

The TerraFame logo is displayed in a bold, orange-red, sans-serif font. The background of the slide is a dark, textured surface, possibly a mineral or rock, with a strong golden-yellow glow emanating from the right side, creating a dramatic, high-contrast effect.

TerraFame

Financial Review **2025**

26 March 2026

Financial Review 2025

2025 in brief	3
Board of Directors' review	7
Consolidated Financial Statements (IFRS)	24
Parent company financial statements (FAS)	69

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

2025 in brief

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 electric vehicles (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 truly transparent and traceable European battery chemical supply chain.

The financial information presented about Terrafame Group consists of audited IFRS figures. The figures in brackets refer to the corresponding period in the previous year unless otherwise stated.

Financial key figures

Net sales	EBITDA	EBITDA, %
EUR 556.1 million	EUR 79.5 million	14.3%
Operating result	Own personnel at the end of the year	All personnel on the industrial site (1)
EUR -35.0 million	887	1,840
Equity ratio, %	LTIFR1, own personnel (2)	LTIFR, all (2)
47.3%	1.4	1.5

(1) On average, approximately

(2) Occupational accidents leading to absence from work per million hours worked (Lost-time injury frequency LTIFR1, rolling 12 months).

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

01 Net sales

increased by 2.1 percent to 556.1 (544.5) million euros.

02 EBITDA

rose by 19.9 percent to 79.5 (66.3) million euros.

03 The increase in net sales and EBITDA

was due to higher production volumes, improved cost efficiency, and successful price hedging. The company's market environment remained challenging, and market prices for its products were at a low level. However, demand for metal intermediate products was at a good level.

04 Antti Koulumies

was appointed CEO of Terrafame starting 1 September 2025.

05 The strategy for 2026–2030

was published in December 2025. The strategy outlines measures to ensure the company's positive cash flow, reduce dependence on nickel price fluctuations by introducing new products, and strengthen the company's position as a significant player in Europe's critical raw materials value chain.

06 Terrafame agreed on a financing arrangement

to fund the company's investment program for the coming years.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

CEO's review



Antti Koulumies

CEO

Terrafame Ltd

In 2025, the market environment continued to reflect long-standing uncertainties, which may cause rapid changes in metal prices. World market prices for nickel remained at a low level 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 in 2025 increased slightly and totalled EUR 556.1 million. The strong performance of the metal intermediates business had a significant impact on the development of net sales. Net sales from the battery chemicals business reached the previous year's level. 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 to EUR 79.5 million. It should be noted that EBITDA, in addition to higher production volumes and improved cost efficiency, was also positively impacted by certain non-recurring items and successful hedging measures. 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.

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.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

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.



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

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Board of Directors' review

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Board of Directors' review

The parent company Terrafame Ltd has prepared the consolidated financial statements for the fiscal year 2025 in accordance with IFRS standards. The consolidated financial statements include Terrafame Oy's wholly-owned subsidiary Terrafame Alueverkko Oy, which did not have a significant impact on the group's figures during the fiscal year 2025. Figures in parentheses refer to the corresponding period of the previous year, unless otherwise stated.

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. 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 19.90% from 2024. The growth was driven by China and Europe. Sales decreased only in North America.

Sold electric passenger cars and light commercial vehicles

	1-12/2025	1-12/2024	Change
China	12.88	11.00	+171%
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. million units
The figures for 2024 have been updated.

Manufacturers of battery cells and cathode materials have announced investments in giga factories that will strengthen the North American and European battery markets. As stated in the 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 clearly 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)

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

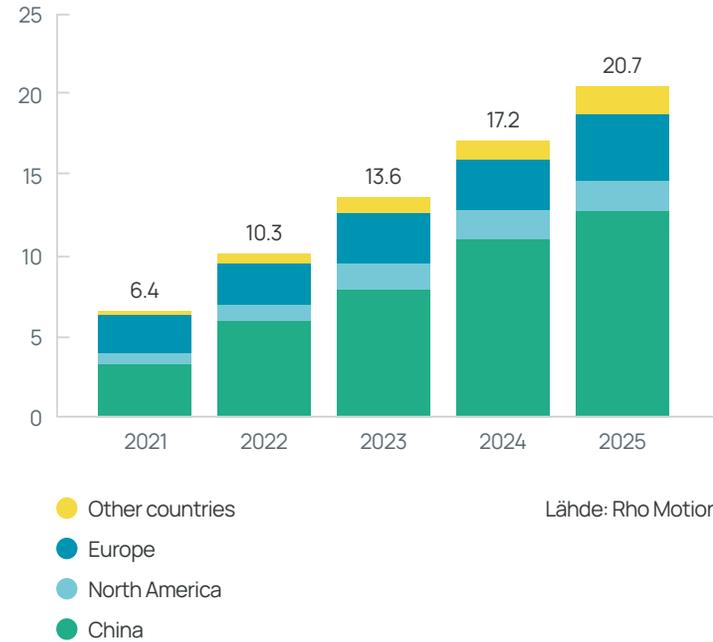
- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Global EV sales

Includes electric passenger vehicles and light duty vehicles, million units



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 in 2025 was 15,160 (16,812) USD/t, which is around 9.8% lower than in 2024. 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. The spot price (SPOT China) of nickel sulphate has not been linked to the LME price since 2022.

Nickel price development (USD/t)

Daily LME nickel price



The total combined nickel stocks on the London Metal Exchange (LME) and the Shanghai Futures Exchange (SHFE) at the end of December 2025 were 299,736 tonnes, which is around 51% higher than in 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).

Currency exchange rate

In 2025, the average EUR/USD exchange rate was 1.13 (1.08 in 2024). Terrafame's sales are in U.S. dollars and its costs are mainly in euros, meaning that a strong dollar against the euro would be beneficial for the company.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

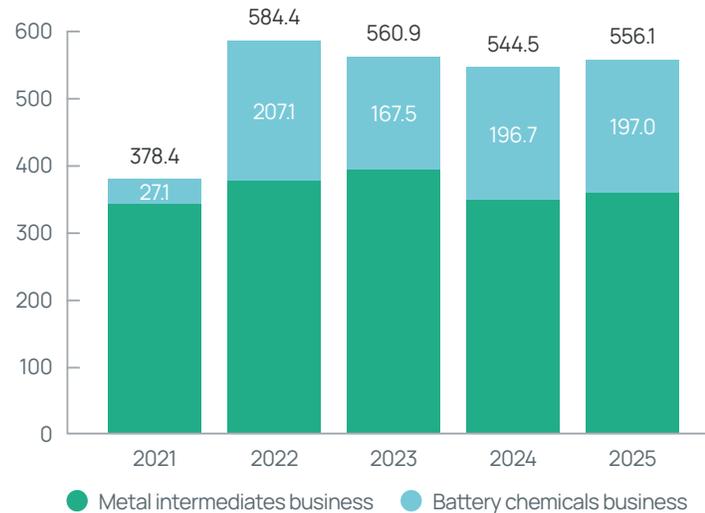
Net sales and financial performance

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 total net sales. Net sales from the metal intermediates business totalled EUR 359.1 (347.8) million.

Net sales

EUR million



Financial data for the years 2023–2025 are IFRS figures, while for the years 2020–2022 they are FAS figures.

EBITDA was EUR 79.5 (66.3) million, or 14.3% (12.2) of net sales. Depreciation totalled EUR 114.5 (78.9) million in 2025. 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 weakened from the previous year. The operating result was also affected by increased depreciations due to significant investments.

The group's net financial items were EUR -37.9 (-27.0) million, and the result for the period was EUR -74.1 (-46.3) million.

Cash flow and financial position

In 2025, cash flow from operating activities was EUR 77.9 (42.3) million, of which the change in net working capital accounted for EUR -13.2 (3.7) million. Cash flow from investing activities was EUR -133.6 (-177.2) million. Cash flow after investment activities was EUR -55.7 (-135.0) million. At the end of 2025, the company's cash and cash equivalents totalled EUR 38.6 (41.0) million. The financial position was also affected by a significant advance payment for product sales (with a value of EUR 50 million) drawn by the company during the financial year, which will be repaid during the financial years 2029–2030.

Terrafame's balance sheet total on 31 December 2025 was EUR 1,395.8 (1,451.9) million. Inventories totalled EUR 321.3 (318.7) million at the end of the financial year. The company's inventories are divided into three categories: materials and supplies, work in progress and finished products. The value of the inventory of materials and spare parts at the end of the financial year was EUR 32.9 (34.0) million. The value of work in progress was EUR 272.8 (269.7) million, and the value of the inventory of finished products was EUR 15.6 (15.1) million. The valuation principles for inventories are presented in more detail under "Inventories" in the accounting principles on [page 34](#) of the financial statements.

At the end of the financial year, trade receivables totalled around EUR 52.4 (73.0) million. Accruals income totalled around EUR 11.2 (61.2) million. Other receivables totalled around EUR 21.9 (12.0) million.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Equity stood at EUR 638.9 (733.9) million at the end of 2025. Debt totalled EUR 552.1 (501.3) million. In addition, the balance sheet includes a remediation provision of EUR 204.8 (216.7) million for the costs arising from closing a mine and cleaning the environment. The rehabilitation provision is explained in more detail under "Rehabilitation provision for mine closure and environmental clean-up cost" in the accounting principles on [page 37](#) of the financial statements.

Terrafame entered into a financing arrangement in February 2025, which is described in more detail in the financing arrangements section.

Terrafame's equity ratio was 47.3% (50.5) at the end of the financial year, and its gearing was 60.6% (40.7). The decrease in the equity ratio is due to the loans taken out by the company during the year, the result of the financial year, and the change in the fair value reserve.

Equity and liabilities as at 31 December 2025

EUR million



Financial data for the years 2023–2025 are IFRS figures, while for the years 2020–2022 they are FAS figures.

Key figures and their calculation formulas are presented on [page 23](#).

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.

	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%

EUR million

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.

Currency and commodity hedges

In the 2025 financial year, the company continued to hedge its cash flow against a decrease in the US dollar exchange rate and metal prices in line with its hedging policy.

The company applied hedge accounting. More information about hedges is provided in Note 1.18 to the financial statements on [page 52](#).

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

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 with a value of EUR 50 million with Trafigura. This product sales advance carried out in the financial year 2025 has been recognised on the balance sheet as an advance on long-term liabilities. In the cash flow statement, the item is accounted for in the cash flow from operating activities and the interest expenses related to that arrangement are presented in the cash flow from financing activities.

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 signing the financial statements, the financing negotiations are ongoing, and the company's management is confident that they will be concluded successfully within the targeted schedule.

The amounts presented in the following table cover all the financing items received by Terrafame from its shareholders during its time of operation, as well as debt financing items converted into equity.

	Equity financing	Debt financing	Converted equity	Re-payments	Debt financing	Total financing
Finnish Minerals Group	547.6	141.4	0.0	-65.0	76.4	624.0
Galena asset management	404.3	22.0	0.0	0.0	22.0	426.3
Trafigura	0.0	44.5	0.0	0.0	44.5	44.5
Mandatum	47.7	0.0	0.0	0.0	0.0	47.7
Total	999.6	207.9	0.0	-65.0	142.9	1,142.5

EUR million

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

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.

Share arrangements carried out in 2025 are presented in the following table:

	Galena 2	Galena Fund	Galena Co-Inv. 2	Galena 3	Galena 4	Mandatum	Finnish Minerals Group	Total
Registered holding 31 Dec 2024	5.2%	8.7%	1.4%	20.5%	3.6%	4.5%	56.1%	100.0%
Changes in the number of shares during the financial year								
Equity funding (to be registered 31 Dec 2025)	58,511	0	0	0	0	0	83,163	
Share transfer	0	520,589	82,363					
Payment of interest and arrangement fees in shares	0	0	0	0	0	0	0	
Holding after option arrangements 31 Dec 2025	368,725	520,589	82,363	1,223,820	215,181	267,246	3,432,405	6,110,329
Non-registered holding 31 Dec 2025	6.0%	8.5%	1.3%	20.0%	3.5%	4.4%	56.2%	100.0%

Finnish Minerals Group's holding may decrease to no lower than 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%.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Key events during the financial period

The Kolmisoppi ore deposit was granted strategic project status under the EU's Critical Raw Materials Act

On 25 March 2025, Terrafame announced that the Kolmisoppi project has been granted strategic project status under the Critical Raw Materials Act (CRMA) on 25 March 2025. With the CRMA, the European Union strives to strengthen the value chains of raw materials that are vital for Europe's economy and clean transition. The CRMA covers more than 30 raw materials, 17 of which are also defined as strategic. Terrafame produces battery-grade nickel sulphate as well as cobalt and copper, all three of which are defined as strategic raw materials.

Terrafame strengthened its commercial organisation

On 25 June 2025, Terrafame announced that it has appointed Mr. Sander de Leeuw as Chief Commercial Officer (CCO), with the objective of driving sustainable growth of Terrafame's commercial operations. De Leeuw is a member of Terrafame's Leadership Team and reports to the CEO of Terrafame.

Antti Koulumies appointed as new CEO of Terrafame

As part of Terrafame's strategy update, 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 conducted 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 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 reorganised 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. Terrafame's Leadership Team at the end of 2025 is presented in the Governance section on [page 17](#).

Terrafame appointed 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.

Terrafame's strategy for 2026–2030

Terrafame's strategy, published on 3 December 2025, is described in more detail on [page 8](#) under Strategy for 2026–2030.

Events related to permit matters from 2025 are described in the "Permits" section on [page 18](#).

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

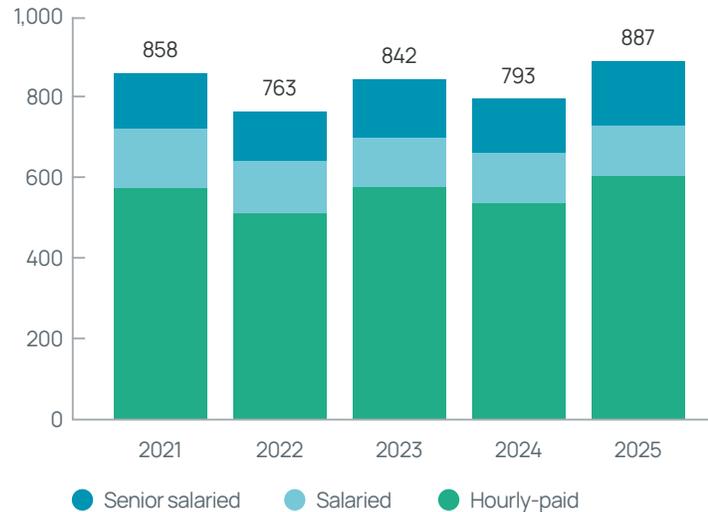
Personnel

Terrafame supports and respects human rights and labour rights and requires the same from its business partners. The company is continuously developing its operations together with its personnel to provide a safe and healthy working environment for its employees and those of its partner companies, as well as learning and career development opportunities for its personnel.

Around 1,800 people work regularly on Terrafame's industrial site. Terrafame had 887 (793) employees 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 employed by contractors and subcontractors worked on the industrial site during the reporting period (FTE). 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.

Terrafame active personnel as at 31 December



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 Report of the Board of Directors. 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](#). The disclosure requirements and data points presented in the sustainability report are based on a double materiality analysis. The report has been prepared, where applicable, utilising the reporting requirements of the EU's Corporate Sustainability Reporting Directive (CSRD), which have guided the report's content and structure.

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.

In 2025, Terrafame achieved the second highest Gold level in the EcoVadis sustainability assessment, which has been reached by five per cent of the companies evaluated in the past 12 months. Terrafame was now assessed for the first time using EcoVadis' criteria. The assessment includes 21 criteria in four themes: environment, labour and human rights, ethics, and sustainable procurement.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Carbon footprint of the nickel sulphate product

In Terrafame's life cycle assessment (cradle-to-gate), updated in autumn 2025, the carbon footprint of the company's nickel sulphate was estimated to be 1.60 kg CO₂ eq., which is one of the lowest in the world for corresponding products. The result of the previous assessment, conducted in 2020, was 1.75 kg CO₂ eq. The reduction in the carbon footprint is a result of improved chemical and energy efficiency. The carbon footprint assessment for 2025 has been audited in accordance with ISO 14067.

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 aim is 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](#). The report for 2025 will be published 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
Recycling rate for sulphate from processes, % (target 100%)	99%	99%

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Governance

As a non-listed company, Terrafame follows the Securities Market Association's current Corporate Governance Code to the extent that it is applicable. The 2025 Corporate Governance Statement is published simultaneously with, but separately from, the Board of Directors' review on the company's [website](#).

Annual General Meeting

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.

Leadership Team

At the end of 2025, Terrafame's Leadership Team consisted of the following members:

Antti Koulumies

Chief Executive Officer

Sander de Leeuw

Chief Commercial Officer

Veli-Matti Hilla

Chief Sustainability Officer

Teemu Lindberg

Chief Strategy and Investment Officer

Heini Röttsä

Chief People and Governance Officer

Ville Sirviö

Chief Financial Officer

Seppo Voutilainen

Chief Operating Officer

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

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) (Currently Finnish Supervisory Agency LVV). 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 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.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

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.

Related party events

The legal and other administrative services purchased from Finnish Minerals Group totalled EUR 0.6 (0.6) million, and the product development project management services purchased from Finnish Minerals Group totalled around EUR 0.2 (0.2) million.

Net sales of nickel-cobalt sulphide and zinc sulphide to Trafigura Group during the financial year amounted to EUR 288.2 (94.0) million, and net sales of nickel sulphate to Trafigura Group amounted to EUR 23.7 (80.0) million.

Information about the financing arrangements carried out with related-party companies Finnish Minerals Group, Trafigura Group and Galena funds is provided under "Financing arrangements" in the Board of Directors' review.

All transactions between Terrafame and its related parties have taken place on market terms.

A more detailed description of related party transactions is provided in Note 1.26 to the financial statements on [page 65](#).

Tax footprint

Terrafame is committed to sustainability in all areas, including taxation. Terrafame has a significant role in society and an important regional role, especially in the Kainuu region. The company operates only in Finland and thus does not pay taxes in other countries.

Tax footprint reporting is based on the guidance on tax reporting issued by the Ownership Steering Department of the Prime Minister's Office on 1 October 2014. Mandatory insurance contributions included in salary costs are excluded from reporting. These insurance contributions are directly related to salaries and are treated as direct salary costs because of the nature of the insurance policies. The company also does not report minor value-added taxes included in foreign travel and training expenses.

Terrafame has yet to generate any taxable income. However, the company has incurred significant tax expenses because of the energy and fuel taxes related to its operations. In addition, the company has paid normal taxes related to the acquisition and ownership of property.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Tax on mined minerals

In Finland, the Act on Mined Minerals Tax went into effect on 1 January 2024. The tax also applies to Terrafame, as the company extracts and produces nickel, zinc, copper, cobalt and uranium, which are defined as metal ores in the Act on Mined Minerals Tax.

The liability to pay the metal ore tax arises when Terrafame transfers the ore to the primary bioleaching heaps after extracting and crushing. The tax on metal ores is determined on the basis of the amount of metal contained in the mined mineral and its taxable value. The tax is 0.6% of the taxable value of metal, which is based on the international market prices of metals. The Tax Administration confirms the taxable values for the tax period based on price data from the previous calendar year.

The tax authority issued deepened tax guidance on January 24, 2025, regarding mining mineral taxation. According to the guidance, in addition to the tax on metal ores, a tax on possible other mining minerals should be paid based on the time when the mining mineral is extracted. The tax on other mining minerals is EUR 0.20 per ton of ore.

Terrafame's view is that the said deepened tax guidance is not in line with the purpose of mining mineral taxation, but rather the interpretation is erroneous. The company's view is that, in accordance with the spirit of the Mineral Tax Act, the company should pay the tax on metal ores according to its calculations. During the 2025 financial year, Terrafame sought a preliminary ruling from the tax authority on the matter and subsequently appealed the preliminary ruling to the administrative court.

Due to the above, Terrafame Oy has recorded approximately EUR 6.2 (6,5) million in metal ore tax to its results.

Terrafame Ltd's tax items

Taxes payable	2025	2024
Direct taxes paid	2,358	2,489
Income tax	0	0
Transfer tax	6	11
Property tax	651	697
Employer's health insurance contributions	874	558
Customs fees	506	823
Statutory fees	321	401
Indirect taxes paid	8,572	7,429
Excise tax, net	7,425	6,556
Insurance premium tax	1,147	860
Waste tax	0	13
Taxes collected and accounted for	-63,894	-43,955
Withholding tax	11,236	10,988
Value added tax, net	-75,130	-54,944
Total	-52,964	-34,037
Ratio of tax payments to net sales	-9.52%	-6.25%
		EUR 1,000

In the parent company's FAS financial statements as of 31 December 2025, deferred tax assets of approximately EUR 11.5 million have not been recognised. In the consolidated financial statements prepared according to IFRS standards, the deferred tax asset has been recognised. The deferred tax asset arises from confirmed unutilised tax losses from prior tax years, of which that amount remains in the end of the 2025 tax year. Other deferred taxes in the financial statements have been recognised in relation to right-of-use assets, the fair values of derivatives held for hedging purposes, and biological assets. On the income statement, the impact of these deferred taxes is approximately EUR -1.1 million, and on the balance sheet, the net deferred tax asset totals EUR 13.3 million.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Research and development

Terrafame researches and develops its production process primarily in connection with its ordinary business operations. Development activities are accounted for as normal operating expenses.

As part of its strategy process, Terrafame carefully analysed its metal semi-product production process and identified significant ways to enhance its efficiency. These include, among other things, extending the duration of primary leaching and more efficient recovery of by-products such as copper and cobalt. In 2025, Terrafame conducted small-scale research related to copper recovery.

As part of its renewed strategy, Terrafame is investigating the prerequisites for increasing uranium production volumes. In 2025, Terrafame's research activities specifically focused on researching and developing uranium recovery, which began the previous summer. In addition, the company is exploring opportunities to recover other critical raw materials that are not yet utilised, such as rare earth elements. Production of new products could commence towards the end of the current decade. Terrafame is a member of the REMHub project, which investigates the recovery of rare earth elements. The project is funded by the European Union and aims to develop a responsible processing chain for rare earth elements.

In 2025, Terrafame continued to research and develop closure structures for its areas. For several years, Terrafame has conducted surface structure experiments in secondary leaching areas, waste rock areas, and gypsum sludge ponds to explore the best methods for closing these areas at the end of their operational life. In 2025, the company continued the closure of waste rock area KL2 and began the closure of waste rock area KL1. A total of approximately 30 hectares of areas were closed. Research into closure structures will continue after the areas are closed.

In 2023, Terrafame and Fortum Battery Recycling entered into an agreement for pilot operations, where metals recycled by Fortum from the black mass of electric vehicle batteries are utilised in Terrafame's battery chemical production. More efficient recycling feedstock pilot operations, which started at the end of 2024, continued at the battery chemical plant in early 2025, but market disruptions and the shutdown of the battery chemical plant towards the end of the year temporarily interrupted the pilot operations. Cooperation will resume in 2026.

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 of Finland (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 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 reinforcing the current structures.

The SAC upheld the decision of the VAC related to discontinuing the discharge of purified water into the Vuoksi watercourse area.

Terrafame to initiate change negotiations concerning the entire personnel

Multi-metal and battery chemicals company Terrafame has decided to initiate change negotiations concerning its entire personnel on production-related and financial grounds, as part of Terrafame'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 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.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

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.

Assessment of the most significant risks and uncertainties

The company's operations are affected by various general risks related to industrial operations, including the impact of environmental permits and other official permits, as well as taxes and fees, on the company's costs. The schedules and conditions related to various permits also bring uncertainty to operations. The most significant business risks include fluctuations in the market price of nickel, fluctuations in the EUR/USD exchange rate, risks related to the pricing and demand for nickel sulphate, the counterparty risk related to customers and other business partners, and risks related to the ramp-up of new production plants. The key risks related to Terrafame's production operations are associated with occupational safety and the environmental safety of processes.

Risks arising from the geopolitical situation can also affect the company's business operations. Delays in investments in the European electric vehicle value chain increase the risk of market fluctuation.

The competitive situation between NMC and LFP battery technologies creates a technology risk for one of Terrafame's main product lines.

From a risk management perspective, it is important that the company's production process is flexible. This allows Terrafame to focus on either the production of battery chemicals or metal intermediates, depending on the market situation. In addition, significant risks identified in risk assessments are mitigated by means such as price hedging, technical improvements, a broad customer portfolio, systematic production planning, investments, and the development of personnel competence.

Near-term outlook

01 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.

02 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.

03 Terrafame

continues to implement its strategy, which inherently includes improving safety at work, further enhancing operational efficiency to improve short-term profitability, and preparing for long-term investments and their financing.

The Board of Directors' proposal on the distribution of profit

The parent company Terrafame Ltd's loss for the financial year is EUR 80,334,151.15 and distributable equity on 31 December 2025 was EUR 571,017,199.81. The Board of Directors proposes to the Annual General Meeting that no dividend be distributed and that the result for the financial year be recorded in shareholders' equity.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Key figures and formulas for calculating the figures

Scope of operations	Group		Terrafame Ltd					
	IFRS 2025	IFRS 2024	IFRS 2023	FAS 2025	FAS 2024	FAS 2023	FAS 2022	FAS 2021
Net sales, EUR million	556.1	544.5	560.9	556.1	544.5	560.9	584.4	378.4
Balance sheet total, EUR million	1,395.8	1,451.9	1,307.2	1,363.6	1,402.4	1,242.6	1,128.1	1,006.7
Total capital expenditure, EUR million	134.7	211.1	138.2	134.7	211.1	138.2	83.0	117.9
as % of net sales	24.2	38.8	24.6	24.2	38.8	24.6	14.2	31.2
Average number of personnel	870	861	830	870	861	830	840	910

Profitability

EBITDA, MEUR	79.5	66.3	100.6	66.1	84.2	84.3	152.1	-48.8
EBITDA-%	14.3	12.2	17.9	11.9	15.5	15.0	26.0	n.a.
EBIT	-35.0	-12.6	37.9	-47.8	6.6	23.3	93.9	-95.3
EBIT-%	n.a.	n.a.	6.8	n.a.	1.2	4.1	16.1	n.a.
Net profit	-74.1	-46.3	-4.4	-80.3	-15.3	-7.1	63.0	-115.8

Profitability, excl. non-recurring items (FAS)

EBITDA	79.5	66.3	100.6	78.2	64.7	99.4	152.1	24.2
EBITDA-%	14.3	12.2	17.9	14.1	11.9	17.7	26.0	6.4
EBIT	-35.0	-12.6	37.9	-35.7	-12.9	38.4	93.9	-22.4
EBIT-%	n.a.	n.a.	6.8	n.a.	n.a.	6.8	16.1	n.a.

Solvency

Equity ratio, %	47.3	50.5	61.9	43.4	48.1	57.8	38.9	38.2
Net gearing, %	60.6	40.7	15.6	67.7	44.4	17.6	44.7	42.6

EBITDA

EBIT - Depreciation

Equity ratio

(Equity + minority interest)*100 / Balance sheet total - short-term and long-term advance payments received

Net gearing

(Interest bearing debt - cash funds)*100 / Equity + general provisions

As a non-recurring FAS adjustment, Terrafame Ltd's figures in the table do not take into account the change in the environmental provision recognised in profit or loss.

Terrafame has adopted the IFRS 16 Leases standard as permitted by section 5:5b of the Finnish Accounting Act and by the IAS Regulation (EU) in its financial accounting effective 1 January 2019, using the simplified approach. The cumulative impact of the implementation of the standard has been recognised on the balance sheet and the comparative figures have not been restated.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Consolidated Financial Statements (IFRS)

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Consolidated Financial Statements (IFRS)

1 January–31 December 2025

Consolidated statement of comprehensive income

	Note	2025	2024
Net sales	1.1	556,065	544,491
Cost of goods sold	1.3	-500,759	-477,019
Gross profit		55,306	67,471
Other operating income	1.4	15,891	6,076
Sales and marketing expenses	1.5	-9,783	-19,442
Administrative expenses	1.6	-59,281	-40,212
Other operating expenses	1.7	-37,143	-26,470
Operating profit/loss		-35,011	-12,577
Financial income and expenses	1.8		
Interest income and other financial income		6,559	3,844
Interest and other finance expenses		-44,468	-30,842
Financial income and expenses		-37,908	-26,998
Profit/loss before tax		-72,919	-39,575
Income taxes	1.9	-1,139	-6,709
Profit/loss for the financial year		-74,058	-46,284
Other comprehensive income			
Items that may be reclassified to profit or loss in subsequent periods			
Cash flow hedging – effective portion of changes in fair value reserve		-57,457	-36,044
Taxes on items that may be reclassified to profit or loss in subsequent periods		11,491	7,209
Other comprehensive income, net		-45,965	-28,835
Total comprehensive income for the financial year		-120,024	-75,119

EUR 1,000

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Consolidated balance sheet

Assets

Non-current assets	Note	31 Dec 2025	31 Dec 2024
Intangible assets	1.11	6,090	220
Tangible assets	1.12	932,420	935,164
Biological assets	1.13	11,865	10,488
Investments in associates		0	0
Deferred tax assets	1.19	15,283	12,253
Other receivables		205	291
Non-current assets		965,864	958,416
Current assets			
Inventories	1.14	321,299	318,715
Trade and other receivables	1.15	70,025	133,702
Cash and cash equivalents	1.16	38,599	41,039
Current assets		429,923	493,456
Assets total		1,395,786	1,451,872
			EUR 1,000

Equity and liabilities

Equity	Note	31 Dec 2025	31 Dec 2024
Subscribed capital	1.17	2,000	2,000
Invested unrestricted equity fund		997,670	972,670
Fair value reserve	1.18	-15,278	30,687
Retained earnings (losses)		-271,465	-225,181
Profit/loss of the financial year		-74,058	-46,284
Equity		638,868	733,892
Non-current liabilities			
Deferred tax liabilities	1.19	1,939	9,261
Interest-bearing liabilities	1.23	418,045	268,065
Provisions	1.22	204,772	216,680
Non-current liabilities		624,756	494,005
Current liabilities			
Interest-bearing liabilities	1.23	7,799	71,363
Trade and other payables	1.24	124,363	152,612
Current liabilities		132,162	223,975
Liabilities total		752,236	717,980
Equity and liabilities total		1,395,786	1,451,872
			EUR 1,000

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Consolidated cash flow statement

Cash flow from operating activities	Note	31 Dec 2025	31 Dec 2024
Profit/loss before tax		-72,919	-39,575
Adjustments to operating profit/loss	1.25	80,140	27,854
Depreciation and amortisation		114,558	78,879
Change in net working capital		-13,249	3,664
Interest paid and other financial expenses		-31,627	-29,233
Interest received, operational		1,006	724
Cash flow from operating activities		77,909	42,313

Cash flow from investing activities

Investments in tangible and intangible assets		-139,819	-177,268
Proceeds from the sale of tangible and intangible assets		6,175	0
Investments in other activities		0	-10
Purchased Subsidiary Shares		0	10
Cash flow from investing activities		-133,644	-177,268

EUR 1,000

Cash flow from financing activities	Note	31 Dec 2025	31 Dec 2024
Paid increase in equity		25,000	0
Proceeds from long-term borrowings		105,786	199,259
Repayment of long-term borrowings		-65,000	
Proceeds from short-term borrowings		0	65,000
Repayment of short-term borrowings		0	-98,581
Repayment of short-term lease liabilities		-6,705	-5,564
Interest paid and other financial expenses		-2,465	0
Cash flow from financing activities		56,617	160,113

Change in cash and cash equivalents

Foreign exchange rate effect on cash and cash equivalents		-3,322	651
Cash and cash equivalents at the beginning of the period		41,039	15,230
Cash and cash equivalents at the end of the period		38,599	41,039

EUR 1,000

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Consolidated statement of changes in equity

	Note	Subscribed capital	Invested unrestricted equity fund	Fair value reserve	Retained earnings	Attributable to parent	Total equity
Equity 1 Jan 2024		2,000	972,670	59,522	-225,180	809,012	809,012
Comprehensive income							
Profit/loss for the period					-46,285	-46,285	-46,285
Cash flow hedging				-28,835		-28,835	-28,835
Total comprehensive income for the period		0	0	-28,835	-46,285	-75,120	-75,120
Business transactions with shareholders							
Total business transactions with shareholders		0	0	0	0	0	0
Equity 31 Dec 2024		2,000	972,670	30,687	-271,465	733,892	733,892
Equity 1 Jan 2025		2,000	972,670	30,687	-271,465	733,892	733,892
Comprehensive income							
Profit/loss for the period					-74,058	-74,058	-74,058
Cash flow hedging				-45,965		-45,965	-45,965
Total comprehensive income for the period		0	0	-45,965	-74,058	-120,024	-120,024
Business transactions with shareholders							
Share Issue			25,000			25,000	25,000
Total business transactions with shareholders		0	25,000	0	0	25,000	25,000
Equity 31 Dec 2025	1.17	2,000	997,670	-15,278	-345,524	638,868	638,868

EUR 1,000

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Accounting Principles for Consolidated Financial Statements

Basic information about the Group

Terrafame Ltd (Business ID 2695013-5) (the "parent company") is a Finnish limited liability company and the parent company of Terrafame Group ("Terrafame", "Terrafame Group" or "the Group"). Terrafame Ltd is domiciled in Sotkamo and its registered address is Malmitie 66, 88120 Tuhkakylä, Finland.

Terrafame Group includes Terrafame Alueverkko Oy (Business ID 3354137-2), a wholly-owned (100%) subsidiary of Terrafame Ltd, established during the financial year 2023 and domiciled in Sotkamo. The subsidiary was established for electricity network operations, and its actual business activities were planned to begin during the 2025 financial year once the electricity network operator's licence process had been completed. However, at the end of the 2025 financial year, the decision was made to sell the power line that required the electricity network operator's permit to an operator that already held a permit, and the subsidiary withdrew its own permit application. The consolidation of the subsidiary will not yet have a significant impact on the Group's figures in the 2025 financial year. The planning of the subsidiary's future business is underway, and the scope and purpose of its operations will change during the 2026 financial year.

Terrafame Ltd is a group company of Finnish Minerals Group, whose parent company is Finnish Minerals Group (Business ID 2674050-9). Finnish Minerals Group is domiciled in Helsinki and its registered address is Keskuskatu 5 B, 8th floor, 00100 Helsinki, Finland.

The Group operates internationally and engages in the recovery, further processing and sale of metals, the manufacture and sale of battery chemicals and other chemicals, the exploration, utilisation, extraction and other mining and mineral activities, the purchase and sale of mining concessions, and any other business related to the knowledge acquired in these areas or suitable for or related to them. The parent company may also own real estate and securities and engage in their trade and other investment activities.

A copy of Terrafame Group's financial statements is available at Terrafame Ltd's office, and they can also be viewed on the company's website at www.terrafame.com.

Basis of preparation

Terrafame's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted in the European Union as well as the IAS and IFRS standards and SIC and IFRIC interpretations effective on the date of closing of the accounts, 31 December 2025.

The notes to the consolidated financial statements also comply with Finnish accounting and company law. The financial statement information is reported in tables and related texts in thousands of euros and in the report of the Board of Directors in millions of euros to one decimal place. Any comparative figures for financial years preceding 2024 are unaudited IFRS figures. All the presented figures have been rounded according to general rounding rules, so the sum of the individual figures may be different from the sum presented. Key figures have been calculated using exact values. Comparative information has been adjusted where necessary to correspond with the information of the year under review.

Terrafame's Board of Directors has authorised the publication of these financial statements on 26 February 2026. Under the Finnish Limited Liability Companies Act, shareholders have the right to approve or reject the financial statements at a general meeting held after their publication. The general meeting also has the power to amend the financial statements.

The consolidated financial statements are drawn up on the basis of initial acquisition costs, with the exception of financial assets recognised at fair value through profit or loss, derivatives measured at fair value and biological assets measured at fair value less estimated costs to sell. The assets, liabilities and contingencies acquired through business combinations have been measured at their fair values at the acquisition date. The Group does not have any assets, liabilities or contingent liabilities acquired through business combinations. The preparation of financial statements under IFRS means that Group management must necessarily make certain estimates and judgements concerning the application of the accounting policies.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Information about such considerations made by the management with the greatest influence on the figures presented in the financial statements are explained under the item 'Accounting policies requiring consideration by management and crucial factors of uncertainty associated with estimates' on [page 38](#).

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group owns more than half of the voting rights or otherwise has a controlling interest. The existence of potential voting rights is also considered when assessing the existence of control in the case that the instruments entitling to potential control are currently exercisable. Control exists when the Group, by virtue of being part of the entity, is subject or entitled to its variable returns and is able to influence those returns by exercising its power within the entity.

Translation of items denominated in foreign currencies

Figures in the consolidated financial statements are shown in euro, which is the functional and presentation currency of the parent company, Terrafame Ltd, and its subsidiary, Terrafame Alueverkko Oy.

Transactions in foreign currencies are entered in euro at the rates prevailing at the transaction date or average rates provided by central banks. Monetary foreign currency items are translated into euro using the rates prevailing at the balance sheet date. Foreign exchange gains and losses related to business operations are included in the corresponding items of net sales, operating expenses or financial income and expenses.

Operating profit

IAS 1 Presentation of Financial Statements does not define the concept of operating profit. The Group has defined it as follows: an operating profit is a net amount derived from net sales plus other operating income, less purchase expenses, purchase expenses are adjusted for changes in inventories (growth in these increases and reductions decrease the operating profit) and expenses from production for own use, less employee benefit expenses, depreciation, amortisation and any impairment losses and other operating expenses.

All other items in the income statement are shown below the operating profit. Exchange rate differences are included in the operating profit if they arise from items related to operations with third parties. Otherwise, they are recognised in financial income and expenses. The realised earnings-related impacts of changes in the value of effective hedging instruments covered by hedge accounting are presented uniformly with the hedged item.

Revenue recognition

The revenue of Terrafame Group mainly consists of sales of battery chemicals, fertilisers and intermediate metal products. A large portion of the company's production is sold under long-term contracts, but sales revenue is recognised on the basis of individual sales transactions. The terms of delivery determine when the transfer of control to the customer takes place. Revenue is recognised net of sales-related foreign exchange gains and losses and any applicable sales taxes. Most sales are priced in US dollars. Individual deliveries constitute a separate performance obligation. The company recognizes sales revenue at a single point in time.

According to established business practices, recognition of sales revenue based on a best estimate per delivered batch of metals is, if necessary, adjusted according to the final weighing and analysis data.

The sales revenue recognition of metal intermediate products is based on an invoice drawn up upon delivery according to preliminary analysis and measurement results and the market prices for the month preceding the month of delivery. There may be variability in consideration. Variable considerations are adjusted as needed on the basis of the final analysis and measurement results, in which case the prices of delivered metals are also adjusted to correspond to the market prices of the agreed pricing period. The final analysis and measurement results are normally obtained within a few months.

The sales revenue recognition of battery chemicals is based on an invoice drawn up upon delivery according to the analysis and measurement results confirmed by the company and the market prices for the month preceding the month of delivery. There may be variability in consideration. Variable consideration should be adjusted on the basis of the prices of the battery chemicals delivered, to reflect the market prices for the agreed pricing period when those prices are known.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

With regard to deliveries for which final analysis and measurement results have not yet been obtained, the sales prices and euro-denominated valuations are adjusted at the date of reporting so as to correspond to the average market prices of the month of the financial statements and the exchange rates at the balance sheet date. With regard to these deliveries, the company also considers the need to make write-downs due to the changes in analysis and measurement results of market prices. No such write-downs have been recorded in the financial statements of 31 December 2025. In addition, the commodity and currency hedges for metal tonnes sold have been taken into account in the valuation of sales. There is no significant financing component associated with payments made under customer contracts and no assets have been recognized for expenses incurred in fulfilling customer contracts.

Government grants

Government grants related to the acquisition of tangible fixed assets have been recognised by deducting the grant from the asset's carrying amount when there is reasonable assurance that the grant will be received and the Group will comply with any conditions attached to the grant. Grants are recognised as deferred income on a systematic basis over the useful life of the asset. Grants receivable as compensation for costs already incurred are recognised as income in profit or loss in the period in which the grant is receivable. Grants received are shown in other operating income.

Pension obligations

The Group companies have pension schemes in accordance with the local conditions and practices. The schemes are generally funded through payments to insurance companies. Currently all pension schemes are defined contribution plans.

Defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligation to pay further contributions if the entity does not hold sufficient assets to pay all employees the benefits related to employee service in current and prior periods. Under defined contribution plans the payments are accounted for as an expense for the period for which the payment is made.

Leases

Terrafame Group acts as a lessee, in which role it has mainly leased machinery and equipment, other small appliances, and premises. As a rule, the Group records all its right-of-use assets and lease liabilities associated with leases in its balance sheet. The Group applies the standard's exemptions concerning short-term leases of up to 12 months and goods of a value of up to approximately EUR 5,000. The Group does not recognise these in the balance sheet, but accounts for the lease payments of the above-mentioned leases on a straight-line basis over the lease term. The lease term is the period during which the lease cannot be cancelled. It includes the period covered by an extension or termination option, if the lessee is reasonably certain to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

At the inception date of the lease, the Group recognises a lease liability and a corresponding right-of-use asset. A right-of-use asset is initially measured at cost, which includes the original amount of the lease liability, plus any lease payments made at or prior to the inception date of the lease, less lease incentives obtained, plus any initial direct costs incurred by the Group, as well as the estimated restoration costs.

After the inception date of the lease, the right-of-use asset is measured at cost less the accumulated depreciation, amortisation and impairment loss. The asset is adjusted with certain items attributable to the re-measurement of the lease liability. The right-of-use asset is depreciated on a straight-line basis starting from the inception date of the lease over the asset's useful life or the lease term. The useful life of the right-of-use asset is determined in the same way as the useful life of corresponding fixed assets held. If necessary, the right-of-use asset is tested for impairment and any impairment losses are recognised through profit or loss.

The original lease liability is measured at the current value of lease payments that were not made at the inception date of the lease. The Group discounts leases using agreement-specific internal borrowing rates. The value of the lease liability consists of: fixed payments, including factually fixed payments; variable lease payments that depend on an index or a rate and which are initially measured using the index or rate as at the lease's inception date; amounts payable by the lessee based on residual value guarantees; and the purchase option exercise price, if it is reasonably certain that the Group will exercise the option.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

In subsequent periods, lease liabilities are measured at amortised cost using the effective interest method. The lease liability is remeasured when there is a change in future lease payments due to a change in the index or rate used to determine those payments, or if there is a change in the amounts expected to be payable under a residual value guarantee. Changes made by the Group in the assessment of a purchase option of an underlying asset or an extension or termination option may also lead to a re-measurement of the lease liability. When the lease liability is remeasured, a corresponding adjustment is made to the asset's carrying amount, or it is recognised through profit or loss if the carrying amount of the right-of-use asset has decreased to zero.

The Group has not concluded any significant agreements as a lessor. During the 2025 financial year, a small amount of office (premises) space was leased to a subcontractor.

Impairment losses

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. The value in use refers to the estimated future net cash flows obtainable from the asset or cash-generating unit, discounted to their current value. The value in use is forecast on the basis of circumstances and conditions prevailing at the time of testing. The discount rate takes into account the time value of money as well as the special risks involved for each asset, different industry-specific capital structures and the expected ROI for investors.

An impairment loss is recorded when the carrying amount of an asset is greater than its recoverable amount. If the impairment loss is allocable to a cash-flow-generating unit, it is allocated first to reduce the goodwill of the unit and subsequently to reduce other assets of the unit. As at the date of reporting or the end of the reference period, the Group has no goodwill contributing to its valuation.

The impairment loss is reversed if a change has occurred in circumstances and the recoverable amount of the asset has changed since the impairment loss was recognised.

Borrowing costs

Borrowing costs are recognised as an expense for the financial period during which they are incurred. Initial costs arising from the arrangement of debt financing are allocated over the duration of the arrangement. Borrowing costs directly attributable to acquisition, construction or manufacturing of a tangible fixed asset (property, plant and equipment) meeting the criteria shall be capitalised as part of the asset's acquisition cost.

Income taxes

Tax expenses on the income statement consist of the tax based on taxable income for the year and deferred taxes. Taxes based on taxable income for the year are calculated using the applicable tax rates. Taxes are adjusted with any taxes arising from previous periods.

Deferred taxes are calculated from temporary differences between the carrying amount and taxable amount. Deferred taxes are calculated using the tax rates set at the balance sheet date. Deferred tax assets arising from taxable losses carried forward are recognised up to the amount for which there is likely to be taxable income in the future, and against which the temporary difference can be used.

Other taxes

Tax on mined minerals must be paid by the party that has mined the mineral and is, under the Mining Act, required to have a permit for mining. The Act on Mined Minerals Tax applies to mined minerals for which the obligation to pay the tax arises on or after 1 January 2024.

Terrafame Group's obligation to pay tax on mined minerals arises, according to Section 3(1) of the Act on Mined Minerals Tax, when the metal ores listed in the Annex of the Act on Mined Minerals Tax are delivered to the primary leaching. The tax on mined minerals mentioned in the Annex, the tax on metal ores, is 0.6 percent of the taxable value of the metal contained in the mined mineral. The Finnish Tax Administration confirms the taxable values for the tax period based on the price data of the previous calendar year.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

On 24 January 2025, the Finnish Tax Administration issued an in-depth tax guideline on the mining minerals tax. According to the guideline, in addition to the tax on metal ores, a tax on other possible mining minerals should be paid in accordance with Section 3(2) of the Act on Mined Minerals Tax, based on the time when the mining mineral is extracted. According to Section 5(2) of the Act on Mined Minerals Tax, the tax on other mining minerals is EUR 0.20 per tonne of ore or waste rock.

It is Terrafame's view that the in-depth tax guideline does not comply with the purpose of the mining minerals tax, but that the interpretation is erroneous, and thus, in accordance with the spirit of the Act on Mined Minerals Tax, Terrafame is only liable to pay the tax on metal ores according to its calculation. During the 2025 financial year, Terrafame applied for a preliminary ruling from the Finnish Tax Administration on the matter and has further appealed against the preliminary ruling to the Administrative Court.

Due to the above, Terrafame Ltd has accrued the portion of the tax on metal ores in its result in accordance with the moment of tax determination, amounting to EUR 6.5 million in the 2024 financial year and EUR 6.2 million in the 2025 financial year.

Tangible assets

Tangible assets, which on 31 December 2025 include buildings and infrastructure, machinery and equipment used in production operations, laboratory equipment, vehicles, roads, and structures for environmental protection, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes costs that are directly attributable to the acquisition, construction or production of an asset, and borrowing costs that meet the criteria.

Spare parts with a useful life of more than one year have been recognised in tangible assets.

The recovery of ore reserves in the areas identified in the excavation plan requires removing the soil and waste rock overlying the mineral ore deposit. The resulting stripping costs have been capitalised and will be charged to expense as planned under the usage-based depreciation method as the recovery of the identified ore reserves progresses under the excavation plan. This balance sheet item is accounted for and tracked in accordance with the interpretation requirements of IFRIC 20 Stripping costs in the Production Phase of a Surface Mine.

Depreciation charges are not recorded for work in progress or land. Other assets are depreciated using the straight-line method so that the depreciable amount – acquisition cost less residual value – is allocated on a systematic basis over the asset's useful life as follows:

Roads and power lines 25 years	Buildings and structures 10-40 years	Leaching heap foundations 10-30 years	Machinery and equipment 4-25 years
Stock 5-10 years	Vehicles 5-10 years	Spare parts recognised as PPE 3 years	Environmental protection structures 25 years

The useful life, depreciation methods and potential residual values of assets are reassessed at each reporting date. The reassessment is based on the Group's estimates of ore reserves, mineral resources, production capacity and other relevant factors. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other operating income or expenses, respectively, in the income statement.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Intangible assets

Other intangible assets are recorded at cost if the cost is reliably measurable and the future economic benefits for the Group are probable. Other intangible assets consist of IT applications supporting the Group's business operations and geodata. The Group's IT applications are amortised over 3–5 years, and geodata over 10 years as the mining operations progress.

Research and development costs

Research costs are recognised as an expense in profit or loss once they have been incurred. Development expenditure is capitalised when it is probable that the development project will bring financial gains to the Group in the future and meets the recognition criteria, including technical feasibility and economic viability.

Development projects are analysed separately to determine the date on which the capitalisation of development costs can begin for a project. After initial recognition, capitalised development costs are measured at cost less accumulated depreciation and impairment losses. The depreciation period is determined individually for each project. If it is found that the carrying amount exceeds the recoverable amount, the impairment loss corresponding to the difference is recognised in profit or loss. Terrafame Group currently has no capitalised development expenditure.

Biological assets

Biological assets, i.e. living trees on company-owned land, are measured on initial recognition and at each balance sheet date at fair value less estimated point-of-sale costs. The fair values of biological assets other than young seedlings are based on quoted prices in active markets for biological assets. Biological assets, i.e. those physically attached to land, are recognised and measured at their fair value separately from the land.

The fair value of harvest, measured as its value at the time of sale, is deducted from the fair value of the biological assets. The estimated growth of trees is recognised as gains in the fair value of biological assets. The changes in the fair value of biological assets are included in operating profit in the income statement.

Inventories

The Group classifies its inventories into three groups: raw materials and consumables, work in progress, and finished products.

Raw materials and consumables are measured at the average purchase price of the goods in stock. A so-called write-down on slow-moving items is made on the slow-moving goods in the raw materials and consumables inventory. If an item has been in stock for more than a year, a write-down of 25 percent is made. The write-down increases annually by 25 percentage points, so the value of an item that has been stored for more than four years is zero.

Work in progress and finished products (metal content for sale) are presented in the balance sheet as valued at actual production costs but up to the net realisable value of the products on the balance sheet date. Net realisable value refers to the estimated selling price in the ordinary course of business, less the production costs necessary to making work in progress and finished products ready for sale.

The acquisition cost of work in progress and finished products (production cost) includes the fixed and variable costs of production and maintenance that supports production, as well as depreciation on these operations, based on the actual production costs in the production process.

In metal intermediates business, work in progress includes metals in the ore in primary and secondary heaps, as well as metals in the leaching process or metal precipitation and filtration process that can be processed for sale as a finished product. The work in progress in the battery chemical business is nickel-cobalt sulphide, which is used as raw material in the refining process. It is valued on the basis of the stage of completion of the main phases of the production process (pressure leaching, extraction and crystallisation).

The amount of metal included in work in progress is determined by calculating the metal tonnes added to and removed from the production process, i.e., the work in progress inventory. The recoverable quantities of nickel, zinc, copper and cobalt included in work in progress are determined on the basis of the estimated ore concentrations based on geological surveys, the estimated recovery percentages of metals in the bio heap leaching process, the recovery percentages of the metal recovery plant and the battery chemicals plant.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Ore concentrations, the amount of metals in the production process and the metals recovery percentage are actively reviewed on a monthly basis throughout the entire process.

The value of inventories determined in accordance with the principle of net realisation value includes discretionary factors related to, for instance, the measurement of metal volume in work in progress, metals recovery percentages, production costs, the production time necessary to complete sales, and sales prices.

Financial assets

Financial assets are classified based on the Group's business model for managing financial assets and their contractual cash flow characteristics to the following categories:

- Measured at amortised cost
- Measured at fair value through other comprehensive results
- Measured at fair value through profit or loss

The classification is based on the Group's business model objective and the contractual cash flow characteristics of the investments. Purchases and sales of financial assets are recognised on the basis of the settlement date. At the time of initial recognition, the Group designates financial asset items as measured at fair value and, in the case of items not measured at fair value through profit or loss, the transaction costs directly attributable to the item will be added to or deducted from it. Financial assets at fair value through profit or loss are recorded at the time of initial recognition in the balance sheet at fair value and transaction costs are recognised in profit or loss.

Classified in the **Financial assets measured at amortised cost** category are financial assets for which the objective of the business model is to hold financial assets and to collect contractual cash flows consisting solely of capital and interest payments. This item includes trade receivables, loan receivables and other receivables that are non-derivative financial assets. The assets classified in this category are measured at amortised cost under the effective interest rate method. The carrying amount of short-term trade receivables and other receivables is deemed to correspond to their fair value. These items are shown in the balance sheet as short-term assets if they are expected to be realised within 12 months of the end of the reporting period. If necessary, the Group recognises an expected credit loss reduction from the financial assets measured at amortised cost.

The Group applies a simplified procedure for the determination of expected credit losses for trade receivables measured at amortised cost. Under the simplified procedure, credit losses are determined using the reserve matrix and recorded in the amount corresponding to the credit losses expected to occur over the life of the financial asset. Expected credit losses are estimated based on information about past events. The model also takes into account forecasts of future economic conditions available at the reporting date.

In the 2025 financial statements, a credit loss provision of approximately EUR 15,000 has been recognised against trade receivables due to a notified customer bankruptcy. In 2025, no other expected credit losses have been recorded for trade receivables due to good credit rating and no outstanding receivables from customers.

Receivables are recognised as credit losses when there is objective evidence that the Group will not be able to collect all amounts. Any impairment is recognised in the income statement as operating expenses. When a receivable is deemed irrecoverable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses in the income statement.

Classified in the **Financial assets recognised at fair value through profit or loss** category are financial assets that are acquired to be held for trading purposes or classified at the time of initial recognition to be measured at fair value through profit or loss.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Financial assets are derecognised when the Group's contractual entitlement to cash flows has lapsed or been transferred to another party or when the Group has transferred significant ownership risks and revenues outside the Group.

Cash and cash equivalents

The Group's cash and cash equivalents consist of cash at bank and cash in hand.

Financial liabilities

Financial liabilities are classified into the following categories:

- Recognised at amortised cost
- Recognised at fair value through profit or loss

Financial liabilities are recognised at fair value at the time of initial recognition and, in the case of a financial liability other than that recorded at fair value through profit or loss, transaction costs directly attributable to the item will be added to or deducted from it.

Financial liabilities posted at amortised cost are measured at amortised cost under the effective interest rate method. The difference between the amount received and the recoverable amount is recorded in the income statement under the effective interest rate method over the loan period. Financial liabilities are classified as short-term unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. A financial liability is derecognised when the Group either pays the debt to the lender or has been legally exempted from the principal obligation relating to the liability as the result of a judicial process or by the lender. Interest-bearing liabilities are liabilities that either include a contractual interest component or are discounted to reflect the fair value of the liability.

The interest-bearing loans, including lease liabilities, trade payables and other non-interest-bearing liabilities, included in the Group's financial liabilities are classified as liabilities measured at amortised cost.

The Group's financial liabilities recognised at fair value through profit or loss consist of derivative instruments.

A financial liability is derecognised when the Group either pays the debt to the lender or has been legally exempted from the principal obligation relating to the liability as the result of a judicial process or by the lender. A financial liability is derecognised if the terms of the liability are changed and the change leads to a significant change in future cash flows. The new liability is recognised at fair value. Where changes occur in the amount or timing of the loan's expected cash flow, the carrying amount of the loan is adjusted to reflect actual and expected cash flows and the resulting income or expense is recognised in the income statement.

Derivatives and hedge accounting

Derivatives

The Group's parent company uses foreign exchange and commodity derivatives to hedge the Group's exposure to risks arising from balance sheet item and foreign currency purchase and sales contracts. The derivatives used by Terrafame were acquired for hedging purposes, and hedge accounting has been applied to them. All derivatives are recognised initially at fair value. Unrealised change in the value of derivatives that are considered effective hedges are recognised at fair value in the balance sheet's fair value reserve as per the portfolio valuation report for the last day of the reporting period. The accounting process for gains and losses on fair value measurement is based on the purpose of use of the derivative contract.

The realised earnings-related impacts of changes in the value of effective hedging instruments that are covered by hedge accounting are presented uniformly with the hedged item. In the event of any ineffective hedging, changes in the fair value of hedging instruments are recognised in profit or loss.

Hedge accounting

The parent company applies hedge accounting to all hedging instruments. At the beginning of the hedging arrangement, the relationship between each hedging instrument and the hedged asset, as well as the risk management objectives, are documented by hedging instrument type. The effectiveness of the hedging relationship is assessed at the beginning of hedging and in quarterly accounts at a minimum.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

If the hedging relationship no longer meets the hedge accounting criteria or the hedging instrument is sold, expires, or the related contract is terminated or realised, hedge accounting will be terminated prospectively.

In practice, ineffective hedging may arise, for example, due to changes in the production plan, in which case the monthly delivery volumes do not correspond to the tonnages hedged by the hedging instruments.

Cash flow hedging

The parent company's hedging activities are entirely focused on cash flow hedging. The effective portion of changes in the fair values of derivatives acquired for the purpose of hedging forecasted cash flows are recognised at fair value through other comprehensive income in the fair value reserve under equity. The cumulative fair value is shown in the cash flow hedge reserve under equity. Changes in fair value are recognised in profit or loss for the same periods in which hedged cash flows affect the result. The parent company can use currency swaps (forward contracts and options) as hedging instruments for future cash flows denominated in a foreign currency.

When hedge accounting for a cash flow hedge is terminated, the amount accumulated in the cash flow hedge reserve is included in equity until it is transferred to profit or loss for the same financial period in which the hedged expected future cash flows affect profit or loss. If the hedged future cash flows are no longer expected to occur, the amount accumulated in the cash flow hedge reserve will be immediately transferred as a reclassification adjustment to profit or loss.

Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, provisions are discounted at the current pre-tax interest rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Rehabilitation provision for mine closure and environmental clean-up costs

A rehabilitation provision for mine closure costs is made with respect to the estimated future costs of closure and restoration, and for environmental restoration and rehabilitation to the condition required by the environmental permits granted for mining operations.

Prevention of the threat of environmental pollution entails environmental and landscaping obligations. After mining operations have ceased, any machinery and equipment, chemicals, fuels and waste involving the risk of environmental pollution must be removed from the site. This will be carried out as part of normal mining operations. In addition, the open pit must be restored to the condition required by public safety.

The majority of the estimated restoration costs arises from the closure of waste rock areas and primary and secondary leaching areas, the treatment and clean-up of primary and secondary leaching solution channels, the construction, covering and landscaping of gypsum ponds, the treatment of rock drainage, the fencing of open pits and the ex post supervision of the mining site.

The mine closure plan is based on the covering of waste areas with water and oxygen-impermeable material, and long-term aftercare. It is assumed that environmental monitoring of the mine will continue for 30 years after closure of the mine.

The rehabilitation costs have been estimated in accordance with the cost level at the date of closing of the accounts. In preparing the management's estimate, calculations and assessments of the company's closure costs provided by external experts and authorities were taken into account. This view has also been supported by extensive pilot projects for closure work carried out by Terrafame. The rehabilitation provision of 31 December 2025 in the consolidated balance sheet was EUR 204.8 (216.7) million. Terrafame closes areas that have been removed from production use already during active production operations. As the closure work progresses, the provision is released, and the authorities confirm the surface areas of the open areas awaiting closure.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Accounting policies requiring consideration by management and crucial factors of uncertainty associated with estimates

Estimates and assumptions regarding the future have to be made during the preparation of the financial statements, and the outcome may differ from the estimates and assumptions. Furthermore, the application of accounting policies requires consideration.

The estimates made when preparing the financial statements are based on the management's best knowledge at the balance sheet date. The estimates are based on prior experience, as well as future assumptions that are considered to be the most likely on the balance sheet date with regard to issues such as the expected development of the Group's economic operating environment in terms of sales and cost levels. The Group monitors changes on a regular basis using both internal and external sources of information, and any changes to these estimates and assumptions are entered in the accounts for the period in which the estimate or assumption is adjusted and for all periods thereafter.

Tangible and intangible assets

The management of Terrafame Group has used its judgement in the recognition of tangible and intangible assets in the balance sheet and in determining their useful lives, which has an impact on the consolidated balance sheet and the amount of depreciation to be recorded. Similarly, management is required to use judgment in determining the useful lives of intangible assets identified in accordance with IFRS 3, and in determining the amortisation period. This affects the financial result for the period through depreciation and changes in deferred taxes.

For tangible fixed assets, comparisons have been made of the market prices of similar assets, and the depreciation of the acquired assets due to aging, wear and other similar factors has been estimated. The fair value measurement of intangible fixed assets is based on estimates of cash flows associated to fixed assets. Management considers the assumptions and estimates to be sufficiently accurate to provide a basis for estimating the fair value. The Group also reviews any indication of impairment loss of tangible and intangible fixed assets at each date of the financial statements.

If management identifies factors that may indicate a potential impairment of the company's equipment, the company performs an impairment test during the financial year. If the impairment test calculation results in a decrease in the value in use of the company's assets below their net carrying amount, the company recognises the impairment loss in profit or loss.

Valuation of mineral resources and ore reserves

In the Group's mining operations, estimates have to be applied in recognising raw material resources acquired in business combinations as assets on the consolidated balance sheet. In the recognition and measurement of mineral resources and ore reserves, the Group utilises available third-party analyses of the quantities, mineral content, estimated production costs and recovery potential of the resource. The reliability of the evaluation and calculation basis for mineral resources and ore reserves is also a key consideration. In the mining and minerals business, mineral resources and ore reserves are commonly classified into categories such as 'proven' and 'probable' ore reserves, and 'measured' and 'indicated' mineral resources.

Rehabilitation provisions

The Group assesses the rehabilitation liabilities associated with its mines and production facilities annually. The amount of provision reflects the management's best estimate of the rehabilitation costs. In determining the amount of provision, the Group has listed matters that it will rehabilitate and/or restore to the condition required by the licence terms in accordance with the nature of its operations and the official permit conditions. The Group estimates that rehabilitation measures will be taken in connection with its mining operations or, at the latest, in connection with mine closure. These measures are estimated to take a few years after the ending of operations.

At the date of the financial statements, the Group has estimated the extent and unit cost of the various matters requiring rehabilitation and calculated the rehabilitation provision accordingly. In estimating the extent and unit cost of the various matters, the Group has used its best inhouse experts in the matters in question.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

In determining the fair value of the provisions, assumptions and estimates are made in relation to discount rates, the expected cost to rehabilitate the area and remove or cover the contaminated soil from the site, the expected timing of those costs, and whether the obligations stem from past activity. These uncertainties may cause the actual rehabilitation costs to differ from the provision which has been made.

Definition of value of work in progress

The value of inventories determined in accordance with the principle of net realisation value includes discretionary factors related to, for instance, the measurement of metal volume in work in progress, metals recovery percentages, production costs, the production time necessary to complete sales, and sales prices.

Leases

To process leases in accordance with IFRS 16, estimates and assumptions made by management must be used, inter alia, when assessing factors that have an impact on defining the lease term as well as leases that are valid until further notice. In addition, management's assumptions are used when assessing leases with termination and continuation options. Management's estimates are also required to determine which discount rate to use. Management's estimates have an impact on the amount of right-of-use assets and lease liabilities in the balance sheet, as well as on the recording of income and expenses in the income statement.

Deferred taxes

The recognition of deferred tax assets is based on management's forecasts and estimates of whether the company will generate sufficient taxable income in the future. The estimates used in the calculation are based on the latest management forecasts at the reporting date and assumptions consistent with the assumptions used elsewhere in the financial statements. The assessment requires consideration of, for example, future taxable income, the tax planning strategies available, and other factors that have a positive or negative impact. The amount of deferred tax assets on the balance sheet could be lower if the above estimates were to change or if the legislation in force would limit the possibility to take advantage of the estimated tax benefit.

New standards, amendments and interpretations

The new standards, amendments or interpretations adopted on 1 January 2025 have had no impact on the consolidated financial statements of Terrafame Ltd.

Terrafame Group has not early adopted any new or amended standards that have been issued but are not yet effective. The new standards, amendments to standards or interpretations are not expected to have a material impact on Terrafame Group's consolidated financial statements, except for IFRS 18 Presentation and Disclosures, which was issued in April 2025.

IFRS 18 contains requirements for the presentation and disclosure of financial statements and replaces IAS 1 Presentation of Financial Statements. IFRS 18 will be effective for annual periods beginning on or after 1 January 2027 and early application is permitted. Terrafame Group is assessing the impact of IFRS 18 on its consolidated financial statements, but as IFRS 18 does not change recognition and measurement requirements, it is not expected to have a significant impact on anything other than financial presentation.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

● 1

Notes on the consolidated financial Statements

● 1.1

Net sales

Industry distribution	2025	2024
Metal intermediates business	359,071	347,824
Battery chemicals business	196,994	196,667
Total	556,065	544,491
Geographical distribution		
Europe	168,223	304,448
Asia	320,375	115,363
America	62,859	126,179
Australia	239	-1,499
Africa	4,369	0
Total	556,065	544,491

EUR 1,000

● 1.2

Employee benefit expenses and total depreciation

Total employee benefit expenses	2025	2024
Wages and salaries	51,445	48,051
Pensions costs	8,616	8,542
Other personnel expenses	1,664	1,424
Total	61,725	58,017

EUR 1,000

Number of personnel	2025	2024
The Group's average number of personnel during the financial period	870	861
The Group's number of personnel at the end of the financial period	887	793

Total depreciation, amortisation and impairment charges	2025	2024
Intangible assets		
Intangible assets	684	27
Other intangible assets	69	80
Total	753	106
Tangible assets		
Buildings	6,408	6,471
Right-of-use assets, buildings	331	24
Machinery and equipment	34,294	35,357
Right-of-use assets, machinery and equipment	6,001	5,909
Other tangible assets	66,772	31,012
Total	113,805	78,773
Total depreciation	114,558	78,879

EUR 1,000

In the comparison period, the personnel expenditure presented as an expense in the income statement totalled EUR 56.5 million, and the personnel expenditure transferred to own investments totalled EUR 1.5 million.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

1.3

Cost of goods sold

Materials and services	2025	2024
Raw materials and consumables		
Purchases during the financial year	168,931	172,445
Change in stocks	1,101	-4,007
Total raw materials and consumables	170,032	168,438
External services	80,040	85,523
Total	250,072	253,961
Change in Inventory		
Change in Work in progress	-3,151	-11,096
Change in Finished goods	-534	9,638
Total	-3,685	-1,458
Personnel expenses		
Wages and salaries	41,229	39,913
Pensions expenses	6,959	7,121
Other personnel expenses	1,119	952
Total	49,307	47,986
Depreciation		
Depreciations	112,628	76,858
Total	112,628	76,858
Other expenses		
Other Cost of goods sold expenses	92,436	99,673
Total	92,436	99,673
Cost of goods sold total	500,759	477,019

EUR 1,000

Costs related to procurement and manufacturing decreased during the financial year, partly due to the optimisation of operations as a result of the ongoing cash flow and profitability improvement programme. The company's own organisation was slightly strengthened and external procurement was reduced. Depreciation and amortisation increased compared to 2024.

1.4

Other operating income

	2025	2024
Revaluation of biological assets	1,377	1,614
Insurance claims	1	62
Grants received	3,429	3,717
Proceeds from the sale of tangible and intangible assets	5,809	59
Other fees and compensation	5,274	624
Total other operating income	15,891	6,076

EUR 1,000

Other operating income also increased from the comparison period. During the financial year, Terrafame Ltd sold the power line it owned to an operator holding an electricity network operator's permit and withdrew its own application from the Energy Authority. In addition, the company received compensation in relation to a sales agreement.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

1.5

Sales and marketing expenses

Personnel expenses	2025	2024
Wages and salaries	857	705
Pensions expenses	134	123
Other personnel expenses	17	14
Total	1,007	842

Depreciation

Depreciation	154	135
Total	154	135

Other expenses

Other Sales and Marketing expenses	8,622	18,465
Total	8,622	18,465

Sales and Marketing expenses total	9,783	19,442
		EUR 1,000

Sales and marketing employee benefit expenses increased slightly as the organisation was strengthened by hiring personnel for new positions during the financial year.

Due to the challenging market situation in the comparison period, sales and marketing expenses for 2024 were elevated due to the rearrangement of deliveries and warehousing costs.

1.6

Administrative expenses

Personnel expenses	2025	2024
Wages and salaries	5,773	4,233
Pensions expenses	934	757
Other personnel expenses	190	210
Total	6,897	5,200

Depreciation

Depreciation	215	223
Total	215	223

Other expenses

Other Administrative expenses	51,859	34,640
Total	51,859	34,640

Auditors' remunerations

Audit	231	117
Certificates and reports	0	0
Tax consultancy	39	8
Other services	40	23
Total	310	149

Administrative expenses total	59,281	40,212
		EUR 1,000

Administrative expenses for 2025 were increased by consulting fees related to, among other things, the ongoing cash flow and profitability improvement programme, a rise in insurance premiums due to new insurance items, and an increase in guarantee and collateral costs. The administrative organisation was also strengthened with new positions during the financial year.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

1.7

Other operating expenses

Research and development costs	2025	2024
Total research and development costs recognised as an expense	731	675
Personnel expenses		
Wages and salaries	3,491	1,795
Pensions expenses	590	315
Other personnel expenses	94	40
Total	4,175	2,149
Depreciation		
Depreciation	1,561	1,664
Total	1,561	1,664
Other operating expenses		
Other operating expenses	30,676	21,982
Total	30,676	21,982
Other operating expenses total	37,143	26,470

EUR 1,000

Freight and warehousing costs related to the arrangement of deliveries have increased. The hiring of new personnel for the uranium recovery plant and the start-up of its operations have, for their part, also increased the cost level.

1.8

Finance income and cost

Finance income	2025	2024
Interest income from other deposits	885	724
Foreign exchange gains	5,553	651
Other financial income	122	2,469
Total finance income	6,559	3,844
EUR 1,000		
Foreign exchange gains in the reporting period consist of the valuation of a loan at the closing rate on the balance sheet date. Foreign exchange gains for the comparison period include EUR 0.7 million from the valuation of bank accounts at the closing rate on the balance sheet date. Other financial income for the comparison period includes ineffective hedging income realised from the hedging of metal prices. From the 2025 period onwards, due to a change in IFRS standards, these items are presented consistently in other operating income or expenses in accordance with the nature of the hedging activity.		
Finance expenses		
Other interest expenses	29,762	21,138
Foreign exchange losses	7,402	598
Other financial expenses	7,304	9,106
Total finance expenses	44,468	30,842
Total financial income and cost	-37,908	-26,998
EUR 1,000		

Other interest expenses for the financial year consist of finance expenses from loans, bank accounts, lease expenses and trade receivables. Foreign exchange losses for the financial year consist of a foreign exchange difference on a currency loan of EUR 4.1 million and a foreign exchange loss on a bank account of EUR 3.3 million. The foreign exchange loss for the comparison period includes EUR 0.6 million in foreign exchange differences on currency loans. For both the financial year and the comparison period, other financial expenses mainly consist of the cancellation of the environmental provision discount and the financing and arrangement fees for loans.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

● 1.9

Income taxes

Income taxes in the income statement	2025	2024
Tax based on taxable income of the financial period	0	2,000
Taxes from previous periods	789	4,518
Tax based on taxable income for the period	789	6,518
Deferred taxes	350	191
Income tax expense	1,139	6,709
The Finnish corporate tax rate in the financial year 2025 was 20%.		
Deferred taxes in the balance sheet (net)	13,344	2,992

EUR 1,000

● 1.10

Business acquisitions and divestitures

The Group made no business acquisitions or divestitures in the financial year 2025.

● 1.11

Intangible assets

	Intangible rights	Other capitalized long-term expenditures	Investments in progress	Total
Acquisition cost at 1 Jan 2024	2,547	504	0	3,051
Increase	0	0	45	45
Capitalisation for the year	0	45	-45	0
Acquisition cost at 31 Dec 2024	2,547	549	0	3,096
Accumulated amortisation and impairment losses at 1 Jan 2024	2,494	275	0	2,769
Amortisation for the year	27	80	0	106
Accumulated amortisation and impairment losses at 31 Dec 2024	2,521	354	0	2,875
Carrying amount at 31 Dec 2024	26	195	0	220
Acquisition cost at 1 Jan 2025	2,547	549	0	3,096
Increase	0	0	6,623	6,623
Capitalisation for the year	6,623	0	-6,623	0
Acquisition cost at 31 Dec 2025	9,170	549	0	9,719
Accumulated amortisation and impairment losses at 1 Jan 2025	2,521	354	0	2,875
Amortisation for the year	684	69	0	753
Accumulated amortisation and impairment losses at 31 Dec 2025	3,205	424	0	3,629
Carrying amount at 31 Dec 2025	5,965	125	0	6,090

EUR 1,000

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

1.12

Tangible assets

	31 Dec 2025	31 Dec 2024
Property, plant and equipment	894,995	895,116
Right-of-use assets	37,426	40,048
Carrying amount at 31 Dec 2025	932,420	935,164

EUR 1,000

	Land	Buildings	Machinery and equipment	Other tangible assets	Construction in progress	Total
Acquisition cost at 1 Jan 2024	3,442	136,031	435,652	370,366	153,032	1,098,523
Increase	361	0	7,858	0	165,111	173,330
Capitalisation for the year	0	13,238	21,401	155,097	-189,736	0
Decrease	0	0	168	8,191	0	8,359
Acquisition cost at 31 Dec 2024	3,803	149,270	464,743	517,272	128,407	1,263,494
Accumulated amortisation and impairment losses at 1 Jan 2024	0	37,660	179,754	78,127	0	295,541
Amortisation for the year	0	6,471	35,357	31,012	0	72,839
Accumulated amortisation of deductions and transfers	0	0	-3	0	0	-3
Accumulated amortisation and impairment losses at 31 Jan 2024	0	44,131	215,108	109,139	0	368,378
Carrying amount at 31 Dec 2024	3,803	105,139	249,635	408,133	128,407	895,116

EUR 1,000

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

1.12

Tangible assets

	Land	Buildings	Machinery and equipment	Other tangible assets	Construction in progress	Total
Acquisition cost at 1 Jan 2025	3,803	149,270	464,743	517,272	128,407	1,263,494
Increase	213	0	7,394	0	116,765	124,372
Capitalisation for the year	0	0	8,989	74,794	-83,783	0
Decrease	0	0	111	17,327	0	17,439
Acquisition cost at 31 Dec 2025	4,015	149,270	481,014	574,739	161,389	1,370,427
Accumulated amortisation and impairment losses at 1 Jan 2025	0	44,131	215,108	109,139	0	368,378
Amortisation for the year	0	6,408	34,294	66,772	0	107,473
Accumulated amortisation of deductions and transfers	0	0	-13	-405	0	-418
Accumulated amortisation and impairment losses at 31 Dec 2025	0	50,539	249,388	175,505	0	475,433
Carrying amount at 31 Dec 2025	4,015	98,731	231,626	399,233	161,389	894,995

EUR 1,000

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

1.12

Tangible assets

Right-of-use assets	Buildings	Machinery and equipment	Total
Acquisition cost at 1 Jan 2024	0	22,506	22,506
Increase	4,407	33,301	37,708
Decrease	0	371	371
Acquisition cost at 31 Dec 2024	4,407	55,436	59,843
Accumulated amortisation and impairment losses at 1 Jan 2024	0	14,232	14,232
Amortisation for the year	24	5,909	5,934
Accumulated amortisation of deductions and transfers	0	-371	-371
Accumulated amortisation and impairment losses at 31 Dec 2024	24	19,771	19,795
Carrying amount at 31 Dec 2024	4,383	35,665	40,048

EUR 1,000

Right-of-use assets	Buildings	Machinery and equipment	Total
Acquisition cost at 1 Jan 2025	4,407	55,436	59,843
Increase	1,750	1,960	3,710
Decrease	0	225	225
Acquisition cost at 31 Dec 2025	6,158	57,170	63,328
Accumulated amortisation and impairment losses at 1 Jan 2025	24	19,771	19,795
Amortisation for the year	331	6,001	6,332
Accumulated amortisation of deductions and transfers	0	-225	-225
Accumulated amortisation and impairment losses at 31 Dec 2025	355	25,547	25,902
Carrying amount at 31 Dec 2025	5,802	31,624	37,426

EUR 1,000

The right-of-use assets leased by Terrafame consist mainly of production-related machinery and equipment, such as heavy-duty dumper trucks, excavators, lorries and service vehicles as well as warehouse space. The length of the leases is typically approximately five years, after which the company and the lessor can decide on the use of the lease's continuation option, if one is included in the agreement. As of 31 December 2025, no continuation options were included in the lease liability, as Terrafame does not yet have reasonable assurance that the continuation options will be exercised.

The maturity analysis of the lease liabilities is shown in Note 1.21 Financial risk management on [page 55](#).

IFRS 16 Leases

Items recognised through profit or loss	2025	2024
Lease expenses of low value assets	356	458
Lease expenses of short-term leases	4,579	6,136
Depreciation of fixed assets (machinery and equipment and premises)	6,332	5,934
Interest expenses on leases (included in item 'Interest expenses')	2,419	2,213

The lease expenses itemised above are mainly included in the income statement item Other operating expenses.

Items recognised in the cash flow statement

Total cash outflow from leases	6,705	5,564
--------------------------------	-------	-------

EUR 1,000

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

● 1.13

Biological assets

The land owned by Terrafame Ltd includes biological assets (forest). The forests are managed in accordance with a forest management plan. Approximately one-third of the mining concession area has been taken into production use. Biological assets are measured at fair value based on a third-party estimate, less sales-related costs. Growing stock and seeding stand have been measured at fair value, separately from land. Seeding stands have no value in timber trade since the trees will not be saleable until after 25–30 years. The value of seeding stands has been taken into account in the value of forests by discounting them at 31 December 2025 (25 years, interest rate 5%). The fair value of biological assets is based on classification level 3.

The fair value of harvest, measured as its value at the time of sale, is deducted from the fair value of the biological assets. The estimated growth of trees is recognised as gains in the fair value of biological assets. The changes in the fair value of biological assets are included in operating profit in the income statement.

Biological assets	31 Dec 2025	31 Dec 2024
Value of growing stock	11,783	10,402
Value of seeding stands	82	86
Biological assets total	11,865	10,488
Total growing stock, m ³	329,281	329,338
Total seeding stands, ha	248,50	267,40
Balance at 1 Jan	10,488	8,873
Gains/losses on fair value measurement	1,377	1,614
Balance at 31 Dec	11,865	10,488

EUR 1,000

● 1.14

Inventories

Inventories	31 Dec 2025	31 Dec 2024
Raw materials and consumables	32,872	33,973
Work in progress	272,826	269,675
Finished goods	15,600	15,067
Total	321,299	318,715

EUR 1,000

The end product inventory of metal intermediates on 31 December 2025 was measured at acquisition cost, on a cost basis, at EUR 6.0 (6.7) million, because the net realisable value was higher than the cost-based value. A provision of EUR 0.5 million has been allocated to the finished goods inventory of metal intermediates in 2025.

The value of work in progress in metal intermediates business operations measured on a cost basis on 31 December 2025 was EUR 269.5 (265.2) million, and the value of work in progress in battery chemicals production measured on a cost basis was EUR 3.4 (4.4) million.

The value of unfinished production of metal semi-product business comprises the acquisition cost of the metal content of ore contained in bioleaching heaps in the production process. The bioleaching process, during which the metal content of ore is recovered in primary and secondary leaching and utilized in metal production, typically has a duration exceeding four years. Approximately 40% of the inventory value of unfinished production of metal semi-products business stated in the financial statements is expected to be utilised in metal production over the next 12 months and the remaining 60% in subsequent financial years.

The inventory of finished products in battery chemicals business operations has been measured at net realisable value, EUR 10.8 (8.6) million, because the cost-based value was higher than the net realisable value. A provision of EUR 0.7 (0.2) million has been allocated to the finished goods inventory of the battery chemicals business in 2025.

The value of raw materials and consumables includes a provision of EUR 10.4 (9.8) million for slow-moving inventory, which reduces the value of inventory.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

● 1.15

Trade and other receivables

Short-term	31 Dec 2025	31 Dec 2024
Trade receivables	52,399	72,793
Prepaid expenses and accrued income	3,668	3,333
Derivative assets	4,432	46,691
Collateral	0	0
Other receivables	9,526	10,885
Total	70,025	133,702

EUR 1,000

Aging of trade receivables and items recognised as credit loss

Undue	52,343	38,129
Overdue		
Under 30 days	14	18,948
30-60 days	0	17,340
61-90 days	0	4,044
Over 90 days	42	-5,669
Total	52,399	72,793

EUR 1,000

Current receivables by currency	31 Dec 2025	31 Dec 2024
USD	59,087	123,342
EUR	10,198	10,336
GBP	0	24
SEK	740	0
Total	70,025	133,702

EUR 1,000

Other receivables consist of the following items	31 Dec 2025	31 Dec 2024
Value added tax receivables	1,768	4,366
Others	7,758	6,519
Total	9,526	10,885

EUR 1,000

● 1.16

Cash and cash equivalents

	31 Dec 2025	31 Dec 2024
Cash in hand and at banks	38,599	41,039
Total	38,599	41,039

EUR 1,000

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

1.17

Notes on shareholders' equity

	Number of shares 2025	Subscribed capital 2025	Number of shares 2024	Subscribed capital 2024
Subscribed capital				
1 Jan	5,968,655	2,000	5,197,154	2,000
Issued shares	141,674	0	771,501	0
Subscribed capital 31 Dec	6,110,329	2,000	5,968,655	2,000

	Number of shares 2025	Subscribed capital 2025	Number of shares 2024	Subscribed capital 2024
Invested unrestricted equity fund				
1 Jan	5,968,655	972,670	5,197,154	972,670
Issued shares	141,674	25,000	771,501	0
Invested unrestricted equity fund 31 Dec	6,110,329	997,670	5,968,655	972,670

Terrafame has one series of shares. The share has no nominal value. During the 2025 financial year, 141,674 shares were subscribed for on the basis of option rights, in accordance with the Board of Directors' decision of 28 November 2025 on the approval of share subscriptions for the options granted. The share subscription was not registered in the trade register by 31 December 2025. The registration was announced as completed on 23 January 2026, at which point the total number of shares after registration increased to 6,110,329.

Decisions made and authorisations given by the General Meeting of Shareholders, Terrafame Ltd

On 12 December 2023, with the consent of the option holders, Terrafame Ltd's shareholders resolved to cancel the then-existing option rights, revised on 27 August 2020, and to issue new, unexercised option rights in a corresponding number. Simultaneously, the shareholders resolved to cancel the other authorisations granted to the Board of Directors on 27 August 2020 regarding a directed share issue, with the exception of the authorisation concerning the directed issuance of 81,000 new shares to Terrafame Ltd's parent company for the purpose of maintaining control. This authorisation remains valid indefinitely.

No decisions regarding new authorisations or option rights were made during the 2024 financial year.

During the 2025 financial year, on 26 February 2025, the shareholders decided to grant special rights entitling the subscription of a total of 283,351 new company shares, and at the same time authorised the Board of Directors to decide on the issuance of shares up to a total of 283,381 shares under these rights. A decision was also made regarding the option rights. It was decided to increase the maximum number of already granted option rights to 1,099,016, and these rights were divided into two tranches. The options in the tranches are conditionally exercisable. The Board of Directors was authorised to make decisions on share subscriptions corresponding to the increased number of options.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

1.17

Notes on shareholders' equity

Option rights and other special rights related to Terrafame Ltd shares can be transferred to permitted transferees. Both the direct and indirect pledging of options are prohibited. The subscribed capital agreed for the option rights is EUR 176.46, and subscription rights may be exercised in several tranches, in part or in full. The option holder does not have rights to any dividends or assets distributed from the company's reserves for invested unrestricted equity.

In the spring of 2024, 71,419 option rights matured unexercised. The remaining 549,508 option rights held by Galena Asset Management matured on 31 December 2025 unexercised with respect to Tranche 1. As Tranche 1 was not subscribed, the same number of option rights, 549,508, can be subscribed for during the subscription period of Tranche 2, from 1 January to 31 December 2026.

The subscription price for the special rights decided on 26 February 2025 is EUR 176.46, and the subscription can be made in one or more tranches, in part or in full. Under certain conditions, the subscription can be carried out by a decision of the Board of Directors, in which case the number of special rights to be subscribed must be at least 56,670.

Options and other special rights	Maximum number of issued shares 1 Jan 2025	Maximum number of subscribed shares 31 Dec 2025	Shares outstanding 31 Dec 2025
Batch 7	0	0	0
Batch 8	441,918		441,918
Batch 9	21,518		21,518
Batch 10	21,518		21,518
Batch 11	21,518		21,518
Batch 12	21,518		21,518
Batch 13	21,518		21,518
Batch 015	283,351	141,674	141,677
At the end of the year	832,859	141,674	691,185

Options and other special rights	Maximum number of issued shares 1 Jan 2024	Maximum number of subscribed shares 31 Dec 2024	Shares outstanding 31 Dec 2024
Batch 7	71,419	71,419	0
Batch 8	441,918		441,918
Batch 9	21,518		21,518
Batch 10	21,518		21,518
Batch 11	21,518		21,518
Batch 12	21,518		21,518
Batch 13	21,518		21,518
At the end of the year	620,927	71,419	549,508

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

● 1.18

Notes to hedging derivatives

	31 Dec 2025			31 Dec 2024		
	Fair values		Net	Fair values		Net
Currency and interest rate derivatives	Positive	Negative		Positive	Negative	
Foreign exchange forwards	719	0	719	0	4,822	-4,822
Metal derivatives						
Nickel forward contracts	1,151	7,790	-6,639	36,846	0	36,846
Nickel option contracts	1,658	6,382	-4,724			
Zinc forward contracts	17	4,652	-4,635	507	1,844	-1,337
Derivatives total	3,546	18,824	-15,278	37,353	6,666	30,687
Long-term derivatives	902	4,009	-3,107	1,463	98	1,365
Short-term derivatives	2,644	14,815	-12,171	35,890	6,568	29,322
			31 Dec 2025			31 Dec 2024
Gross assets on the balance sheet			4,432			46,691
Gross liabilities on the balance sheet			23,530			8,332

EUR 1,000

The fair value calculation of hedges is based on market rates and quotations on the balance sheet date in accordance with the hedging portfolio. Counterparties to derivative transactions have been approved in accordance with the company's hedging policy. Intercompany receivables and liabilities are connected on a transaction level with each counterparty and accounted for on a daily level by transaction.

Hedging instruments had a significant impact on the company's financial position and the predictability of its profitability for the next 12 months on 31 December 2025. The company had hedged against the weakening of the dollar at a hedging rate of around 30% of its projected dollar net cash flow.

The company had hedged at a rate of around 40% against the weakening of the price of nickel and at a rate of around 70% against the weakening of the price of zinc for the deliveries agreed for the coming year by means of derivatives. In addition, in accordance with its hedging policy, the company had hedged almost all of its completed nickel and zinc deliveries that had been reported as sales. For this reason, changes in market prices after the balance sheet date have little impact on the sales revenue recognised on nickel and zinc batches delivered during 2025.

Notional amount of foreign exchange forwards	
2025	2024
170,000,000 USD	237,000,000 USD

Nickel forward contracts	
2025	2024
13,600 t	12,900 t

Nickel option contracts	
2025	2024
6,000 t	0 t

Zinc forward contracts	
2025	2024
43,283 t	32,185 t

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

● 1.19

Deferred tax assets and tax liabilities

Deferred taxes in the income statement

Deferred taxes in the income statement	31 Dec 2025	31 Dec 2024
Biological assets	-276	-323
Confirmed losses	-789	-6,518
Leases	-74	132
Total	-1,139	-6,709

Deferred taxes on the balance sheet

Derivatives, deferred tax asset	3,820	0
Derivatives, deferred tax liability	0	7,672
Confirmed losses, deferred tax asset	11,464	12,253
Biological assets, deferred tax liability	1,351	1,075
Leases, deferred tax liability	588	514
Balance at 31 Dec	13,344	2,992

Unrecognised deferred taxes

Rehabilitation provision, deferred tax asset	8,539	10,920
Rehabilitation provision, deferred tax liability	3,064	6,517
Deferred depreciation, deferred tax asset	28,977	22,410
Balance at 31 Dec	34,452	26,813

EUR 1,000

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

● 1.20

Contingent liabilities and other liabilities

Other service agreement liabilities	31 Dec 2025	31 Dec 2024
Within one year	8,945	7,583
After one year but within five years	8,374	6,185
Total	17,319	13,768

EUR 1,000

Securities complying with environmental and mining permits

Beneficiary	Type of security	Amount of security total 31 Dec 2025	Amount of security total 31 Dec 2024
Finnish Supervisory Agency; no. 46, 196 and permit decisions 136/2024, 166/2024 and 118/2023	Credit insurance	402,838	384,825
Security in accordance with permit decision no. 52/2013/1	Bank guarantee	1,500	1,500
Security in accordance with permit decision no. 43/2014/2	Bank guarantee	6	6
Security in accordance with permit decision no. 43/2015/1	Bank guarantee	100	100
Security in accordance with permit decision no. 3/2017/1	Bank guarantee	50	50
Security in accordance with permit decision no. 76/2017/1	Bank guarantee	100	100
Security in accordance with permit decision no. 5/2021	Bank guarantee	200	200
Security in accordance with permit decision no. 87/2022	Bank guarantee	17	17
Security in accordance with permit decision no. 87/2022	Bank guarantee	10	10
Security in accordance with permit decision no. 166/2024	Bank guarantee	50	0
Decision of the Finnish Safety and Chemicals Agency Tukes, 30 Jun 2014, KaivNro: 2819	Bank guarantee	100	100
Decision of the Finnish Safety and Chemicals Agency Tukes, 30 Jun 2014, KaivNro: 2819	Bank guarantee	35	35
Decision of the Finnish Safety and Chemicals Agency Tukes, 30 Jun 2014, KaivNro: 2819	Bank guarantee	50	50
Total		405,056	386,993
Other securities	Bank guarantee	439	482
Real estate investments' VAT refund liability		11,056	13,266

EUR 1,000

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

● 1.21

Financial risk management

The nature of business exposes Terrafame Group to foreign exchange, commodity price, credit and liquidity risks. The goal of the Group's financial risk management is to minimise the negative effects of changes in financial and commodity markets on its result and cash flow.

Terrafame's commercial and finance department identifies and assesses risks, acquires the instruments needed to hedge against risks, and reports on risks and any changes therein to the company's CEO and Board of Directors. Hedging transactions are carried out in accordance with the principles approved by the Board of Directors. If necessary, foreign-exchange forward transactions and options, foreign currency loans, interest rate swaps and nickel and zinc forwards, and options are used in financial risk management.

The hedging policy adopted by Terrafame's Board of Directors defines the objectives of hedging, permitted hedging instruments, hedging levels, organisational responsibilities and reporting necessary for the management and control of financial risks. The accounting policies to be applied are also outlined in the hedging policy. The company's Board of Directors approves all counterparties to agreements relating to financial risk management. According to the hedging policy, derivative instruments can only be used to manage business risks. The use of derivative instruments to hedge against non-business risks (for trading purposes or speculative use) is prohibited.

The company's financial management submit reports on risk management, hedging position and outcomes to the CEO and Board of Directors on a monthly basis.

From a risk management perspective, it is important that the company's production process is flexible. This allows Terrafame to focus on either the production of battery chemicals or metal intermediates, depending on the market situation.

In addition, significant risks identified in risk assessments are mitigated by means such as price hedging, technical improvements, a broad customer portfolio, systematic production planning, investments, and the development of personnel competence.

Currency risks

Since Terrafame Group operates in the euro area and sales are made in US dollars, the company's business operations involve currency risks.

In 2025, the Group had USD-denominated sales worth USD 627.7 million, and the USD-denominated foreign-exchange forward transactions due during the financial year totalled USD 314 million. The hedge ratio was therefore set at 50.0%. As a result, a 10% change in the value of EUR/USD would have only affected the Group's net sales by 5.0%.

In 2024, the Group had USD-denominated sales worth USD 574.4 million, and the USD-denominated foreign-exchange forward transactions due during the financial year totalled USD 306 million. The hedge ratio was therefore set at 53.3%. As a result, a 10% change in the value of EUR/USD would have only affected the Group's net sales by 4.7%.

In accordance with the hedging policy, the risk of revaluing loans related to exchange rate changes is not subject to hedging measures. In the financial year 2024, there were no foreign currency loans following the transition to the company's EUR 250 million financing package. The advance payment arrangement implemented in the 2025 financial year is only USD-denominated interest-bearing payment arrangement.

Interest rate risk

The Group's interest rate risk arises from loans from financial institutions for which the reference rate is a variable interest rate. At the date of closing the accounts, the consolidated balance sheet showed EUR 425.8 (339.4) million in interest-bearing liabilities. On the same date, the repayment period of interest-bearing liabilities was approximately 2.6 years. This calculation includes all of the liabilities for which a repayment period can be defined. The company has not taken any special measures to hedge against interest rate risks during the financial year.

Possible changes in the interest rate level would not have had a significant impact on the Group's result and shareholders' equity. An increase of one percentage point in the reference rate would have increased the interest costs of finance loans by approximately EUR 4.3 million. In accordance with the hedging policy, the risk of revaluation of loans is not subject to hedging measures.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Credit risk

The internal guidelines of the Group define the principles and responsibilities of credit control. Once a new customer agreement has been signed, the Group estimates its expected annual volume and share of net sales, as well as the customer's creditworthiness.

A credit loss of EUR 14,773 was recognised in the financial year 2025. Credit insurance has not been applied to secure trade receivables.

The aging schedule for trade receivables is presented in Note 1.15 on [page 49](#).

Liquidity risk

The Group continuously assesses and monitors the amount of financing required for business operations, so that the Group has sufficient liquid funds to finance its operations.

The maturity distribution based on debt contracts is as follows:

31 Dec 2025	Carrying amount	Cash flow	0-6 months	6 months-1 year	1-2 years	More than 2 years
Interest-bearing liabilities	390,926	476,117	10,156	10,324	20,480	435,157
Accounts payable	66,146	66,146	66,146	0	0	0
Lease liabilities	34,918	40,714	4,872	4,872	7,930	23,040
Derivative liabilities	23,530	23,530	6,915	11,604	5,011	0
Total	515,520	606,506	88,089	26,799	33,421	458,197

31 Dec 2024

Interest-bearing liabilities	301,515	342,222	74,425	6,148	12,196	249,452
Accounts payable	110,857	110,857	110,857	0	0	0
Lease liabilities	37,913	45,851	4,357	4,357	8,945	28,191
Derivative liabilities	8,332	8,332	6,809	1,400	123	0
Total	458,616	507,261	196,448	11,905	21,264	277,644

EUR 1,000

Capital management

The aim of the Group's capital management is to support business through an optimal capital structure and increase shareholder value by aiming at the highest possible return. An optimal capital structure also ensures smaller capital costs.

Developments in capital structure are monitored, among other things, through the equity-to-assets ratio. The equity ratio on 31 December 2025 was 47.3 (50.5) %.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

On 27 February 2025, Terrafame announced it had 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 – have 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 has 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 ends 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 signing the financial statements, the financing negotiations are ongoing, and the company's management is confident that they will be concluded successfully within the targeted schedule.

The announced arrangement does not have a significant impact on the status of ownership. The company's management assesses that the company's liquidity and profitability are sufficient to carry out the necessary investments, to meet the obligations of the financing agreements, and to ensure the continuity of operations. The company's financing agreement includes covenants measuring indebtedness, liquidity, and profitability, which have not been breached at the presentation of the financial statements.

Market risk

The fair value calculation of hedges is based on market rates and quotations on the balance sheet date in accordance with the hedging portfolio. Counterparties to derivative transactions have been approved in accordance with Terrafame's hedging policy. Intercompany receivables and liabilities are connected on a transaction level with each counterparty and accounted for on a daily level by transaction.

Hedging instruments had a significant impact on the company's financial position and the predictability of its profitability for the next 12 months on 31 December 2025. The company had hedged against the weakening of the dollar at a hedging rate of around 30% of its projected dollar net cash flow. The company had hedged at a rate of around 40% against the weakening of the price of nickel and at a rate of around 70% against the weakening of the price of zinc for the deliveries agreed for the coming year by means of derivatives. In addition, in accordance with its hedging policy, the company had hedged almost all of its completed nickel and zinc deliveries that had been reported as sales. For this reason, changes in market prices after the balance sheet date have little impact on the sales revenue recognised on nickel and zinc batches delivered during 2025.

1.22

Provisions

Long-term provisions on the balance sheet are related to the environmental and rehabilitation liabilities associated with the Group's mine and production plants. The provisions are based on estimates of future liabilities.

Rehabilitation provision	31 Dec 2025	31 Dec 2024
At the beginning of the year	216,680	219,729
Change due to discounting	-16,631	-8,192
Unwinding of the discount	4,724	5,142
At the end of the year	204,772	216,680
Total non-current	204,772	216,680

Estimated cost of the rehabilitation provision

Rehabilitation of bioleaching areas	107,827	114,097
Other rehabilitation work	96,945	102,583
Total estimated rehabilitation costs	204,772	216,680

EUR 1,000

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

On 20 June 2022, the Regional State Administrative Agency for Northern Finland issued its decision on the environmental and water permit covering all Terrafame's operations – that is, the master permit. The master permit determines the scope of all operations (including new short-term plans), sets emission limits and defines an environmental guarantee for discontinued operations.

However, the permit decision increased Terrafame's environmental guarantee from EUR 138 million to EUR 324 million, which is high even by global comparison. In the third quarter of 2022, Terrafame filed an application with the Vaasa Administrative Court concerning the calculation principles of the guarantee.

Terrafame already increased the environmental provision in its financial statements for 2021, and the provision remained unchanged in Terrafame's financial statements for 2022. In Terrafame's financial statements for 2023, the provision was increased by EUR 15.1 million, mainly due to the introduction of new waste rock fields.

Due to the closures carried out during the financial year 2024 and the partial impact of the refined area-based closure costs, the discounted environmental provision decreased by EUR 3 million overall in the Group's IFRS financial statements. The provision decreased by EUR 8.2 million, while the unwinding of the discount over the period increased the provision by EUR 5.2 million. And during the financial year 2025 the discounted environmental provision decreased by EUR 11.9 million overall in the Group's IFRS financial statements. The provision decreased by EUR 16.6 million, while the unwinding of the discount over the period increased the provision by EUR 4.7 million. The amount of the provision in the consolidated balance sheet on 31 December 2025 was EUR 204.8 (216.7) million.

In preparation for costs arising from closure measures, Terrafame has included in its balance sheet an environmental provision that is updated annually. During the 2024 financial year, the company has begun to accumulate data on the actual cost levels of completed rehabilitation work. Based on this accumulated information, the company has refined its estimate of the area-based closure costs included in the environmental provision recognised in the financial year, which in 2021–2023 were based on the value of collateral set in the environmental permits. The general costs in the guarantee requirement and the value added tax added to the unit cost are not included in the environmental provision, as these costs will not be borne by Terrafame when the company carries out its closing obligation.

Terrafame announced on 27 January 2025 that it has applied to the Supreme Administrative Court for leave to appeal against the decisions issued by the Vaasa Administrative Court (VAC) in December 2024. Additionally, Terrafame is requesting the Supreme Administrative Court (SAC) to issue an interim decision regarding key restrictions on operations. The SAC issued an interim decision in June 2025 and a final decision in February 2026. The Court did not amend the permit conditions concerning the guarantees.

In June 2025, the Regional State Administrative Agency for Northern Finland (PSAVI) issued two permit decisions concerning the closure structures of Terrafame's waste rock areas KL1 and KL2. The company has already begun closing production and waste areas that are being phased out, alongside active production operations, and submitted a comprehensive closure plan to PSAVI at the end of 2024.

In its permit decisions, PSAVI largely approved the closure structures proposed by Terrafame, with the exception of the protective and growth layer above the sealing structure, the thickness of which PSAVI increased. In addition, PSAVI issued a permit decision allowing the old wastewater treatment sludges located in the mine area and to be placed in geotubes at their existing site.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

1.23

Interest-bearing liabilities

Non-current financial liabilities measured at amortised cost

	31 Dec 2025	31 Dec 2024
Loans from financial institutions – finance loan	248,140	236,515
Advances received	44,282	0
Other liabilities	98,504	0
Lease liability	27,119	31,550
Total	418,045	268,065

Current financial liabilities measured at amortised cost

Loans from financial institutions – finance loan	0	0
Other payables	0	65,000
Lease liability	7,799	6,363
Total	7,799	71,363

EUR 1,000

The fair values of current and non-current liabilities do not differ significantly from their carrying amounts.

A breakdown of interest expenses is presented in Note 1.8 Financial income and cost.

Terrafame's EUR 250 million loan arrangement is unsecured. It has a maturity of four years and consists of a EUR 100 million loan and a EUR 150 million revolving credit facility. The purpose of the loan is to refinance Terrafame's existing debt. The revolving credit facility is used to cover working capital needs and the company's general financing requirements.

In February 2025, Terrafame announced that it had agreed on a financing arrangement to finance the company's investment programme for the coming years. As part of the financing package, Terrafame has agreed with its largest owners, Finnish Minerals Group and the Galena funds, on a EUR 100 million financing arrangement, which consists of a EUR 50 million shareholder loan and a EUR 50 million equity commitment, of which half was available at the balance sheet date. In addition, Terrafame agreed on advance payment arrangement worth EUR 50 million with Trafigura.

In conjunction with this, Terrafame has agreed to extend its existing EUR 250 million bank financing by one year and, at the same time, extend the duration of the EUR 65 million revolving credit facility previously obtained from Finnish Minerals Group for the same period. At the time of the financial statements, EUR 20 million of the revolving credit facility is available. The new maturity date for the bank financing and the duration of the revolving credit facility is December 2028. The repayment of the advance payment arrangement agreed with Trafigura will end in June 2030.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

The main terms of shareholder loans

In the financial year 2025, Terrafame raised a EUR 50 million shareholder loan agreed with Finnish Minerals Group Oy and Galena. The interest rate on the loan is tied to EURIBOR and is capitalized annually. The loan will be repaid in six monthly instalments according to the payment plan by 22 November 2029. All payments and payments related to the shareholder loan will be made simultaneously and on an equal basis, in proportion to the lenders' capital contributions.

During the financial year, the company implemented a significant advance payment arrangement for a sales contract worth EUR 50 million, which will be shortened through product sales deliveries during the financial years 2029 –2030. The monthly interest is also reduced in connection with product sales invoicing. The interest rate on the loan is tied to SOFR.

This advance on product sales carried out in the financial year 2025 has been recognised on the balance sheet as an advance under long-term liabilities. In the cash flow statement, the item is accounted for in the cash flow from operating activities and the interest expenses related to the arrangement are presented in the cash flow from financing activities.

The arrangement does not have a significant impact on the company's ownership structure. With the renewed financing package, the company's management considers the financing to be sufficient to carry out the necessary investments and thereby ensure the conditions for the continuity of operations.

Even in a challenging market situation, the company remained within the limits of the covenants updated in the spring, in line with the management's view at the time.

During the latter part of 2025, the company initiated negotiations with financiers to ensure the implementation of the additional investments required for executing the strategy updated in autumn 2025. At the time of signing the financial statements, the status of the financing negotiations is ongoing, and the company's management is confident that they will be successfully concluded within the intended schedule.

1.24

Trade and other payables

Current	31 Dec 2025	31 Dec 2024
Accounts payable	66,146	110,857
Accruals and deferred income	33,418	32,131
Derivative liabilities	23,530	8,332
Other payables	1,269	1,292
Total	124,363	152,612

Non-interest bearing liabilities by currency

USD	30,678	27,103
GBP	0	31
SEK	0	2,547
AUD	10	0
EUR	93,675	122,932
Total	124,363	152,612

EUR 1,000

Derivative assets and liabilities were recognised at fair value. A breakdown of these is presented in the Notes to hedging derivatives 1.18.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Classification of financial assets and liabilities 31 December 2025

Financial assets	Measured at amortised cost	Carrying amount		Total carrying amount	Fair value	Level 1	Level 2	Level 3
		Measured at fair value through profit or loss	Covered by hedge accounting					
Derivatives			4,432	4,432	4,432		4,432	
Trade receivables	52,399			52,399	52,399			
Cash and cash equivalents	38,599			38,599	38,599			
Total	90,998		4,432	95,430	95,430			
Financial liabilities								
Loans from financial institutions	248,140			248,140	248,140			
Advances received	44,282			44,282	44,282			
Other liabilities	98,504			98,504	98,504			
Lease liabilities	34,918			34,918	34,918			
Accounts payable	66,146			66,146	66,146			
Derivatives			23,530	23,530	23,530		23,530	
Total	491,990		23,530	515,520	515,520			

EUR 1,000

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Classification of financial assets and liabilities 31 December 2024

Financial assets	Measured at amortised cost	Carrying amount		Total carrying amount	Fair value	Level 1	Level 2	Level 3
		Measured at fair value through profit or loss	Covered by hedge accounting					
Derivatives			46,691	46,691	46,691		46,691	
Trade receivables	72,793			72,793	72,793			
Cash and cash equivalents	41,039			41,039	41,039			
Total	113,832		46,691	160,523	160,523			
Financial liabilities								
Loans from financial institutions	236,515			236,515	236,515			
Other liabilities	65,000			65,000	65,000			
Lease liabilities	37,913			37,913	37,913			
Accounts payable	110,857			110,857	110,857			
Derivatives			8,332	8,332	8,332		8,332	
Total	450,284		8,332	458,616	458,616			

EUR 1,000

For financial assets and liabilities measured at amortised cost, the carrying amount is considered to be the best estimate of their fair value. The Group made no transitions between the classification levels of fair value during the financial year.

Classification level 1 fair values are based on the quoted (unadjusted) prices of identical assets or liabilities in an appropriate market. In determining the fair value of these instruments, the Group has mainly used Bloomberg valuations as the source of prices and the Group has verified that the prices received represented actual and frequent market transaction prices for the instruments in question.

The fair values of instruments in classification level 2 are for a significant part based on inputs other than the prices quoted in classification level 1, however, it is based on data that is observable for the asset or liability in question either directly (as the price) or indirectly (derived from the price).

In order to determine the fair value of these instruments, the Group uses generally accepted valuation models, the inputs of which are nonetheless for a significant part based on observable market data.

The fair values of level 3 instruments, on the other hand, are based on inputs on an asset or a liability that are not based on observable market data (unobservable inputs) but for a significant part on estimates made by management and the generally accepted methods of valuation used.

The fair value classification level for a specific item measured at fair value as a whole is determined on the basis of the lowest level input data relevant to the item in question. The significance of the input has been assessed in relation to the item measured at fair value as a whole.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

1.25

Adjustments to cash flows from operating activities

Adjustments to operating profit/loss	2025	2024
Unrealised foreign exchange gains and losses	-2,231	-651
Finance income and costs	39,513	24,977
Other income and expenses that do not include payments	-1,357	3,527
Prepayments from sales contracts	50,000	0
Other adjustments	-5,785	0
Total	80,140	27,854

EUR 1,000

During the 2025 financial year, Terrafame Ltd implemented an advance payment arrangement under a sales agreement with Trafigura, which will be amortised against deliveries in the coming years. Interest payable monthly will also be settled against delivery invoicing. Further information on the advance payment from the sales agreement is available in the note on non-current loans 1.23. Other adjustments include an adjustment for the sale of fixed assets to the cash flow from investing activities.

Changes in debt due to financing

	1 Jan 2025	Changes arising from cash flows	Foreign exchange movements	Non-cash flow impact		31 Dec 2025
				Transfers	Other changes	
Non-current liabilities	236,515	91,528	-5,553	65,000	3,437	390,926
Current liabilities	65,000	0	0	-65,000	0	0
Lease liabilities: non-current	31,550	0	0	-7,444	3,013	27,119
Lease liabilities: current	6,363	-6,705	0	7,444	697	7,799
Total liabilities arising from financing activities	339,428	84,823	-5,553	0	7,147	425,844

EUR 1,000

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Changes in debt due to financing

	Non-current liabilities	Current liabilities	Non-current lease liabilities	Current lease liabilities	Total liabilities arising from financing activities
Net liabilities 1 Jan 2024	37,484	98,724	3,878	1,600	141,686
Cash flows	-228	-98,724	0	-5,273	-104,226
Date of acquisition	199,259	65,000	33,112	0	297,371
Exchange rate variations	0	0	0	0	0
Other changes that do not include payment	0	0	-5,440	10,036	4,596
Net liabilities 31 Dec 2024	236,515	65,000	31,550	6,363	339,427
Net liabilities 1 Jan 2025	236,515	65,000	31,550	6,363	339,427
Cash flows	-52,708	0	0	-6,705	-59,413
Date of acquisition	147,673	0	3,013	0	150,686
Exchange rate variations	-5,553	0	0	0	-5,553
Other changes that do not include payment	65,000	-65,000	-7,444	8,141	697
Net liabilities 31 Dec 2025	390,926	0	27,119	7,799	425,844

EUR 1,000

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

● 1.26

Related party transactions

The key related parties of Terrafame Ltd are Finnish Minerals Group, the State of Finland, Galena Private Equity Resources Investment 2 L.P., Galena Private Equity Resources Investment 3 L.P., Galena Private Equity Resources Investment 4 L.P., Galena Private Equity Resources Fund L.P. and Galena Private Equity Resources Co-investment 2 L.P., as well as Trafigura Group. In addition, the related parties include members of Boards, CEOs, and management team members of Group companies, persons responsible for Terrafame's commercial agreements, immediate family members of persons referred to here, and entities in which they or their immediate family members exercise control or considerable influence. Terrafame's related parties also include entities in which the State of Finland exercises control or considerable influence. Terrafame has applied an exemption pursuant to which it only reports significant transactions with Government-related companies.

During the financial year 2025, funds managed by Galena Asset Management provided Terrafame with a shareholder loan of EUR 22.1 million, and Finnish Minerals Group has granted Terrafame a working capital facility, of which EUR 45.0 million had been drawn at the end of the financial year, and a shareholder loan of EUR 31.4 million.

The commercial agreements between Terrafame Ltd and Trafigura NatGas Limited generated EUR 312 (174) million in total sales during the financial period. Sales to Trafigura Nat Gas Limited was EUR 141 million and Trafigura PTE Limited EUR 171 million during the financial period. The company has acquired legal and other administrative services worth EUR 0.6 (0.6) million, management services for product development projects worth EUR 0.2 (0.2) million from Finnish Minerals Group and finance-related costs were approximately EUR 5.1 (2.3) million.

All business transactions between Terrafame Ltd and its related parties conformed to accepted market practices.

Business transactions with related parties	31 Dec 2025	31 Dec 2024
Net sales from goods and services		
Other related entities	311,911	174,040
Purchases of goods and services		
Group companies	825	807
Other related entities	59,941	59,899
Total	60,766	60,706

Open balances from sales and purchases of goods and services

Trade receivables		
Other related entities	26,145	48,640

Accounts payable and other payable

Group companies	492	170
Other related entities	6,168	14,597
Total	6,660	14,767

Loans, received

Group companies	76,391	65,000
Other related entities	66,493	0
Total	142,884	65,000

EUR 1,000

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

The Executives' benefits table includes the salaries and remunerations of the Board of Directors and CEOs and the executives of Group companies.

Executives' benefits	2025	2024
Salaries and other short-term benefits	2,039	1,923
Termination benefits	0	0
Post-employment benefits	176	0
Other long-term employee benefits	0	0
Share-based payments	0	0
Total	2,214	1,923

EUR 1,000

Wages and salaries	31 Dec 2025	31 Dec 2024
Antti Koulumies	132	0
Seppo Voutilainen	278	278
Joni Lukkaroinen	176	267
CEO total	585	545

EUR 1,000

In accordance with Terrafame's remuneration policy, the CEO's remuneration consists of a fixed base salary, fringe benefits based on the applicable company procedure, a short-term incentive scheme (STI) and a long-term incentive scheme (LTI).

Antti Koulumies started as CEO of Terrafame on 1 September 2025. Seppo Voutilainen served as CEO until 31 August 2025. CEO Koulumies is included in the LTI 2025–2027 programme. From the termination of his CEO duties, CEO Voutilainen is included in the programmes in force at any given time as a member of the Leadership Team.

Members of the Board of Directors	31 Dec 2025	31 Dec 2024
Lauri Ratia (Chair of the BoD until 25 Mar 2025)	20	84
Jesus Fernandez (until 25 Mar 2025)	10	45
Julian Sanchez	47	47
Matti Hietanen (Chair of the BoD 25 Mar-14 May 2025)	52	48
Riitta Mynttinen (until 25 Mar 2025)	11	48
Jyrki Vainionpää	47	48
Tuomo Mäkelä (until 20 Mar 2024)	0	9
Peter Schuhmacher (from 20 Mar 2024)	44	35
Markus Mannström (from 30 Apr 2025)	31	0
Markku Teräsvasara (Chair of the BoD from 15 May 2025)	51	0
Patrick Burke (from 25 Mar 2025)	34	0
Total remuneration of the Board of Directors	346	365
Total wages and salaries	931	910

EUR 1,000

The fees of the Board of Directors are presented on an accrual basis.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

The company's Board of Directors will decide in early spring 2026 on the potential remuneration payable to the CEO under the 2025 short-term incentive scheme and under the long-term incentive scheme's 2023–2025 programme. Regarding rewards for 2024 or earlier periods, Voutilainen was paid approximately EUR 64,000 in remuneration during the 2025 financial year.

Joni Lukkaroinen, who served as CEO of Terrafame until 17 January 2024, was paid a one-time severance pay of EUR 175,680, corresponding to six months' salary, in January 2025. Lukkaroinen is not entitled to any rewards paid in 2025 based on the incentive schemes.

At the end of the 2025 financial year, the members of the Board of Directors and the executive management of Terrafame Ltd and their related parties do not own any shares in the company. All business transactions between the Group companies and their related parties complied with accepted market practices. The pension security of key personnel is determined on the basis of statutory pension security. There are no option or other share-based incentive schemes for the management.

Short-term incentive scheme

In 2025, the remuneration criteria of the short-term incentive scheme for the CEO related to strategy implementation, sustainability, and personal targets for both Koulumies and Voutilainen. The Board of Directors will evaluate the 2025 performance around early spring 2026, and any performance bonus will be paid in cash around April 2026. In the payment of any potential STI bonus for the CEO, the time both Koulumies and Voutilainen served as CEO in 2025 will be taken into account.

Long-term incentive scheme

In February 2019, Terrafame's Board of Directors decided to establish a long-term incentive scheme (LTI) for the company's management and other key individuals. The scheme consists of individual performance-based programmes starting every year. Each programme includes a three-year performance period and the payment of any rewards in cash after the performance period. The Board will separately decide on the initiation of each individual programme.

The CEO is included in the company's long-term incentive scheme, which currently has six programmes, of which these are the four most recent:

Programme	Payment date of possible rewards
LTI 2022–2024	Spring 2025
LTI 2023–2025	Spring 2026
LTI 2024–2026	Spring 2027
LTI 2025–2027	Spring 2028

The rewards under the programmes will be paid provided that the performance targets set by the Board of Directors for the programmes are achieved. The targets set for the LTI programmes are related to production, financial profitability and sustainability. Their purpose is to support Terrafame's development and success and the achievement of its strategic and corporate sustainability goals over the long term. The LTI 2022–2024 was the most recent of the programmes that did not have a sustainability-related target.

The treatment of rewards based on ongoing STI and LTI plans will depend on the circumstances of the CEO's departure. In case of retirement or death or in case of termination at the initiative of the company, the CEO may be entitled to STI and LTI rewards or a portion thereof as determined by the Board based on the rules of the respective incentive scheme. If the CEO terminates his/her contract at his/her own initiative, the unvested rewards are as a main rule forfeited.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

● 1.27

Parent company and subsidiary relationships of the Group

Terrafame Group's parent company is Terrafame Ltd, which owns 100% of its subsidiary, Terrafame Alueverkko Oy. Terrafame Group is a subgroup of Finnish Minerals Group.

Terrafame Alueverkko Oy was established in 2023, and its operations were in the ramp-up phase in 2024 while awaiting a permit for its actual operations from the Energy Authority. In November 2025, the power line was sold, with the transaction being completed on 1 December 2025, and the application for the official permit was withdrawn. The planning of the company's future operations is underway, and the scope and purpose of its operations will change during the 2026 financial year.

● 1.28

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.

Terrafame to initiate change negotiations concerning the entire personnel

Multi-metal and battery chemicals company Terrafame has decided to initiate change negotiations concerning its entire personnel on production-related and financial grounds, as part of Terrafame'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 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.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Parent company financial statements (FAS)

1 January–31 December 2025

Parent company income statement

	Note	2025	2024
Net sales	2.1	556,065	544,491
Cost of goods sold	2.2	-500,759	-477,019
Gross profit		55,306	67,471
Other operating revenues		14,513	4,462
Sales and marketing expenses	2.3	-9,783	-19,442
Administrative expenses	2.4	-59,281	-40,212
Other operating expenses	2.5	-48,532	-5,652
Operating profit/loss		-47,777	6,628
Financial income and expenses	2.6		
Interest income and other financial income		6,559	3,843
Interest and other finance expenses		-39,117	-25,721
Financial income and expenses		-32,557	-21,877
Profit/Loss before tax		-80,334	-15,250
Profit/Loss for the financial year		-80,334	-15,250

EUR 1,000

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Parent company balance sheet

Assets

	Note	31 Dec 2025	31 Dec 2024
Non-current assets			
Intangible assets	2.7	6,090	220
Tangible assets	2.8	922,210	907,684
Investments	2.9	11	11
Non-current assets		928,311	907,915
Current assets			
Inventories	2.10	321,299	318,715
Long-term receivables	2.11		
Other receivables		205	291
Deferred tax receivables		3,820	0
Short-term receivables			
Trade receivables		52,399	72,793
Other receivables	2.12	9,526	10,885
Prepayments and accrued income	2.13	9,469	50,744
Cash and cash equivalents		38,596	41,034
Current assets		435,313	494,462
Assets total		1,363,624	1,402,377

EUR 1,000

Equity and liabilities

	Note	31 Dec 2025	31 Dec 2024
Equity	2.14		
Subscribed capital		2,000	2,000
Other reserves			
Invested unrestricted equity fund		997,670	972,670
Fair value reserve	2.15	-15,278	30,687
Retained earnings (loss)		-331,041	-315,791
Loss (profit) of the financial year		-80,334	-15,250
Equity		573,017	674,317
Provisions	2.16	239,636	227,608
Non-current liabilities			
Amounts owed to group companies	2.20	76,391	0
Loans from credit institutions	2.17	297,971	268,806
Advances received	2.18	44,447	0
Deferred tax liabilities	2.19	0	7,672
Non-current liabilities		418,809	276,478
Current liabilities			
Amounts owed to group companies	2.20	1,075	65,706
Loans from credit institutions	2.21	7,799	6,363
Trade payables		65,654	110,687
Other liabilities		1,269	1,292
Accruals and deferred income	2.22	56,365	39,928
Current liabilities		132,162	223,975
Liabilities total		550,971	500,453
Equity and liabilities total		1,363,624	1,402,377

EUR 1,000

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Parent company cash flow statement

Cash flow from operating activities	2025	2024
Profit/loss before tax	-80,334	-15,250
Adjustments		
Depreciation and amortisation	113,920	77,576
Unrealised foreign exchange gains and losses	-2,231	-651
Other income and expenses, non-cash items	12,028	-19,515
Financial income and expenses	34,789	24,977
Other adjustments	44,215	0
Cash flow before change in net working capital	122,386	67,137
Change in net working capital		
Change in trade and other receivables; increase (-) / decrease (+)	20,769	-22,713
Change in inventories; increase (-) / decrease (+)	-2,583	-5,465
Change in trade payables and other liabilities; increase (+) / decrease (-)	-32,804	31,122
Cash flow before financial items and income tax	107,767	70,082
Interest paid and other financial expenses	-31,626	-29,232
Interest received, operational	1,006	724
Cash flow from operating activities (A)	77,147	41,573

Cash flow from investing activities

Investments in tangible and intangible assets	-139,819	-177,264
Proceeds from the sale of tangible and intangible assets	6,175	0
Purchased Subsidiary Shares	0	-10
Cash flow from investing activities (B)	-133,644	-177,274

EUR 1,000

Cash flow from financing activities	2025	2024
Paid increase in equity	25,000	0
Proceeds from long-term borrowings	106,550	200,000
Repayment of long-term borrowings	-65,000	0
Proceeds from short-term borrowings	0	65,000
Repayment of short-term borrowings	0	-98,581
Repayment of short-term lease liabilities	-6,705	-5,564
Interest paid and other financial expenses	-2,465	0
Cash flow from financing activities (C)	57,381	160,854

Impact of exchange rate changes on the amount of foreign currency cash

	-3,322	651
--	---------------	------------

Change in cash and cash equivalents (A + B + C) increase (+) / decrease (-)

	884	25,154
--	------------	---------------

Cash and cash equivalents at the beginning of the period	41,034	15,230
--	--------	--------

Cash and cash equivalents at the end of the period	38,596	41,034
---	---------------	---------------

EUR 1,000

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Parent company accounting principles

Terrafame Ltd is domiciled in Sotkamo, Finland. Terrafame is a group company of Finnish Minerals Group, whose parent company is Finnish Minerals Group, Helsinki, Finland. Terrafame Ltd's financial statements are available on the company's [website](#). Copies of the Finnish Minerals Group's consolidated financial statements are available at the Group's office (Keskuskatu 5 B, 8th floor, 00100 Helsinki, Finland), and they can be viewed on the Group's [website](#).

Terrafame Alueverkko Oy, a wholly-owned (100%) subsidiary of Terrafame Ltd, was established during the 2023 financial year. The subsidiary is domiciled in Sotkamo. The subsidiary was established for electricity network operations, and its actual business operations were expected to start during the financial year 2025 once its electricity network operator's permit process had been completed. However, at the end of the 2025 financial year, the decision was made to sell the power line that required the electricity network operator's permit to an operator that already held a permit, and the subsidiary withdrew its own permit application. The consolidation of the subsidiary will not yet have a significant impact on the Group's figures in the 2025 financial year. The planning of the subsidiary's future business is underway, and the scope and purpose of its operations will change during the 2026 financial year.

For the 2025 financial year, Terrafame prepared its second consolidated financial statements in accordance with IFRS standards. The subsidiary did not have any significant transactions during the financial year, and the consolidation of the subsidiary did not have a material impact on the consolidated financial statements prepared for the 2025 financial year. Information on the subsidiary and on the subsidiary's shareholders' equity and profit for the financial year according to its most recent financial statements, as required by the Accounting Ordinance, is provided in Note 2.9.

Basis of preparation

The parent company has prepared its annual accounts in accordance with Finnish accounting legislation and Finnish Accounting Standards (FAS). The financial statement information is reported in tables and related texts in thousands of euros and in the review of the Board of Directors in millions of euros to one decimal place. The comparative figures reported in brackets are figures for the financial period 2024. All the presented figures have been rounded according to general rounding rules, so the sum of the individual figures may be different from the sum presented. Key figures have been calculated using exact values. Comparative information has been adjusted where necessary to correspond with the information of the year under review.

Translation of items denominated in foreign currencies

Transactions in foreign currencies are entered in euros at the rates prevailing at the transaction date or average rates provided by central banks. Foreign currency-denominated receivables and liabilities have been translated into euros using the rates prevailing at the balance sheet date. Foreign exchange gains and losses related to business operations are included in the corresponding items of net sales, operating expenses or financial income and expenses.

Revenue recognition

Terrafame Ltd sells battery chemicals, fertilisers and metal intermediates. Battery chemicals include nickel sulphate and cobalt sulphate, fertilisers include ammonium sulphate both in liquid form and as crystals. Metal intermediates include nickel-cobalt sulphide, zinc sulphide and copper sulphide. In the summer of 2024, Terrafame started the ramp-up of its new uranium recovery plant. As its end product, the plant generates uranium oxide for use as a fuel in the generation of nuclear energy.

Revenue is recognised from a sale when evidence of an arrangement exists, the title has been transferred to the customer, the price is determinable, and collection of the sales price is reasonably assured. Revenue is adjusted for net of sales-related foreign exchange gains and losses and any applicable sales taxes. Most sales are priced in US dollars. The time of revenue recognition is determined on the basis of the terms of delivery used.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

A large proportion of the company's production is sold under long-term contracts, but sales revenue is only recognised on individual sales when persuasive evidence exists that all of the following criteria have been met:

- All material risks and rewards of ownership have been transferred to the buyer;
- There is no continuing managerial involvement to the degree usually associated with ownership or effective control over goods sold;
- The amount of revenue can be reliably determined;
- The costs incurred or to be incurred in respect of the sale can be reliably determined; and
- The flow of future economic benefits to the seller is probable.

In connection with metal intermediates delivery, an invoice is drawn up based on preliminary analysis and measurement results and the market prices of the month preceding the month of delivery. Invoices are entered as sales. The final analysis and measurement results are normally obtained within a few months. Any invoices are adjusted based on the final analysis and measurement results. Furthermore, the prices of delivered metals are adjusted to correspond to the market prices of the agreed pricing period.

In connection with battery chemicals delivery, an invoice is drawn up based on preliminary analysis and measurement results and the market prices of the month preceding the month of delivery. Invoices are entered as sales at the date of embarkation. Any invoices are adjusted to correspond to the market prices when the price for the period is available.

In connection with the fertiliser delivery, an invoice is drawn and entered as sales.

With regard to invoices for which final analysis and measurement results that are required in the sales contracts have not yet been obtained, the sales prices and euro-denominated valuations are adjusted so as to correspond to the average market prices of the month of the financial statements and the exchange rates at the date of closure of the accounts. With regard to these deliveries, the company also considers the need to make write-downs due to the changes in market prices or in analysis and measurement results. Such write-downs were not made in the financial statements of 31 December 2024 and 2025. The metal hedges for metal tonnes sold have been taken into account in the valuation of sales.

Pension obligations

The parent company has pension schemes in accordance with local conditions and practices. These are arranged with an external insurance company. Pension costs are entered as expenses in the year in which they accrue.

Deferred tax assets and liabilities

Deferred tax assets and liabilities are calculated on temporary differences between the book value and taxable value, using the tax rates enacted by the balance sheet date. Deferred tax assets arising from taxable losses carried forward are recognised up to the amount for which there is likely to be taxable income in the future, and against which the temporary difference can be used. Deferred tax assets or tax liabilities with respect to the fair values of derivative contracts have been recognised in the company's balance sheet. Deferred tax assets have not been recognised on losses confirmed in income taxation. Deferred tax assets and liabilities recognised according to adaptations of Section 5:5b of the Finnish Accounting Act are presented in the notes to the income statement.

Tax on mined minerals

Tax on mined minerals must be paid by the party that has mined the mineral and is, under the Mining Act, required to have a permit for mining. The Act on Mined Minerals Tax applies to mined minerals for which the obligation to pay the tax arises on or after 1 January 2024.

Terrafame Group's obligation to pay tax on mined minerals arises, according to Section 3(1) of the Act on Mined Minerals Tax, when the metal ores listed in the Annex of the Act on Mined Minerals Tax are delivered to the primary leaching. The tax on mined minerals, the tax on metal ores, is 0.6 percent of the taxable value of the metal contained in the mined mineral. The Finnish Tax Administration confirms the taxable values for the tax period based on the price data of the previous calendar year.

On 24 January 2025, the Finnish Tax Administration issued an in-depth tax guideline on the mining minerals tax. According to the guideline, in addition to the tax on metal ores, a tax on other possible mining minerals should be paid in accordance with Section 3(2) of the Act on Mined Minerals Tax, based on the time when the mining mineral is extracted. According to Section 5(2) of the Act on Mined Minerals Tax, the tax on other mining minerals is EUR 0.20 per tonne of ore or waste rock.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

It is Terrafame's view that the in-depth tax guideline does not comply with the purpose of the mining minerals tax, but that the interpretation is erroneous, and thus, in accordance with the spirit of the Act on Mined Minerals Tax, Terrafame is only liable to pay the tax on metal ores according to its calculation. During the 2025 financial year, Terrafame applied for a preliminary ruling from the Finnish Tax Administration on the matter and has further appealed against the preliminary ruling to the Administrative Court.

Due to the above, Terrafame Ltd has accrued the portion of the tax on metal ores in its result in accordance with the moment of tax determination, amounting to EUR 6.5 million in the 2024 financial year and EUR 6.2 million in the 2025 financial year.

Tangible assets

Tangible assets have been recognised in the balance sheet at cost, less planned depreciation. Interest and financing costs relating to significant investment projects are capitalised in accordance with the Section 4:5.2–3 of the Finnish Accounting Act. Non-current tangible assets include, among other things, buildings, infrastructure, machinery and equipment used in mining and metal recovery operations, laboratory equipment, vehicles, roads, power lines, and structures for environmental protection. Acquisition cost includes expenditure that is directly attributable to the acquisition, construction or production of the item.

Non-current assets bought from the bankruptcy estate of Talvivaara Sotkamo Ltd on 15 August 2015 have been amortised in accordance with the original depreciation plan by applying the normal planned depreciation periods, with the exception that a write-down was made on the acquired tangible assets: the net expenditure of acquired tangible assets as at 15 August 2015 was approximately EUR 202.6 million, on which a write-down of EUR 76 million was made, and the acquired tangible assets were entered in the company's balance sheet in the amount of EUR 126.6 million.

Spare parts with a useful life of more than one year have been recognised in non-current assets as of the 2017 financial statements. On 31 December 2025, their value totalled EUR 10.8 (12.2) million.

Where parts of an item of tangible assets have different useful lives, they are accounted for as separate items.

Utilising the ore reserves in the areas specified in the mining plan requires surface material to be moved and waste rock to be mined in the open pit. Resulting costs for moving the surface material and waste rock mining have been capitalised and will be depreciated by using units of production method as the mining of recognised ore reserves progresses according to mining plan.

Work in progress or land are not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost over their estimated useful lives, as follows:

Roads and power lines 25 years	Buildings and structures 10-40 years	Leaching heap base structures 10-30 years	Machinery and equipment 4-25 years
Furniture, fixtures and fittings 5-10 years	Vehicles 5-10 years	Fixed asset spare parts 3 years	Structures for environmental protection 25 years

Carrying amounts are reassessed in connection with each financial statement. The reassessment is based on the company's estimates of ore reserves, mineral resources, production capacity and other relevant factors.

Gains and losses on disposals are determined by comparing the proceeds with the book value and are recognised within other operating income or expenses, respectively, in the income statement.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Implementation of the IFRS 16 Leases standard

Terrafame has applied the IFRS 16 Leases standard as permitted by section 5:5b of the Finnish Accounting Act and by the IAS Regulation (EU) in its financial accounting starting from 1 January 2019, using the simplified approach.

The standard requires that all leases be recognised on the lessee's balance sheet. As a lessee, the parent company is required to recognise a right-of-use asset representing its right to use the underlying leased asset and, correspondingly, a lease liability representing its obligation to make lease payments, in its balance sheet. The right-of-use asset is depreciated in accordance with a depreciation schedule determined on the basis of the lease term or useful life of the asset. Interest on a lease liability is presented in finance expenses.

The parent company applies the standard's exemption to the assets of short-term leases and leases of low value, and these are not recognised as right-of-use assets and lease liabilities on the balance sheet. As a result, the payments associated with such leases are recognised as an expense in the income statement on a straight-line basis over the lease term. From the lessor's point of view, lease agreements are still divided into two categories: finance leases and other leases. The parent company has not concluded any significant agreements as a lessor. These agreements are classified according to IFRS 16 as other leases.

As a result of the adoption of the standard, the parent company has recognised right-of-use assets on its balance sheet under warehouse space, machinery and equipment on the basis of lease liabilities concerning vehicles and mobile mining equipment.

Other intangible assets

Other intangible assets are recognised in the balance sheet at cost, less planned amortisation. Other intangible assets mainly comprise IT applications and geological data supporting the company's business operations, which are amortised over 3–5 years, and geodata over 10 years as the mining operations progress

Research and development expenditure

Research expenditure is recognised as an expense as incurred. Terrafame has not capitalised development expenditure during the financial period 2025 or earlier.

Inventories

Terrafame classifies its inventories into three groups: raw materials and consumables, work in progress, and finished products.

Raw materials and consumables are valued at the average acquisition cost of the goods in stock. A so-called write-down on slow-moving items is made on the slow-moving goods in the raw materials and consumables inventory. If an item has been in stock for more than a year, a write-down of 25 percent is made. The write-down increases 25 percentage points annually, so the value of an item that has been in storage more than four years is zero.

Work in progress and finished products (metal content for sale) are presented in the balance sheet as valued at actual production costs but up to the net realisable value of the products on the balance sheet date. Net realisable value refers to the estimated selling price in the ordinary course of business, less the production costs necessary to making work in progress and finished products ready for sale.

The acquisition cost of work in progress and finished products (production cost) includes the fixed and variable costs of production and maintenance that supports production, as well as depreciation on these functions, based on the realised production costs in the production process.

Work in progress in metal intermediates business includes the metals in the ore in the primary and secondary heaps, as well as the metals in the leaching process or the metal precipitation and filtration process that can be processed for sale as a finished product. Work in progress at the battery chemicals business includes nickel-cobalt sulphide, which is used as a raw material in processing and is measured in accordance with the level of completion of the main phases of the production process (pressure leaching, solvent extraction and crystallisation).

The amount of metal contained in work in progress is measured by calculating the metal tonnes added to and removed from the production process (inventory of work in progress). The recoverable quantities of nickel, zinc, copper and cobalt included in work in progress are determined based on the estimated ore concentrations based on geological studies, the estimated recovery percentages of metals in the bioleaching process and the recovery percentages of the metals recovery plant, and based on the battery chemicals plant.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Ore concentrations, the amount of metals in the production process and the metals recovery percentage are actively monitored on a monthly basis throughout the entire process.

The value of inventories determined in accordance with the principle of net realisation value includes discretionary factors related to, for instance, the measurement of metal volume in work in progress, metals recovery percentages, production costs, the production time necessary to complete sales, and sales prices.

Derivatives and hedge accounting

Derivatives

The derivatives used by the company were acquired for hedging purposes, and hedge accounting has been applied to them. Any unrealised change in the value of derivatives that are considered effective hedges are recognised, in accordance with Section 5:2a of the Finnish Accounting Act, at fair value in the balance sheet's fair value reserve as per the valuation report for the last day of the reporting period. The fair values of derivatives are based on valuations of external counterparties.

The realised earnings-related impacts of changes in the value of effective hedging instruments that are covered by hedge accounting are presented uniformly with the hedged item. In the event of any ineffective hedging, changes in the fair value of hedging instruments are recognised in profit or loss.

Hedge accounting

The company applies hedge accounting in accordance with Section 5:2a of the Finnish Accounting Act to all hedging instruments it holds. At the beginning of the hedging arrangement, the relationship between each hedging instrument and the hedged asset, as well as the risk management objectives, are documented by hedging instrument type. The effectiveness of the hedging relationship is assessed at the beginning of hedging and in quarterly accounts at a minimum.

Cash flow hedging

The company's hedging activities are entirely focused on cash flow hedging. The effective portion of changes in the fair values of derivatives acquired for the purpose of hedging forecasted cash flows are recognised in the fair value reserve under equity. Changes in fair value are recognised in profit or loss for the same periods in which hedged cash flows affect the result.

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, and when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

A provision is made for mine closure costs and legal claims on the following conditions: the obligation relates to a closed or prior financial period, its materialisation is deemed certain or likely upon preparation of financial statements, the corresponding income is neither certain nor likely, the obligation is based on law or commitment to third parties, and the obligation can be identified but its precise amount or time of realisation is not known.

Rehabilitation provision for mine closure and environmental clean-up costs

In case of closure, Terrafame's balance sheet includes an environmental provision, which is updated annually. During the 2025 financial year, the parent company has begun to accumulate information on the actual cost level of rehabilitation works that have been carried out, as well as research data from extensive pilot projects. Based on this accumulated information, the parent company has refined its estimate of the area-based closure costs for the environmental provision recorded during the financial year, which in the 2021–2023 financial years were based on the guarantee values specified in the environmental permit. The general costs in the guarantee requirement and the value added tax added to the unit cost are not included in the environmental provision, as these costs will not be borne by Terrafame when the company carries out its closing obligation.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

A rehabilitation provision for mine closure costs is made with respect to the estimated future costs of closure and restoration, and for environmental restoration and rehabilitation to the condition required by the environmental permits granted for mining operations.

Prevention of the threat of environmental pollution entails environmental and landscaping obligations. After mining operations have ceased, any machinery and equipment, chemicals, fuels and waste involving the risk of environmental pollution must be removed from the site. This will be carried out as part of normal mining operations. In addition, open pits must be restored to the condition required by public safety.

The majority of the estimated restoration costs arises from the closure of waste rock areas and primary and secondary leaching areas, the treatment and clean-up of primary and secondary leaching solution channels, the construction, covering and landscaping of gypsum ponds, treatment of seepage waters, the fencing of open pits and the ex post supervision of the mining site.

The mine closure plan is based on the covering of waste areas with water- and oxygen-impermeable material and long-term aftercare. It is assumed that environmental monitoring of the mine will continue for 30 years after closure of the mine.

Restoration costs have been estimated in accordance with the cost level at the date of closure of the accounts.

The bioleaching method used by Terrafame is of such a nature that the process cannot be stopped abruptly at the end of operations. In order to ensure environmental safety, bioleaching must be continued until most of the metals have been recovered at the metals production plant. Also, the safe management of solution circulation requires a phased ending. Mining and ore crushing will be terminated after the closure decision.

The shutdown of bioleaching and metals recovery processes is expected to last approximately three to four years. During the first two years, primary phase leaching will be terminated, and primary leaching ore will be transferred to the secondary heap in accordance with permit requirements. In the first two years, the metals production plant will be operated normally on hydrogen sulphide precipitation, and the resulting metals will be sold. During this time, detailed closure plans will be drawn up, and regulatory processes required for closure will be initiated.

After the third year, bioleaching will still be operational in secondary leaching, and when the metal concentrations of the solution decrease, the metals production plant will transfer to sodium hydrogen sulphide precipitation, which will continue to produce small amounts of product for sale. This phase is estimated to last from one to two years, after which the bioleaching and the operations of the metals production plant will be discontinued, and the dilute solutions formed will be treated either at the central water treatment plant or by any other suitable purification method.

An environmental provision for the closure of the mine of EUR 239.6 million has been set to cover the closure costs for thirty years from the date the actual closure measures commence. The environmental provision covers, for example, closure of bioleaching areas, necessary soil rehabilitation measures, solution and water management, and environmental monitoring. It is estimated that the central water treatment plant will be used for around ten years, after which lighter purification methods will be adopted. The company assesses the amount of the environmental provision annually. The assumption is that a decision on the closure of mining operations would have been made at the balance sheet date.

Terrafame closes areas that have been removed from production use already during active production operations. As the closure work progresses, the provision is released, and the authorities confirm the surface areas of the open areas awaiting closure.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

● 2

Parent company's notes

● 2.1

Net sales

Industry distribution	2025	2024
Metal intermediates business	359,071	347,824
Battery chemicals business	196,994	196,667
Total	556,065	544,491

Geographical distribution

Europe	168,223	304,448
Asia	320,375	115,363
America	62,859	126,179
Australia	239	-1,499
Africa	4,369	0
Total	556,065	544,491

EUR 1,000

Costs related to procurement and manufacturing decreased during the financial year, partly due to the optimisation of operations as a result of the ongoing cash flow and profitability improvement programme. The company's own organisation was slightly strengthened and external procurement was reduced. Depreciation and amortisation increased compared to 2024.

● 2.2

Cost of goods sold

Raw materials and consumables	2025	2024
Purchases during the financial year	168,931	172,445
Change in stocks	1,101	-4,007
Raw materials and consumables total	170,032	168,438
External services	80,040	85,523
Total	250,072	253,961

Change in Inventory

Change in Work in progress	-3,151	-11,096
Change in Finished goods	-534	9,638
Total	-3,685	-1,458

Personnel expenses

Wages and salaries	41,229	39,913
Pensions expenses	6,959	7,121
Other personnel expenses	1,119	952
Total	49,307	47,986

Depreciation

Depreciations	112,628	76,858
Total	112,628	76,858

Other expenses

Other Cost of goods sold expenses	92,436	99,673
Total	92,436	99,673

Cost of goods sold total	500,759	477,019
---------------------------------	----------------	----------------

EUR 1,000

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

● 2.3

Sales and marketing expenses

Personnel expenses	2025	2024
Wages and salaries	857	705
Pensions expenses	134	123
Other personnel expenses	17	14
Total	1,007	842

Depreciation

Depreciation	154	135
Total	154	135

Other expenses

Other Sales and Marketing expenses	8,622	18,465
Total	8,622	18,465

Sales and marketing expenses total	9,783	19,442
---	--------------	---------------

EUR 1,000

Sales and marketing personnel expenses increased slightly as the organisation was strengthened by hiring personnel for new positions during the financial year. Due to the challenging market situation in the comparison period, sales and marketing expenses for 2024 were elevated due to the rearrangement of deliveries and warehousing costs.

● 2.4

Administrative expenses

Personnel expenses	2025	2024
Wages and salaries	5,773	4,233
Pensions expenses	934	757
Other personnel expenses	190	210
Total	6,897	5,200

Depreciation

Depreciation	215	223
Total	215	223

Other expenses

Other Administrative expenses	51,859	34,640
Total	51,859	34,640

Auditors' remunerations

Audit	231	117
Certificates and reports	0	0
Tax consultancy	39	8
Other services	40	23
Total	310	149

Administrative expenses total	59,281	40,212
--------------------------------------	---------------	---------------

EUR 1,000

Administrative expenses for 2025 were increased by consulting fees related to, among other things, the ongoing cash flow and profitability improvement programme, a rise in insurance premiums due to new insurance items, and an increase in guarantee and collateral costs. The administrative organisation was also strengthened with new positions during the financial year.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

2.5

Other operating expenses

Personnel expenses	2025	2024
Wages and salaries	3,491	1,795
Pensions expenses	590	315
Other personnel expenses	94	40
Total	4,175	2,149

Depreciation		
Depreciation	923	360
Total	923	360

Other operating expenses		
Other operating expenses	43,434	3,143
Total	43,434	3,143

Other operating expenses total	48,532	5,652
---------------------------------------	---------------	--------------

EUR 1,000

In the 2025 financial year, other operating expenses include a non-recurring item of EUR 12.0 million related to an increase in the environmental provision. Correspondingly, other operating expenses for 2024 include a non-recurring item of EUR 19.5 million related to a decrease in environmental provision. In addition, freight and warehousing costs related to the arrangement of deliveries have increased. The hiring of new personnel for the uranium recovery plant and the ramp-up of its operations have, for their part, also increased the cost level.

The environmental provision is updated in the financial statements to correspond to future costs arising from closure work and is released by an amount corresponding to the closure work carried out during the financial year. More detailed information on the principles of the environmental provision can be found in the accounting principles on [page 77](#).

Personnel expenses total	2025	2024
Wages and salaries	51,445	48,051
Pensions expenses	8,616	8,542
Other personnel expenses	1,664	1,424
Total	61,725	58,017

Wages and fees for Members of Board of Directors	346	365
---	------------	------------

EUR 1,000

Average number of company personnel		
Salaries and senior salaried	290	286
Blue-collar	580	575
Total	870	861

In the comparison period, the personnel expenditure presented as an expense in the income statement totalled EUR 56.5 million, and the personnel expenditure transferred to own investments totalled EUR 1.5 million.

Depreciation, amortisation and impairment charges	2025	2024
Intangible assets	684	27
Other intangible assets	69	80
Intangible assets total	753	106

Tangible assets		
Buildings	6,408	6,471
Right-of-use assets, buildings	331	24
Machinery and equipment depreciation	34,294	35,357
Right-of-use assets, machinery and equipment	6,001	5,909
Other tangible assets	66,134	29,708
Tangible assets total	113,167	77,469
Total	113,920	77,576

EUR 1,000

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

● 2.6

Finance income and finance cost

Financial income	2025	2024
Other interest and financial income	6,559	3,843
Total	6,559	3,843
Other interest and financial income include exchange rate gains	5,553	651
	EUR 1,000	

Finance income for the financial year includes interest income of approximately EUR 0.9 (0.7) million. Of the unrealised exchange rate gains included in finance income, EUR 5.6 (0.0) million consists of the valuation of foreign-currency loans at the closing rate on the balance sheet date.

Finance expenses	2025	2024
Associate and joint ventures	6,155	2,850
Other interest and financial income	32,962	22,871
Finance expenses total	39,117	25,721
Financial expenses to others include exchange rate losses	7,402	598
Financial expenses include interest expenses from leasing liabilities	2,419	2,213
Financial income and expenses total	32,557	21,877
	EUR 1,000	

Finance costs for the financial year include interest expenses of EUR 27.9 (20.9) million and unrealised exchange rate losses of EUR 3.3 (0.0) million related to the valuation of financial assets at the prevailing rate on the balance sheet date.

● 2.7

Intangible assets

	Intangible rights	Other capitalized long-term expenditures	Investments in progress	Total
Carrying amount at 31 Dec 2024	26	195	0	220
Acquisition cost at 1 Jan 2025	2,547	549	0	3,096
Increase	0	0	6,623	6,623
Capitalisation for the year	6,623	0	-6,623	0
Acquisition cost at 31 Dec 2025	9,170	549	0	9,719
Accumulated amortisation and impairment losses at 1 Jan 2025	2,521	354	0	2,875
Amortisation for the year	684	69	0	753
Accumulated amortisation and impairment losses at 31 Dec 2025	3,205	424	0	3,629
Carrying amount at 31 Dec 2025	5,965	125	0	6,090
	EUR 1,000			

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

● 2.8

Tangible assets

	Land	Buildings	Machinery and equipment	Other tangible assets	Construction in progress	Total
Carrying amount at 31 Dec 2024	3,803	105,139	249,631	380,657	128,407	867,636
Acquisition cost at 1 Jan 2025	3,803	149,270	464,739	485,526	128,407	1,231,744
Increase	213	0	7,394	0	116,765	124,372
Capitalisation for the year	0	0	8,989	74,794	-83,783	0
Decrease	0	0	-111	-697	0	-808
Acquisition cost at 31 Dec 2025	4,015	149,270	481,010	559,623	161,389	1,355,308
Accumulated amortisation and impairment losses at 1 Jan 2025	0	44,131	215,108	104,868	0	364,107
Amortisation for the year	0	6,408	34,294	66,134	0	106,835
Accumulated amortisation of deductions and transfers	0	0	-13	-405	0	-418
Accumulated amortisation and impairment losses at 31 Dec 2025	0	50,539	249,388	170,597	0	470,524
Carrying amount at 31 Dec 2025	4,015	98,731	231,622	389,026	161,389	884,784

EUR 1,000

	Buildings	Machinery and equipment	Total
Right-of-use assets			
Carrying amount at 31 Dec 2024	4,383	35,665	40,048
Acquisition cost at 1 Jan 2025	4,408	55,436	59,843
Increase	1,750	1,960	3,710
Decrease	0	-225	-225
Acquisition cost at 31 Dec 2025	6,158	57,170	63,328
Accumulated amortisation and impairment losses at 1 Jan 2025	24	19,771	19,795
Amortisation for the year	331	6,001	6,332
Accumulated amortisation of deductions and transfers	0	-225	-225
Accumulated amortisation and impairment losses at 31 Dec 2025	355	25,547	25,902
Carrying amount at 31 Dec 2025	5,802	31,624	37,426

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

IFRS 16 Leases standard notes

Maturity analyses	2025	2024
No later than 1 year	7,799	6,363
Later than 1 year and no later than 5 years	24,066	28,027
Over 5 years	3,052	3,523
Carrying amount at 31 December	34,918	37,913

Items recognised in profit or loss

Lease expenses of low-value assets (other than short-term leases)	356	458
Lease expenses of short-term leases	4,579	6,136
Depreciation of fixed assets (machinery and equipment and buildings)	6,332	5,934
Interest expenses from leasing liabilities	2,419	2,213

Above Leasing costs are included in Other operating expenses

Items booked in Cash flow statement

Payments from lease agreements total	6,705	5,564
--------------------------------------	-------	-------

EUR 1,000

2.9

Investments in subsidiaries

Shares of group companies

Carrying amount 31 Dec 2024	11
Acquisition cost 1 Jan 2025	11
Invested unrestricted equity fund	0
Acquisition cost 31 Dec 2025	11
Carrying amount 31 Dec 2025	11

Group companies	31 Dec 2025	31 Dec 2024
Terrafame Oy, parent company – Parent company holdings		
Terrafame Alueverkko Oy, Finland	100.0%	100.0%
Terrafame Alueverkko Oy number of shares	100 shares	100 shares
Terrafame Alueverkko Oy equity		8

The redesign of operations for Terrafame Alueverkko Oy is underway, and the company's impact on the parent company's figures is still minor.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

● 2.10

Inventories

	31 Dec 2025	31 Dec 2024
Raw materials and consumables	32,872	33,973
Work in progress	272,826	269,675
Finished goods	15,600	15,067
Total	321,299	318,715

EUR 1,000

The end product inventory of metal intermediates on 31 December 2025 was measured at acquisition cost, on a cost basis, at EUR 6.0 (6.7) million, because the net realisable value was higher than the cost-based value. A provision of EUR 0.5 (0.0) million has been allocated to the finished goods inventory of metal intermediates in 2025.

The value of work in progress in metal intermediates business measured on a cost basis on 31 December 2025 was EUR 269.5 (265.2) million, and the value of work in progress in battery chemicals production measured on a cost basis was EUR 3.4 (4.4) million.

The value of unfinished production of metal semi-product business comprises the acquisition cost of the metal content of ore contained in bioleaching heaps in the production process. The bioleaching process, during which the metal content of ore is recovered in primary and secondary leaching and utilized in metal production, typically has a duration exceeding four years. Approximately 40% of the inventory value of unfinished production of metal semi-products business stated in the financial statements is expected to be utilised in metal production over the next 12 months and the remaining 60% in subsequent financial years.

The inventory of finished products in the battery chemicals business has been measured at net realisable value, EUR 10.8 (8.6) million, because the cost-based value was higher than the net realisable value. A provision of EUR 0.7 (0.2) million has been allocated to the finished goods inventory of the battery chemicals business in 2025.

The value of raw materials and consumables includes a provision of EUR 10.4 (9.8) million for slow-moving inventory, which reduces the value of inventory.

● 2.11

Long-term receivables

	31 Dec 2025	31 Dec 2024
Deferred tax assets	3,820	0
Other receivables	205	291

EUR 1,000

It is estimated that the company has around EUR 57.3 million in confirmed losses, and around EUR 112.0 million in unused tax depreciation. The company has recognised deferred tax assets or liabilities on the balance sheet in terms of derivatives. Deferred tax assets have not been recognised on losses confirmed in income taxation or on unused tax depreciation.

● 2.12

Other receivables

	31 Dec 2025	31 Dec 2024
VAT receivables	1,768	4,366
Other receivables	7,758	6,519
Total	9,526	10,885

EUR 1,000

● 2.13

Prepayments and accrued income

	31 Dec 2025	31 Dec 2024
Other prepayments and accrued income	5,037	4,053
Derivative receivables	4,432	46,691
Total	9,469	50,744

EUR 1,000

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

2.14

Equity

	31 Dec 2025	31 Dec 2024
Subscribed capital at the beginning of the period	2,000	2,000
Subscribed capital at the end of the period	2,000	2,000
Fair value reserve at the beginning of the period	30,687	59,522
Increase	33,944	108,882
Decrease	79,909	137,717
Fair value reserve at the end of the period	-15,278	30,687
Invested unrestricted equity fund at the beginning of the period	972,670	972,670
Investment in invested unrestricted equity fund	25,000	0
Invested unrestricted equity fund at the end of the period	997,670	972,670
Retained earnings (losses) at the beginning of the period	-331,040	-315,791
Retained earnings (losses) at the end of the period	-331,040	-315,791
Profit/Loss for the period	-80,334	-15,250
Retained earnings (losses)	-411,374	-331,040
Total equity	573,017	674,317

EUR 1,000

Restricted equity at the end of the period	31 Dec 2025	31 Dec 2024
Subscribed capital	2,000	2,000
Fair value reserve	-15,278	30,687
At the end of the period	-13,278	32,687
Distributable equity at the end of the period		
Retained earnings (losses)	-331,040	-315,791
Profit/loss for the period	-80,334	-15,250
Fair value reserve	-15,278	0
Invested unrestricted equity fund	997,670	972,670
At the end of the period	571,017	641,630

EUR 1,000

The fair value reserve comprises the market value of the unrealised derivatives covered by hedge accounting.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

2.15

Notes to hedging derivatives

	31 Dec 2025			31 Dec 2024		
		Fair value			Fair value	
Currency and interest rate derivatives	Positive	Negative	Net	Positive	Negative	Net
Foreign exchange forwards	719	0	719	0	4,822	-4,822
Metal derivatives						
Nickel forward contracts	1,151	7,790	-6,639	36,846	0	36,846
Nickel option contracts	1,658	6,382	-4,724			
Zinc forward contracts	17	4,652	-4,635	507	1,844	-1,337
Derivatives total	3,546	18,824	-15,278	37,353	6,666	30,687
Long-term derivatives	902	4,009	-3,107	1,463	98	1,365
Short-term derivatives	2,644	14,815	-12,171	35,890	6,568	29,322
			31 Dec 2025			31 Dec 2024
Gross assets on the balance sheet			4,432			46,691
Gross liabilities on the balance sheet			23,530			8,332

EUR 1,000

Notional amount of foreign exchange forwards	
2025	2024
170,000,000 USD	237,000,000 USD

Nickel forward contracts	
2025	2024
13,600 t	12,900 t

Nickel option contracts	
2025	2024
6,000 t	0 t

Zinc forward contracts	
2025	2024
43,283 t	32,185 t

The fair value calculation of hedges is based on the market rates and prices on the balance sheet date in accordance with the hedging portfolio. The counterparties in derivative transactions have been approved in accordance with the company's hedging policy. Mutual receivables and liabilities are combined at the transaction level with each counterparty and accounted for at the daily level specific to each transaction.

Hedging instruments had a significant impact on the company's financial position and the predictability of its profitability for the next 12 months on 31 December 2025. The company had hedged against the weakening of the dollar at a hedging rate of around 30% of its forecast future net USD cash flow.

The company had hedged at a rate of around 40% against the weakening of the price of nickel and at a rate of around 70% against the weakening of the price of zinc for the deliveries agreed for the coming year by means of derivatives. In addition, in accordance with its hedging policy, the company had hedged almost all of its completed nickel and zinc deliveries that had been reported as sales. For this reason, changes in market prices after the balance sheet date have little impact on the sales revenue recognised on nickel and zinc batches delivered during 2025.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

● 2.16

Obligatory provisions

Rehabilitation provision	31 Dec 2025	31 Dec 2024
At the beginning of the period	227,608	247,123
Increase	12,028	0
Decrease	0	19,515
At the end of the period	239,636	227,608
Long-term total	239,636	227,608

Estimated cost of the rehabilitation provision

Rehabilitation of bioleaching area	93,850	90,999
Other rehabilitation work	145,786	136,609
Estimated rehabilitation costs total	239,636	227,608
		EUR 1,000

On 20 June 2022, the Regional State Administrative Agency for Northern Finland issued its decision on the environmental and water permit covering all Terrafame's operations – that is, the master permit. The master permit determines the scope of all operations (including new plans for the coming years), sets emission limits and defines an environmental guarantee for discontinued operations. The new permit also enables the progress of ongoing development projects, taking account of the interim decisions issued by the Vaasa Administrative Court in January 2024. More information about the permitting process is provided under "Permits" on the [page 18](#).

However, the permit decision increased Terrafame's environmental guarantee from EUR 138 million to EUR 324 million, which is very high, even in international comparisons. In the third quarter of 2022, Terrafame filed an application with the Vaasa Administrative Court concerning the calculation principles of the guarantee.

Terrafame increased the environmental provision in its 2021 financial statements, and the provision remained unchanged in its 2022 financial statements. In the 2023 financial year, the provision was increased by EUR 15.1 million, mainly because of the introduction of new waste rock fields. In the 2024 financial year, the environmental provision decreased by EUR 19.5 million. This was due to the closure work carried out during the financial year and the resulting refined information on the costs of the closure work, as well as research data obtained from experts to support the view, which the company used as a basis to revise its estimate of the environmental provision's area-based closure costs.

The estimated costs for the financial years 2021–2023 were based on the guarantee values specified in the environmental permits. The general costs in the guarantee requirement and the value added tax added to the unit cost are not included in the environmental provision, as these costs will not be borne by Terrafame when the company carries out its closing obligation.

In the 2025 financial year, the environmental provision was increased by EUR 12.0 million due to the increased surface area of the open production area. During the financial year, area rehabilitation work was also carried out, and the provision was released in accordance with the costs incurred from the closure work.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

● 2.17

Long-term loans from credit institutions

Leasing liabilities	31 Dec 2025	31 Dec 2024
At the beginning of the period	31,550	3,878
Increase	3,013	33,112
Decrease	7,444	5,440
At the end of the period	27,119	31,550

Long-term loans

At the beginning of the period	200,000	0
Increase	0	200,000
Decrease	0	0
Valuation	0	0
At the end of the period	200,000	200,000

Long-term loans II

At the beginning of the period	0	0
Increase	22,046	0
Decrease	0	0
Valuation	0	0
At the end of the period	22,046	0

Other Long-term loans

At the beginning of the period	37,256	37,484
Increase	11,550	0
Decrease	0	228
At the end of the period	48,806	37,256

Long-term loans total	297,971	268,806
------------------------------	----------------	----------------

EUR 1,000

● 2.18

Long-term advances received

Advances Received	31 Dec 2025	31 Dec 2024
At the beginning of the period	0	0
Increase	50,000	0
Decrease	0	0
Valuation	-5,553	0
At the end of the period	44,447	0

EUR 1,000

Decisions made and authorisations given by the General Meeting of Shareholders, Terrafame Ltd

On 12 December 2023, with the consent of the option holders, Terrafame Ltd's shareholders resolved to cancel the then-existing option rights, revised on 27 August 2020, and to issue new, unexercised option rights in a corresponding number. Simultaneously, the shareholders resolved to cancel the other authorisations granted to the Board of Directors on 27 August 2020 regarding a directed share issue, with the exception of the authorisation concerning the directed issuance of 81,000 new shares to Terrafame Ltd's parent company for the purpose of maintaining control. This authorisation remains valid indefinitely.

No decisions regarding new authorisations or option rights were made during the 2024 financial year.

During the 2025 financial year, on 26 February 2025, the shareholders decided to grant special rights entitling the subscription of a total of 283,351 new company shares, and at the same time authorised the Board of Directors to decide on the issuance of shares up to a total of 283,381 shares under these rights. A decision was also made regarding the option rights. It was decided to increase the maximum number of already granted option rights to 1,099,016, and these rights were divided into two tranches. The options in the tranches are conditionally exercisable. The Board of Directors was authorised to make decisions on share subscriptions corresponding to the increased number of options.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Option and other special rights

	31 Dec 2025	31 Dec 2024
Batch 7 Maximum number of shares to be issued	0	0
Batch 8 Maximum number of shares to be issued	441,918	441,918
Batch 9 Maximum number of shares to be issued	21,518	21,518
Batch 10 Maximum number of shares to be issued	21,518	21,518
Batch 11 Maximum number of shares to be issued	21,518	21,518
Batch 12 Maximum number of shares to be issued	21,518	21,518
Batch 13 Maximum number of shares to be issued	21,518	21,518
Batch 015 Maximum number of shares to be issued	141,677	0
At the end of the period	691,185	549,508

Option rights and other special rights related to Terrafame Ltd shares can be transferred to permitted transferees. Both the direct and indirect pledging of options are prohibited. The subscribed capital agreed for the option rights is EUR 176.46, and subscription rights may be exercised in several tranches, in part or in full. The option holder does not have rights to any dividends or assets distributed from the company's reserves for invested unrestricted equity.

In the spring of 2024, a total of 71,419 option rights matured unexercised. The remaining 549,508 option rights held by Galena Asset Management matured on 31 December 2025 unexercised with respect to Tranche 1. As Tranche 1 was not subscribed, the same number of option rights, 549,508, can be subscribed for during the subscription period of Tranche 2, from 1 January to 31 December 2026.

The subscription price for the special rights decided on 26 February 2025 is EUR 176.46, and the subscription can be made in one or more tranches, in part or in full. Under certain conditions, the subscription can be carried out by a decision of the Board of Directors, in which case the number of special rights to be subscribed must be at least 56,670.

2.19

Deferred tax liabilities

	31 Dec 2025	31 Dec 2024
Deferred tax liabilities	0	7,672
		EUR 1,000

Deferred tax liabilities have been recorded in Terrafame Ltd's financial statements for the fair value of derivatives held for hedging purposes.

2.20

Specifications of Group liabilities

Long-term liabilities to group companies	31 Dec 2025	31 Dec 2024
Finnish Minerals Group Oy		
Loans	45,000	0
Shareholder loan	31,391	0
Total	76,391	0

Short-term liabilities to group companies

Loans	0	65,000
Trade payables	492	170
Accrued liabilities	582	536
Total	1,075	65,706
		EUR 1,000

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

● 2.21

Short-term loans from financial institutions

Leasing liabilities	31 Dec 2025	31 Dec 2024
At the beginning of the period	6,363	1,600
Increase	8,141	10,036
Decrease	6,705	5,273
At the end of the period	7,799	6,363

Short-term loans IV

At the beginning of the period	0	40,724
Increase	0	0
Decrease	0	43,894
Valuation	0	-3,170
At the end of the period	0	0

Short-term loans from financial institutions total	7,799	6,363
		EUR 1,000

Terrafame's EUR 250 million loan arrangement is unsecured. Its maturity is four years and it includes a bullet loan of EUR 100 million and a revolving credit facility of EUR 150 million. The bullet loan is for refinancing Terrafame's existing liabilities. The revolving credit facility is for working capital needs and the company's general financing needs.

Terrafame announced on 27 February 2025 that it had agreed on a financing arrangement to finance the company's investment programme for the coming years. As part of the financing package, Terrafame has agreed with its main owners, Finnish Minerals Group and the Galena funds, on a EUR 100 million financing arrangement, which consists of a EUR 50 million shareholder loan and a EUR 50 million equity financing commitment, of which half was available at the balance sheet date. In addition, Terrafame agreed on advance payment arrangement worth EUR 50 million with Trafigura.

In the same context, Terrafame has 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. At the time of the financial statements, EUR 20 million of the revolving credit facility is available.

The new maturity date for the bank financing and the duration of the revolving credit facility is December 2028. The repayment of the advance payment arrangement agreed with Trafigura will end in June 2030.

Key terms of the shareholder loans

In the financial year 2025, Terrafame drew down a EUR 50 million shareholder loan agreed with Finnish Minerals Group Oy and Galena. The loan carries interest tied to EURIBOR, and the interest is capitalised annually. The loan will be repaid in six monthly instalments in accordance with the repayment schedule by 22 November 2029. All payments related to the shareholder loan will be made simultaneously and on an equal basis in proportion to the lenders' respective capital contributions.

During the financial year, the company implemented a significant advance payment arrangement for a sales contract worth EUR 50 million, which will be shortened from product sales deliveries during the financial years 2029-2030. The monthly interest is also reduced in connection with product sales invoicing. The interest rate on the loan is tied to SOFR.

Even in a challenging market situation, the company remained within the limits of the covenants updated in the spring, in line with the management's view at the time.

During the latter part of 2025, the company initiated negotiations with its financiers to secure the additional investments required for the implementation of the strategy updated in autumn 2025. As at the date of signing the financial statements, the status of the financing negotiations is ongoing, and the company's management is confident that they will be successfully concluded within the targeted schedule.

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

The announced arrangement does not have a significant impact on the status of ownership. The company's management assesses that the company's liquidity and profitability are sufficient to carry out the necessary investments, to meet the obligations of the financing agreements, and to ensure the continuity of operations. The company's financing agreement includes covenants measuring indebtedness, liquidity, and profitability, which have not been breached at the presentation of the financial statements.

● 2.22

Current liabilities/Accruals and deferred income

	31 Dec 2025	31 Dec 2024
Interests	2,361	3,710
Accrued expenses and deferred income – wages and salaries with social security expenses	11,427	9,754
Other accrued liabilities	12,806	11,680
Mining mineral tax	6,241	6,451
Derivative liabilities	23,530	8,332
Total	56,365	39,928

EUR 1,000

Terrafame Group's obligation to pay tax on mined minerals arises, according to Section 3(1) of the Act on Mined Minerals Tax, when the metal ores listed in the Annex to the Act on Mined Minerals Tax are delivered to the first stage primary leaching. The tax on mined minerals referred to in the Annex, the tax on metal ores, is 0.6 per cent of the taxable value of the metal contained in the mined mineral.

Due to the above, Terrafame Oy has accrued approximately EUR 6.2 (6.5) million of tax on metal ores in its result.

● 2.23

Notes to the commitments

Contingent and off-balance sheet liabilities

Amounts payable on rental and leasing agreements	31 Dec 2025	31 Dec 2024
No later than 1 year	3,412	4,015
Later than 1 year and no later than 5 years	6,040	5,989
Later than 5 years	2,136	2,175
Total	11,587	12,179

EUR 1,000

Other liabilities

Other service agreement liabilities	31 Dec 2025	31 Dec 2024
No later than 1 year	8,945	7,583
Later than 1 year and no later than 5 years	8,374	6,185
Total	17,319	13,768

EUR 1,000

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Securities complying with environmental and mining permits

Beneficiary	Type of security	Amount of security total 31 Dec 2025	Amount of security total 31 Dec 2024
Finnish Supervisory Agency; no. 46, 196 and permit decisions 136/2024, 166/2024 and 118/2023	Credit insurance	402,838	384,825
Security in accordance with permit decision no. 52/2013/1	Bank guarantee	1,500	1,500
Security in accordance with permit decision no. 43/2014/2	Bank guarantee	6	6
Security in accordance with permit decision no. 43/2015/1	Bank guarantee	100	100
Security in accordance with permit decision no. 3/2017/1	Bank guarantee	50	50
Security in accordance with permit decision no. 76/2017/1	Bank guarantee	100	100
Security in accordance with permit decision no. 5/2021	Bank guarantee	200	200
Security in accordance with permit decision no. 87/2022	Bank guarantee	17	17
Security in accordance with permit decision no. 87/2022	Bank guarantee	10	10
Security in accordance with permit decision no. 166/2024	Bank guarantee	50	0
Decision of the Finnish Safety and Chemicals Agency Tukes, 30 June 2014, KaivNro: 2819	Bank guarantee	100	100
Decision of the Finnish Safety and Chemicals Agency Tukes, 30 June 2014, KaivNro: 2819	Bank guarantee	35	35
Decision of the Finnish Safety and Chemicals Agency Tukes, 30 June 2014, KaivNro: 2819	Bank guarantee	50	50
Total		405,056	386,993
Other securities	Bank guarantee	439	482
Real estate investments' VAT refund liability		11,056	13,266
			EUR 1,000

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

● 2.24

Related party transactions

Terrafame's key related parties include the following entities: Finnish Minerals Group, the State of Finland, Galena Private Equity Resources Investment 2 L.P., Galena Private Equity Resources Investment 3 L.P., Galena Private Equity Resources Investment 4 L.P., Galena Private Equity Resources Fund L.P. and Galena Private Equity Resources Co-investment 2 L.P., as well as Trafigura Group. In addition, Terrafame's related parties include the members of the Board, the CEO and the members of the Leadership Team, persons responsible for Terrafame Ltd's commercial agreements, and the immediate family members of the persons referred to here, as well as entities over which they or their immediate family members have control. Terrafame's related parties also include entities in which the State of Finland exercises control or considerable influence. Terrafame has applied an exemption pursuant to which it only reports significant transactions with Government-related companies.

During the financial year 2025, funds managed by Galena Asset Management granted a shareholder loan of EUR 22.1 million to Terrafame, and Finnish Minerals Group has granted Terrafame a working capital facility, of which EUR 45.0 million had been drawn at the end of the 2025 financial year, and a shareholder loan of EUR 31.4 million.

The commercial agreements between Terrafame, Trafigura NatGas Limited and Trafigura PTE Limited generated a total of EUR 312.0 (174.0) million in sales during the financial period. Sales to Trafigura Nat Gas Limited was EUR 141 million and EUR 171 million for Trafigura PTE Limited during the financial period. The company has acquired legal and other administrative services worth EUR 0.6 (0.6) million, management services for product development projects worth EUR 0.2 (0.2) million and finance-related costs were approximately EUR 5.1 (2.3) million from Finnish Minerals Group.

All business transactions between Terrafame Ltd and its related parties were made on market terms.

Business transactions with related parties

Goods and services sold	31 Dec 2025	31 Dec 2024
Other related party ventures	311,911	174,040
Ventures total	311,911	174,040

Goods and services purchased

Associate and joint ventures	825	807
Other related party ventures	59,941	59,899
Ventures total	60,766	60,706

Credits

Associate and joint ventures	76,391	65,000
Other related party ventures	66,493	0
Ventures total	142,884	65,000

EUR 1,000

Financial Review

- 2025 in brief
- CEO's review
- Board of Directors' review
- Key figures and formulas

Consolidated Financial Statements (IFRS)

- Comprehensive income
- Balance sheet
- Cash flow
- Changes in equity
- Accounting Principles
- Notes

Parent Company Financial Statements (FAS)

- Comprehensive income
- Balance sheet
- Cash flow
- Accounting Principles
- Notes

Board of Directors' proposal for measures to be taken owing to the loss for the financial period

Terrafame Ltd's result for the financial period shows a loss of 80 334 151.15 EUR. The Board of Directors proposes to the Annual General Meeting that no dividend be distributed, and that the result be recorded in shareholders' equity.

Signature of the Board of Directors' review and financial statements

In Helsinki, 26 February 2026

Markku Teräsvasara
Chair of the Board

Matti Hietanen

Patrick Burke

Julian Sanchez

Peter Schuhmacher

Jyrki Vainionpää

Markus Mannström

Antti Koulumies
CEO

Auditor's confirmation

A report on the audit has been issued today.

In Helsinki, 2 March 2026

KPMG Oy Ab

Authorised Public Accountants

Toni Aaltonen

APA



Terrafame

Financial Review 2025

26 March 2026