Terrafame’s strategy for 2026-2030: The company will remodel its operational logic, streamline processes, and pursue growth through new products

Terrafame has outlined its strategy for 2026–2030. 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 revised strategy outlines the path to secure positive cash flow, reduce dependence of nickel demand and price fluctuations by introducing new products, and ensure a solidified position as a key player in the European critical materials value chain.

“Since 2015, Terrafame has operated in a turbulent market environment, driven by evolving market dynamics and Finland’s national regulation, among other factors. The development of the European EV battery value chain has been slower than anticipated, and we do not foresee a quick change in nickel prices that remain at a low level. Other external factors such as the increase of mining tax also continue to pose challenges”, says **Antti Koulumies**, CEO of Terrafame.

“In these conditions, the aim of our strategy is first to adapt, and then to grow. The revised strategy and the planned execution measures will improve our competitive position and ensure that every part of Terrafame’s business creates value”, Koulumies continues.

The key elements of Terrafame’s revised strategy for 2026–2030 are:

— **Redesigning the metal intermediates production logic to improve cash flow.** Terrafame has meticulously analysed its metal intermediates production process and identified significant measures to optimise it, including prolonging primary heap leaching residence time and improving utilisation of side products, such as copper and cobalt. Furthermore, the company has re-evaluated its capital investment programme, prioritising investments that have strong returns and optimising sustaining capital expenditure.

  In addition to the already ongoing profitability enhancement programme, these measures help Terrafame adapt to the current market situation and will put the company in a good position when the market recovers.

Terrafame

Terrafame plans to introduce the necessary changes to its intermediates production process – from mining to metals recovery – by 2027 to improve profitability of its current operations and secure the funding needed for its development projects, including starting mining operations in Kolmisoppi.

— **Reducing the production costs of battery chemicals to ensure profitability.** Despite the slower-than-expected development of the European battery chemicals market, Terrafame remains committed to enabling the electrification of transport in Europe. Terrafame has identified measures to lower production costs of battery chemicals, thereby improving competitiveness.

  Terrafame also aims to promote the development of the European battery value chain. Terrafame seeks to grow its battery chemicals business and strategically target end customers who value sustainable battery raw materials made in Europe. In addition, the company is open to deepening partnerships with other battery value chain players.

— **Building the future with new products.** Terrafame is considering new opportunities for future profitable growth by, for example, increasing its natural uranium production to support clean energy goals, and exploring the revenue potential of other critical materials such as rare earth elements that are not yet exploited. These new products could be in production towards the end of this decade.

"To enable efficient execution of our adapt and grow strategy, we will strengthen our commercial capabilities and optimise our processes and ways of working for maximum efficiency. The current market situation is challenging, but we now have a sound, clear plan for future profitability and growth, which we will begin to implement with characteristic Terrafame resolve", Koulumies adds.

Terrafame has already become a significant operator in the critical raw materials value chain in Europe, as the company mines around 70% of the nickel mined in Europe. Europe's largest nickel ore reserves are located in Terrafame's mining concession in Sotkamo, Finland. In March 2025, Terrafame's Kolmisoppi project was granted strategic project status under the Critical Raw Materials Act (CRMA) of the European Union. This all emphasises Terrafame's vital position in strengthening Europe's self-sufficiency in raw materials to support the European economy and clean transition.

To improve its competitiveness, Terrafame has been running numerous programmes to improve its profitability in the past years, with good results. The latest programme has already reached a yearly run rate of EUR 50 million profitability improvement, with more potential in the pipeline.

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, which requires a swift permitting process in line with the project's CRMA status. The allowed ore and waste rock volumes are also assumed to be line with the mining plan.

For further information, please contact:
Antti Koulumies, CEO, tel. +358 45 6751 986, antti.koulumies(at)terrafame.fi

Terrafame

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

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