batteries and LFP batteries.

In 2025, 8.3 (8.0) million electric vehicles utilising NCM battery technology were sold. Sales increased by 3.3% compared to the year 2024. Sales of electric vehicles utilising LFP battery technology increased by approximately 39% to 11.4 (8.2) million cars sold.

(Source: Rho Motion Monthly EV Battery Chemistry Assessment)

Nickel market

The price of nickel on the London Metal Exchange (LME) in 2025 was lower than in the comparison period. The average market price was 15,160 (16,812) USD/t, which was 9.8% lower than in January–December 2024.

In October–December 2025, the average market price of nickel was 14,892 (16,038) USD/t, which was 7.1% lower than a year earlier. Compared with the third quarter of 2025, the average market price of nickel decreased by 0.8%. However, the world market price saw an increase during the last days of the year. The daily LME price of nickel was 16,485 USD/t on 31 December 2025.

The price of nickel sulphate (SPOT China) also fell, and the average price in 2025 was 15,301 (15,735) USD/t, which was 2.8% lower than in 2024. In October–December 2025, the average market price of nickel sulphate was 15,774 (14,936) USD/t, which was 5.6% higher than a year earlier. Compared to the third quarter of 2025, the average market price of nickel sulphate increased by 3.0%. 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 December 2025 were 299,736 tonnes, which was approximately 51 per cent higher than at the end of the corresponding period in 2024 (198,598). The stocks at the end of December 2025 were

approximately 15% higher than at the end of the previous quarter (260,512). The stock level at the end of December 2025 corresponded to demand for 4.4 weeks (3.1).

Net sales and financial performance

October–December 2025

Net sales were EUR 182.2 (193.7) million, representing a decrease of 5.9% year-on-year. Net sales were positively affected by higher delivery and production volumes of metal intermediates. Net sales decrease was driven by lower prices of metals compared to the comparison period, as well as the weakening of the U.S. dollar against the euro.

Net sales from the battery chemicals business totalled EUR 41.1 (99.1) million, or 22.6% (51.2) of the company's net sales. Net sales from the metal intermediates business totalled EUR 141.1 (94.6) million.

EBITDA was EUR 44.0 (16.1) million, or 24.1% (8.3) of net sales. The operating result was EUR 6.7 (-1.6) million. Higher production volumes, improved cost efficiency and successful price hedging increased EBITDA and operating result. Lower market prices for nickel sulphate and metals and unfavourable exchange rate fluctuations weakened profitability.

Operating cash flow* increased to EUR 23.9 (22.6) million. The improvement in cash flow was weakened by seasonal fluctuations in net working capital items.

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

January–December 2025

Net sales were EUR 556.1 (544.5) million, representing an increase of 2.1% year-on-year. Net sales growth was supported by higher delivery volumes. 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 U.S. dollar against the euro.

Net sales from the battery chemicals business totalled EUR 197.0 (196.7) million, or 35.4% (36.1) of the company's net sales. Net sales from the metal intermediates business totalled EUR 359.1 (347.8) million.

EBITDA was EUR 79.5 (66.3) million, or 14.3% (12.2) of net sales. The operating result was EUR -35.0 (-12.6) million. Higher production and delivery volumes, improved cost efficiency and successful price hedging had a positive impact on EBITDA and the operating result. Lower market prices for nickel sulphate and metals and unfavourable exchange rate fluctuations weakened profitability. Overall, the operating result declined compared to the previous year. The operating result was also affected by increased depreciations due to significant investments.

Operating cash flow* increased to EUR 98.9 (69.2) million thanks to strong EBITDA.

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

Key events in October–December 2025

Terrafame appoints Chief Strategy and Investment Officer

The Board of Directors of Terrafame appointed Teemu Lindberg, M.Sc. (Eng.), as Chief Strategy and Investment Officer (CSIO) and a member of the company’s Leadership Team, effective 19 December 2025. In his role, Lindberg will lead the implementation of Terrafame’s revised strategy in areas such as project management, technological capabilities, investments and strategic partnerships. Lindberg will report to Terrafame’s CEO Antti Koulumies.

Decision of the Regional State Administrative Agency for Northern Finland on the commencement of mining in the Kolmisoppi land area

In its decision of 9 December 2025, the Regional State Administrative Agency for Northern Finland (PSAVI) rejected Terrafame’s application to start mining in the Kolmisoppi land area. PSAVI requires that the permitting for the exploitation of Kolmisoppi be handled as part of Terrafame’s main permit covering all its operations, which the company plans to apply for in the spring of 2026. Permit issues are described in more detail in a separate section.

Terrafame’s strategy for 2026-2030

Terrafame’s strategy, published on 3 December 2025, is described in more detail above under Strategy for 2026–2030.

Capital expenditure

In 2025, capital expenditure totalled EUR 134.7 (211.1) million. Of this total, EUR 42.7 (51.5) million was used to improve productivity and increase capacity, and EUR 92.0 (159.6) million was used for sustaining capital expenditure.

Capital expenditure, EUR million	1–12/2025	1–12/2024	Change
Sustaining capital expenditure	92.0	159.6	-42.4 %
Investments in productivity improvement and capacity growth	42.7	51.5	-17.1 %
Total capital expenditure	134.7	211.1	-36.2 %

Sustaining capital expenditure mainly consisted of preparatory work related to the exploitation of the next sections of the Kuusilampi mine. Other significant sustaining capital expenditure included construction work for the new secondary sections (5-6).

The most significant investments in productivity improvement and capacity growth were related to the construction work in the waste rock area KL1. Other important investments were related to the battery chemicals plant and the ramp up of the uranium recovery plant.

Financing arrangements

In February 2025, Terrafame announced that the company has negotiated a financing arrangement to fund the company's investment programme over the next few years. As part of the financing solution, Terrafame and its main owners – Finnish Minerals Group and the Galena funds – agreed on a EUR 100 million financing arrangement consisting of a EUR 50 million shareholder loan and a EUR 50 million equity financing commitment. In addition, Terrafame agreed on advance payment arrangement worth EUR 50 million with Trafigura.

In the same context, Terrafame agreed on 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 Finnish Minerals Group for the same period. The new maturity of the bank loan and the revolving credit facility end in December 2028.

Towards the end of 2025, the company initiated negotiations with its financiers to secure the additional investments required for the execution of the strategy updated in autumn 2025. At the time of the result publication, the financing negotiations are ongoing, and the company's management is confident that they will be concluded successfully within the targeted schedule.

Shares and shareholders

Terrafame has one series of shares. At the end of December 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 638.9 (733.9) million. A total of 141,674 shares were pending registration.

Once the share registrations for 2025 have been completed, Finnish Minerals Group, a special-assignment company of the state of Finland, will own 56.2% (56.1) of Terrafame, Galena funds 39.3% (39.4) and Mandatum 4.4% (4.5). During the comparison period, there were no changes in the number of Terrafame's shares.

Finnish Minerals Group's holding may decrease to no lower than approximately 52.0% 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 44.0% and the holding of Mandatum around 4.0%.

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 1,800 people work regularly on Terrafame's industrial site. Terrafame had 887 (793) full-time equivalent employees (FTE) at the end of December 2025. The increase in the number of personnel during the year was mainly due to the growth in headcount at the uranium recovery plant.

An average of 956 (1,217) 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.

Sustainability

In March 2025, Terrafame published its first Sustainability Report for the 2024 reporting period. The report was prepared by applying the reporting requirements of the EU's Corporate Sustainability Reporting Directive (CSRD) and the national legislation derived from it, which guided the content and structure of the report. The Sustainability Report replaced the previously published annual Sustainability Review.

Terrafame will voluntarily prepare an unaudited sustainability report for the year 2025, separate from the Board of Directors' review. The report will be published in March 2026, at the same time as the Board of Directors' review and the financial statements. It will be made available on Terrafame's website at www.terrafame.com > [Company](#) > [Reports and publications](#).

In April 2025, Terrafame announced that it had achieved at least an A level rating in all areas of the external verification based on the Towards Sustainable Mining (TSM) standard in Finland, in line with its targets. Terrafame has been assessing its operations against the TSM Finland assessment tools since 2017, and the results have improved year by year. In the most recent verification, the most progress had been made in the tools for climate change management and stakeholder engagement. The next external verification will be in 2027.

Key occupational safety indicators

Safety is one of Terrafame's values, and the continuous development of a safety culture has been one of the main priorities since the company was established. Operations within the industrial site must be safe both for the company's own employees and its partners in all circumstances and situations. The company aims for zero accidents.

In terms of occupational safety, the total accident frequency rate of Terrafame and its partner companies was at a record low. The accident frequency rate for both the company's own personnel and its partner companies decreased significantly compared to the end of the previous year, reaching the

best result in Terrafame’s history. The strong positive development was due to the long-term joint efforts of Terrafame and its partner companies to improve safety at work.

The company drew up an occupational safety development programme for 2025, with increased focus on proactive safety work through, for example, safety observations.

Lost-time injury frequency rate, 12-month LTIFR1	31 Dec 2025	31 Dec 2024	Change
Terrafame employees	1.4	5.2	-73.1%
Partner companies	1.6	4.7	-66.0%
Total on the industrial site	1.5	4.9	-69.4%

Environmental monitoring

Terrafame monitors the state of the environment on the industrial site in accordance with the permit decisions and the monitoring programme approved by the authorities. Terrafame’s annual environmental monitoring reports are available in Finnish on its website at www.terrafame.fi > [Naapureille > Ympäristötarkkailuraportit](#). The report for 2025 is expected to be completed in April–May 2026.

Sulphate loading of natural waterways is one of the most significant environmental impacts of Terrafame’s production. Sulphate loading is caused by the treatment of runoff waters and the discharge of purified water. Sulphate loading was clearly below the annual permit quota.

Key indicators related to discharge waters	1–12/2025	1–12/2024
Purified discharge waters, Mm ³	8.4	10.9
Sulphate in discharge waters, tonnes (permit quota 15 780 tonnes)	10,088	12,424

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, zinc, cobalt, copper and uranium are also 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. 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.

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.

On 9 December 2025, PSAVI rejected Terrafame's application to start mining the Kolmisoppi land area. PSAVI requires that the permitting for the exploitation of Kolmisoppi be handled as part of Terrafame's main permit covering all its operations. The decision makes the permitting schedule even more critical in terms of Terrafame's strategy execution. Terrafame is preparing to submit a new main permit application to the Finnish Supervisory Agency in April 2026.

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 decisions concern the enforcement of the VAC's decisions during the processing of the appeal. In its interim decisions, 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 (PSAVI). These blocks may not be commissioned before the SAC's final decision.

On 12 February 2026, the 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. In its ruling on the main permit, the SAC approved the company's application for an annual ore extraction volume of 18 million tonnes and an annual waste rock extraction volume of 45 million tonnes, with the volume of waste rock to remain below 35 million tonnes on average. The SAC approved the construction of sections 5 and 6 in the new secondary leaching area SEK5-8, allowing the use of black shale waste rock as a filling layer in section 5, in accordance with the permit granted by the PSAVI.

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.

Permit matters concerning the closure of the waste rock areas are currently being processed by the VAC.

Key events after the financial period

Terrafame received final decisions from the Supreme Administrative Court on its main permit and KL1 waste rock area

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.

In its ruling on the main permit, the SAC approved the company's application for an annual ore extraction volume of 18 million tonnes and an annual waste rock extraction volume of 45 million tonnes, with the volume of waste rock to remain below 35 million tonnes on average. The SAC approved the 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 (PSAVI).

In its ruling on the KL1 waste rock area, the SAC approved the 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.

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.

Further information

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A Finnish-language webcast will be held on 27 February 2026 at 12:00 noon EET. At the event, Antti Koulumies, CEO of Terrafame, and Ville Sirviö, CFO, will discuss the company's performance in Finnish. The webcast can be followed live at terrafame.videosync.fi/q4-2025. 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 2025 were EUR 556.1 million. Around 1,800 people work on its industrial site, approximately half of whom are employees of partner companies.