



## Lamor has decided to construct a chemical recycling plant of plastics together with Resiclo

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### Lamor has decided to construct a chemical recycling plant of plastics together with Resiclo

Lamor has signed today an agreement with Resiclo Oy with the objective of constructing a chemical recycling plant to treat plastics in Kilpilahti area located in Porvoo, Finland. Chemical recycling of plastics on this scale has not been carried out in Finland before and joining the project is a major step for Lamor to develop recycling of plastics.

In the first phase, the plastics chemical recycling plant in Kilpilahti is estimated to have an annual capacity of 10.000 tons. The aim of Resiclo Kilpilahti is to build an annual capacity of approximately 40.000 tons of chemical recycling of plastics in Finland by the end of 2026. The construction work on the Kilpilahti recycling plant is expected to begin in the second half of 2022, and the commissioning of the recycling plant is scheduled to take place in 2023. The recycling plant will produce chemically recycled raw material from waste plastics, which can be used in the petrochemical industry to produce recycled plastic and it can be delivered to suitable refineries for further processing.

Lamor will invest EUR 1.2 million in the company established for the project ("Resiclo Kilpilahti Oy"), which corresponds to 50% of the shares of Resiclo Kilpilahti. The rest of the shares of the company will be owned by Resiclo Oy. The total investment of the first phase is estimated to be EUR 12 million. In addition, Lamor is committed to finance Resiclo Kilpilahti's future investments with a sub-ordinated loan amounting up to a maximum of EUR 3 million. At the same time, Lamor will invest EUR 1.3 million in Resiclo Oy, where it will be acting as a minority shareholder with a 11.8% stake. The investments will be paid in cash. According to the plan, Resiclo Kilpilahti Oy will be consolidated as a subsidiary in Lamor's consolidated financial statements. The agreement includes conditions which need to be met before the closing of the agreement. These conditions are expected to be met during the second half of 2022.

Business Finland selected Lamor's plastic waste treatment pilot projects as one of the winners of their growth engine competition in December 2020. The total project supported by the growth engine competition aims to create a business ecosystem of EUR 1 billion by the end of 2030 to solve issues caused by plastic pollution. "This investment is the first significant step for Lamor to develop recycling of plastics where the total size of the addressable market is tens of billions of euros. Kilpilahti area in Porvoo, Finland is an excellent location for the plant in terms of logistics of both raw materials and the final product. In Finland, the collection and sorting of plastics are already at a relatively good level. However, in our view, there is also a lot of potential in Finland to improve the recycling of plastics in order to improve the efficiency of the circular economy", says **Mika Pirneskoski**, CEO of Lamor.

Resiclo is a Finnish start-up phase recycling company which has been developing chemical recycling projects for plastics waste since 2018. "Co-operation with Lamor seemed natural at this stage, as we need a strong industrial partner on our growth path. The Kilpilahti plant is intended to serve as a validation for our future projects. Resiclo is planning to build several recycling plants in Europe during the coming years", says **Juha Pinomaa**, Chairman of the Board of Resiclo.

An environmental permit has been assigned for the first phase of the project of Resiclo Kilpilahti Oy. The permit is valid until the end of January 2024. The company is applying for a permanent environmental permit during 2022. Resiclo Kilpilahti Oy has signed a letter of intent for the land area located in Kilpilahti and the building permit process has been initiated. The technology which is planned to be used in Kilpilahti site has been validated and Resiclo has an agreement with one of the leading plastic producers to sell the product.

According to OECD, the annual global usage of plastics is projected to nearly triple from 2019 levels by 2060. In 2019, the recycling rate of plastics was less than 10%. At the same time, most of the industrial plastic producers are committed to reducing or seizing the usage of virgin fossil-based plastics in their end products in the coming years. Lamor's long-term expertise in environmental solutions and Resiclo's strong know-how in plastics chemical recycling will enable a systemic reduction of CO<sub>2</sub> emissions, efficient recycling, and the reduction of the environmental impact of plastics. Advanced chemical recycling enables increasing the amount of plastics getting recycled and the amount of sustainable raw materials in the plastics industry.

### Further enquiries

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### Certified adviser

### **Webcast for shareholders, analysts and media**

Webcast for shareholders, analysts and media will be arranged in Finnish on 22 June 2022 at 11:00 a.m. EEST. In the event, Lamor's CEO Mika Pirneskoski and Tomi Nyman, one of the founders of Resiclo, will tell more about the project.

The webcast includes a Q&A session and participants can ask questions in English and Finnish via the event chat room. The webcast can be followed at [lamor.videosync.fi/2022-06-22-webcast](https://lamor.videosync.fi/2022-06-22-webcast)

The webcast recording will be available on the same day on [investors.lamor.com/](https://investors.lamor.com/).

### **Lamor in brief**

Lamor is one of the leading global providers of environmental solutions. Lamor provides its customers with equipment used for oil recovery, waste management and water treatment as well as versatile environmental solutions and services, such as clean-up and preparedness services related to oil spill response and oil spills, services for the treatment of waste and tailored and adapted water treatment solutions. Lamor operates together with its local partners, offering a wide selection of solutions, which can be tailored according to the needs of each customer, and aiming to clean the world, for which the company has worked since its incorporation. The company's share is listed on the Nasdaq First North Premier Growth Market Finland marketplace maintained by Nasdaq Helsinki under the trading code LAMOR. Further information: [www.lamor.com](https://www.lamor.com)