

STENA METALL BOND INVESTOR PRESENTATION

May 2025

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The Bonds may be offered to and directed at specific addressees who, if in the United Kingdom, are "qualified investors" within the meaning of Article 2(e) of Regulation (EU) 2017/1129 as it forms part of UK law by virtue of the European Union (Withdrawal) Act and who are: (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order; or (iii) are other persons to whom it may otherwise lawfully be communicated (all such persons referred to in (i), (ii) and (iii) together being "Relevant Persons"), and only in circumstances where, in accordance with section 86(1)(c) and (d) of the Financial and Services Markets Act 2000, as amended ("FSMA"), the requirement to provide an approved prospectus in accordance with the requirement under section 85 of the FSMA does not apply as the minimum denomination of and subscription for the Bonds exceeds EUR 100,000 or an equivalent amount. The Bonds may not be offered to or directed at specific addressees who in the United Kingdom, are not Relevant Persons.

The Bonds will be offered or sold within the United States only to Qualified Institutional Buyers ("QIBs") as defined in Rule 144A under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"). The Bonds have not and will not be registered under the U.S. Securities Act, or any state securities law. The Bonds may not be offered or sold within the United States to, or for the account or benefit of, any U.S. Person (as such term is defined in Regulation S of the U.S. Securities Act), except for QIBs. Bondholders will not be permitted to reoffer, resell, pledge or otherwise transfer the Bonds except (i)(a) pursuant to an effective registration statement under the U.S. Securities Act, (b) to a person who the transferee reasonably believes is a QIB within the meaning of Rule 144A under the U.S. Securities Act purchasing for its own account or for the account or benefit of a QIB in a transaction meeting the requirements of Rule 144A (if available), (c) in an offshore transaction in accordance with Regulation S under the U.S. Securities Act, including a transaction on any designated offshore securities market, or (d) pursuant to any other exemption from registration under the U.S. Securities Act, including Rule 144 thereunder (if available) and (ii) in accordance with all applicable securities laws of the states of the United States and any other jurisdiction.

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MAIN TERMS

ISSUER	AB Stena Metall Finans (publ)
PARENT	Stena Metall Aktiebolag, being the direct 100% owner of the Issuer
GUARANTOR	The Parent
RANKING	Senior unsecured
ISSUE AMOUNT	Up to SEK 1,000 million
MAXIMUM ISSUE AMOUNT	SEK 1,000 million
PURPOSE	Net proceeds from the contemplated bond issue will be used in accordance with the Company's newly updated Green Bond Framework and towards refinancing the Company's outstanding bonds with the ticker SMF06 (ISIN: NO0012514274)
TENOR	5 years
COUPON	STIBOR 3M + [●]% p.a. margin, quarterly interest payments
CALL OPTION	Make whole during the first 30 months at par plus 50% of the margin and the remaining interest payments up until the first call date falling 30 months after first issue date, thereafter callable at par plus 50/40/30/20/10% of the margin after 30/36/42/48/54 months after the first issue date
ISSUE PRICE	100% (par)
NOMINAL VALUE	SEK 1,250,000
GENERAL COVENANTS	Negative pledge with limited carve-out Change of Control put @101%, Listing Failure Event coupon step-up Mergers, de-mergers and asset disposals
LISTING	Oslo Børs
TRUSTEE & DOCUMENTATION	Nordic Trustee standard documentation in line with recent bond issues
GOVERNING LAW	Norwegian law
JOINT BOOKRUNNERS	Carnegie Investment Bank AB (a part of DNB Bank ASA Group) and SEB

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6. Risk factors

TODAY'S PRESENTERS



**KRISTOFER
SUNDSGÅRD**
President & CEO

EXPERIENCE:

- +20 years experience within Stena Metall Group
- CEO at Stena Recycling Group ('19-present)
- CEO at Stena Recycling Sweden ('15-'19)



**JONAS
HÖGLUND**
Group CFO

EXPERIENCE:

- Senior VP & CFO at Volvo Aero Corporation ('08-'11)
- EVP & CFO, Head of Business Development & Strategy at Volvo Treasury ('01-'08)



**ANNA
SUNDELL**
Head of Sustainability,
Brand & Communications

EXPERIENCE:

- Head of Sustainability & Communications, Stena Metall Group ('23-'25)
- Sustainability Manager, Stena Metall Group ('19-'23)
- HSSEQ & Sustainability Manager, Stena Metal International ('17-'19)



INTRODUCTION TO STENA METALL

STENA METALL IN BRIEF



SEK **40.7**BN

REVENUE
Q2 LTM 2024/25



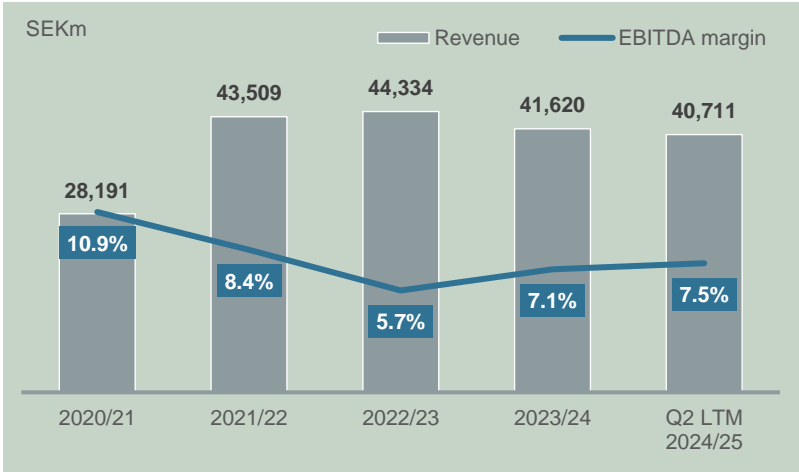
SEK **3.0**BN

EBITDA
Q2 LTM 2024/25



6,000,000

TONNES OF
RECYCLED WASTE





200+

LOCATIONS IN
NINE COUNTRIES



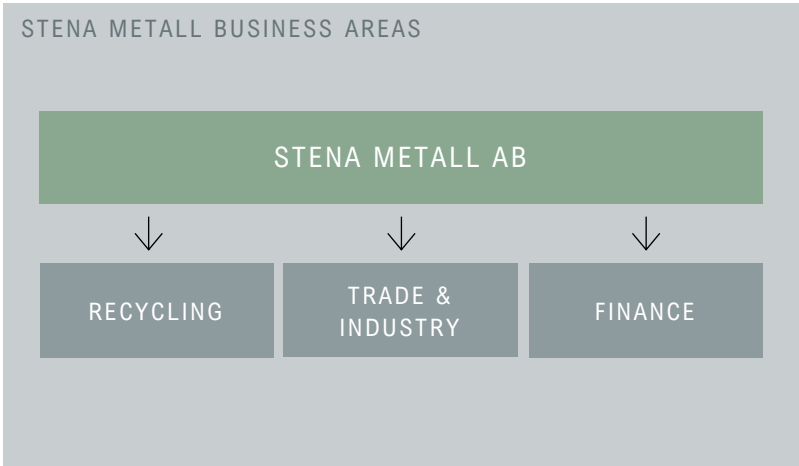
~4,400

EMPLOYEES



SEK **1.275**M

PF NET DEBT¹⁾
Q2 LTM 2024/25



Source: Company information. | Note: 1) Net leverage calculated with frozen GAAP (incl. financial assets). IFRS16 leasing liabilities per 28th of February 2025 was SEK 999 million.

OUR CORE VALUES



Our heritage

01 THE BEGINNING

Starting as a local scrap dealer and entrepreneur, Sten A. Olsson created business opportunities in trading ferrous and non-ferrous scrap, rags and rubber

02 THE JOURNEY

Decades of extensive growth through new types of services, several acquisitions, and geographical expansion

03 TODAY

The Olsson family ownership and values remain, with an international footprint and strong market position for all companies. Sustainable industry solutions in a circular economy

04 THE FUTURE

The world is changing. To meet new challenges, we must constantly adapt to the world around us – by being curious, courageous and fostering our culture built on care

Our core values

SIMPLICITY

- Close to the customers*
- Customized*
- Solution-oriented*

RELIABILITY

- Partnership*
- Accountability*
- Expertise*

DEVELOPMENT

- Value creating*
- Proactivity*
- Capacity for change*

BUSINESS OVERVIEW – STENA METALL GROUP

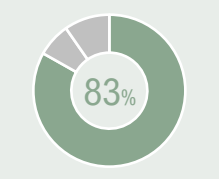
RECYCLING



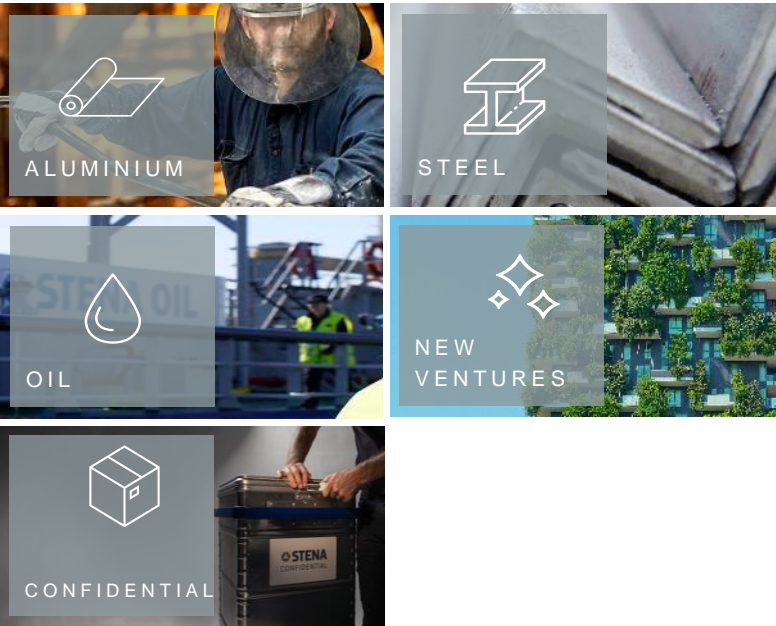
CORE BUSINESS DESCRIPTION

- Collection of industrial waste material that arises from both operations and production
- Refinement of materials to produce recycled raw materials for new products or new energy

% OF EBITDA¹⁾



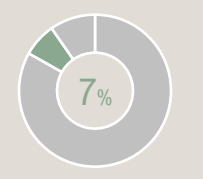
TRADE & INDUSTRY



CORE BUSINESS DESCRIPTION

- Combination of companies with a common ambition to contribute to the green development within each respective business
- Invest in start-up companies to drive sustainable development & transformation offering leading material, product and service solutions.

% OF EBITDA¹⁾



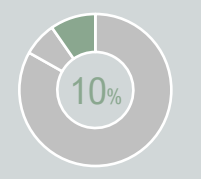
FINANCE



CORE BUSINESS DESCRIPTION

- Internal Banking and Financial Investments
- Captive Solutions
- Risk Management and Group Financial Advisory
- M&A activities

% OF EBITDA¹⁾

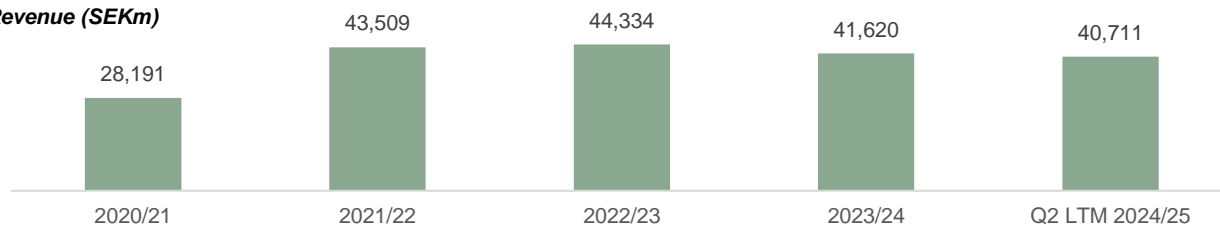


Source: Company information. | Note: 1) EBITDA split per Q2 LTM 2024/25, excluding "Other".

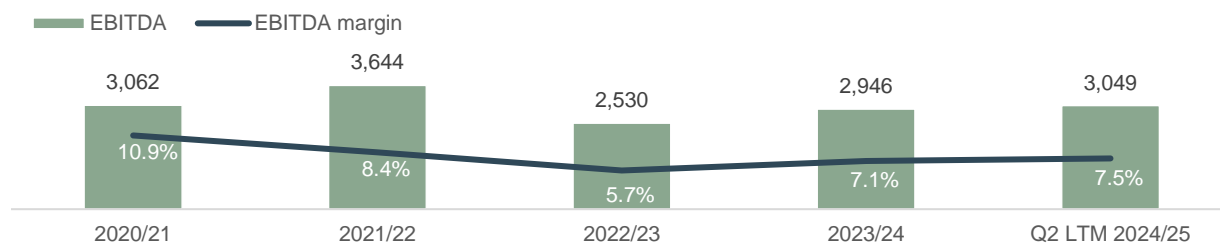
STRONG FINANCIAL PERFORMANCE WITH STABLE MARGINS

FINANCIAL DEVELOPMENT

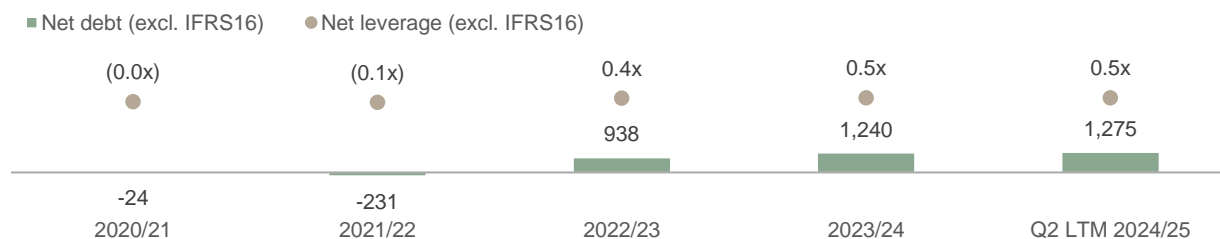
Revenue (SEKm)



EBITDA (SEKm) and EBITDA margin (%)



Net debt and net leverage (SEKm)¹⁾



Source: Company information. | Note: 1) Net leverage calculated with frozen GAAP (incl. financial assets). IFRS16 leasing liabilities per 28th of February 2025 was SEK 999 million.

COMMENTS


- Total revenue for the period Q2 LTM 2024/25 decreased slightly although EBITDA increased to SEK 3,049 million, representing an EBITDA margin of 7.5%
- As per Stena Metall's general business split, Recycling represents a majority of the earnings followed by Trade and Industry and Finance
- For the period Q2 LTM 2024/25, Recycling showed strong and improved earnings driven by strong performance in Hazardous Waste, Paper and Non-ferrous metals scrap segments
- The new segment Confidential continues to contribute to the Group's overall result and demand is growing for the services provided by the company
- Business area Steel operates in a highly competitive market, thus affecting earnings. Focus lies on strategic initiatives to enhance financial performance
- Net debt/EBITDA as per February 2025 was 0.46x




BUSINESS OVERVIEW – RECYCLING

BUSINESS OVERVIEW – STENA METALL GROUP


RECYCLING





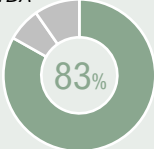
RECYCLING

OF FTEs (~)



4,000


% OF EBITDA




83%

Source: Company information. | Note: EBITDA split based on Q2 LTM 2024/25, excluding the segment "Other".


TRADE & INDUSTRY




ALUMINIUM




STEEL



CONFIDENTIAL




OIL



NEW VENTURES

FINANCE



FINANCE

INTRODUCTION TO STENA RECYCLING




CORE BUSINESS

Collection of industrial waste material
that arises from both operations and production.

Refinement of materials to produce recycled
raw materials for new products or new energy.

KEY FIGURES
(FY 2023/24)



~4,000 # OF PEOPLE	8 # OF COUNTRIES
6 MN TONNES	25.4 SALES (SEKbn)
	2.0 EBITDA (SEKbn)

KEY INDUSTRIES

 AUTOMOTIVE	 MANUFACTURING
 RETAIL	 TRANSPORT & LOGISTICS
 MUNICIPALITIES	 ENERGY



GLOBAL TRENDS AFFECTING OUR BUSINESS

- Design for circularity & eco-friendliness
- New recycling technologies
- Increased complexity in product content
- Scarcity of raw materials
- Increased demand for aluminium
- Increased reuse of products
- Global waste trading decrease

Source: Company information.

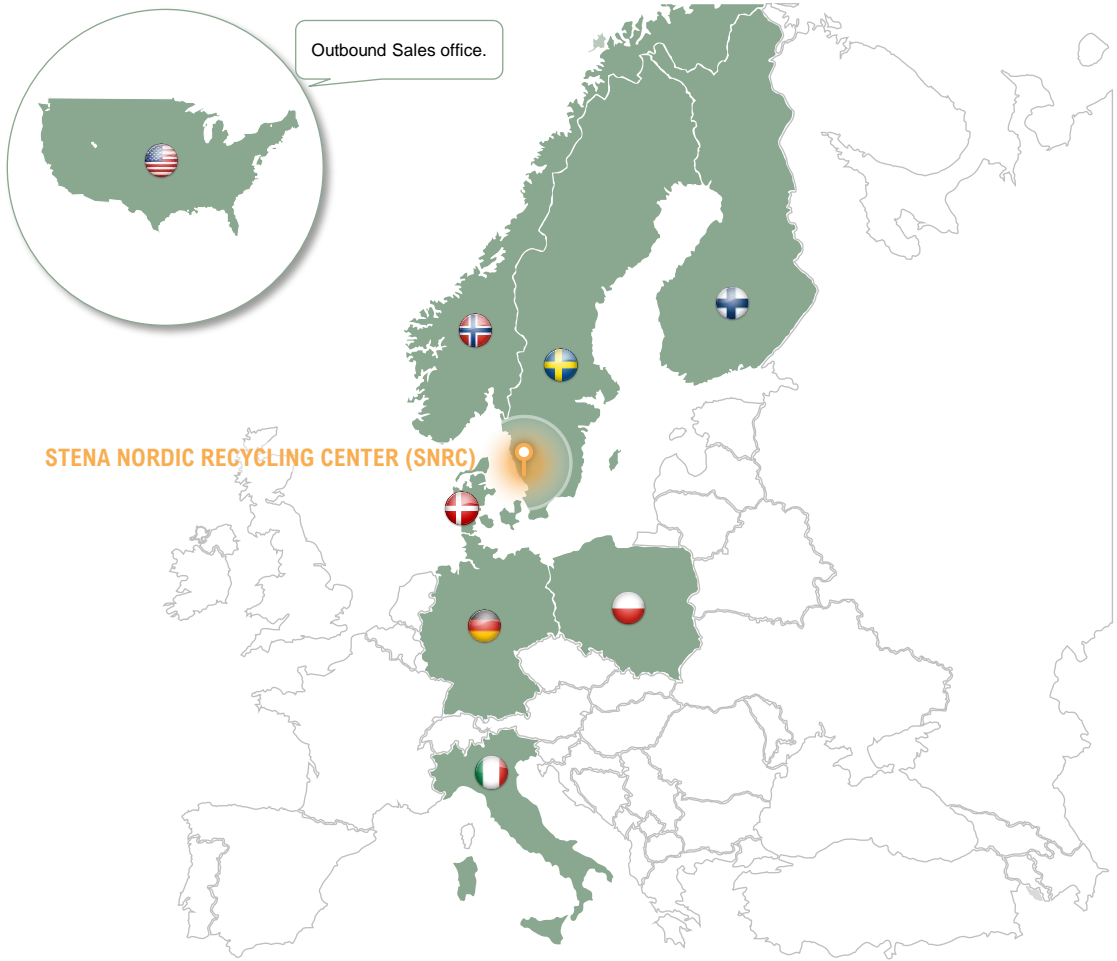
STENA RECYCLING’S FOOTPRINT IS FOCUSING ON THE NORDICS AND NORTHERN EUROPE

STENA RECYCLING FOOTPRINT

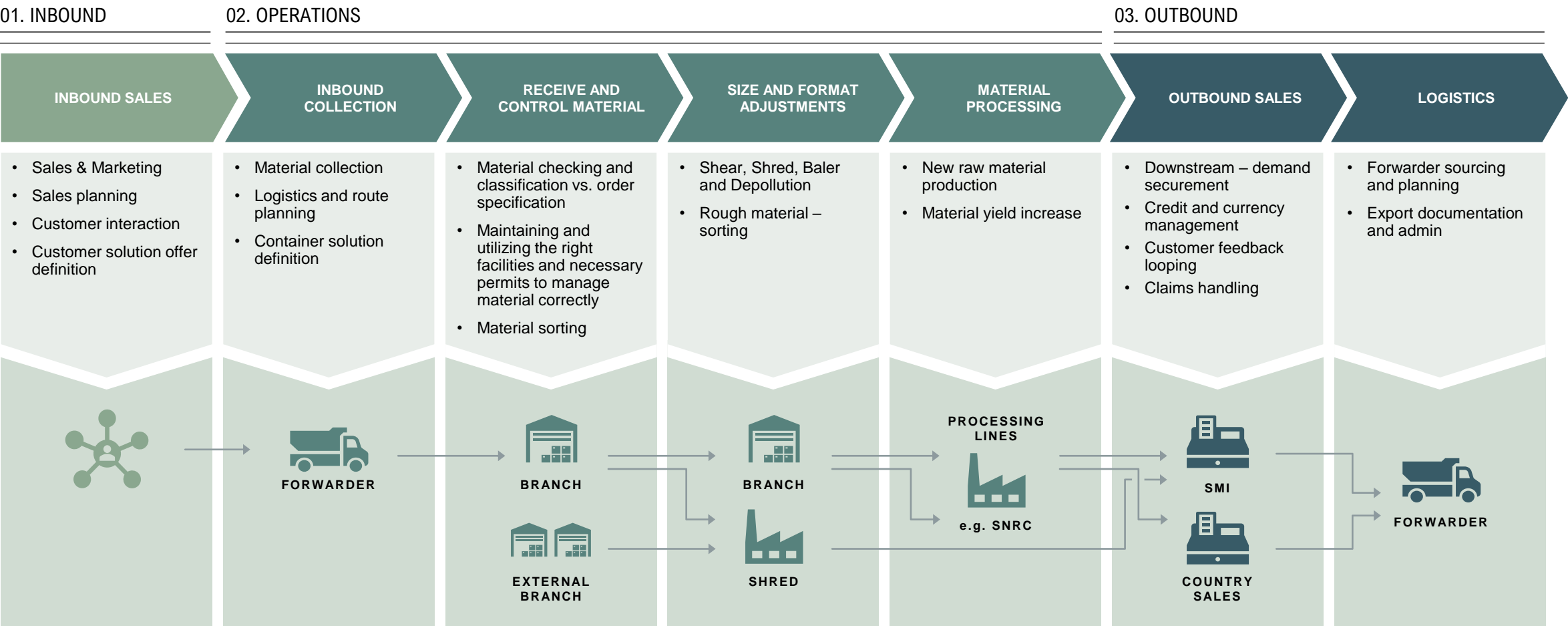
Ferrous	✓	✓	✓	✓	✓	✗	✗
Non-ferrous	✓	✓	✓	✓	✓	✓	✗
Paper	✓	✓	✓	✓	✓	✗	✗
Plastic	✓	✓	✓	✓	✓	✓	✗
Hazardous waste	✓	✓	✓	✓	✓	✗	✗
Electronics	✓	✓	✓	✗	✓	✓	✗
Alternative raw materials	✓	✓	✓	✓	✓	✗	✗
Batteries	✓	✓	✓	✓	✓	✓	✓
✓ Processing capabilities ✓ Included in customer offering ✗ Not included							



Source: Company information.

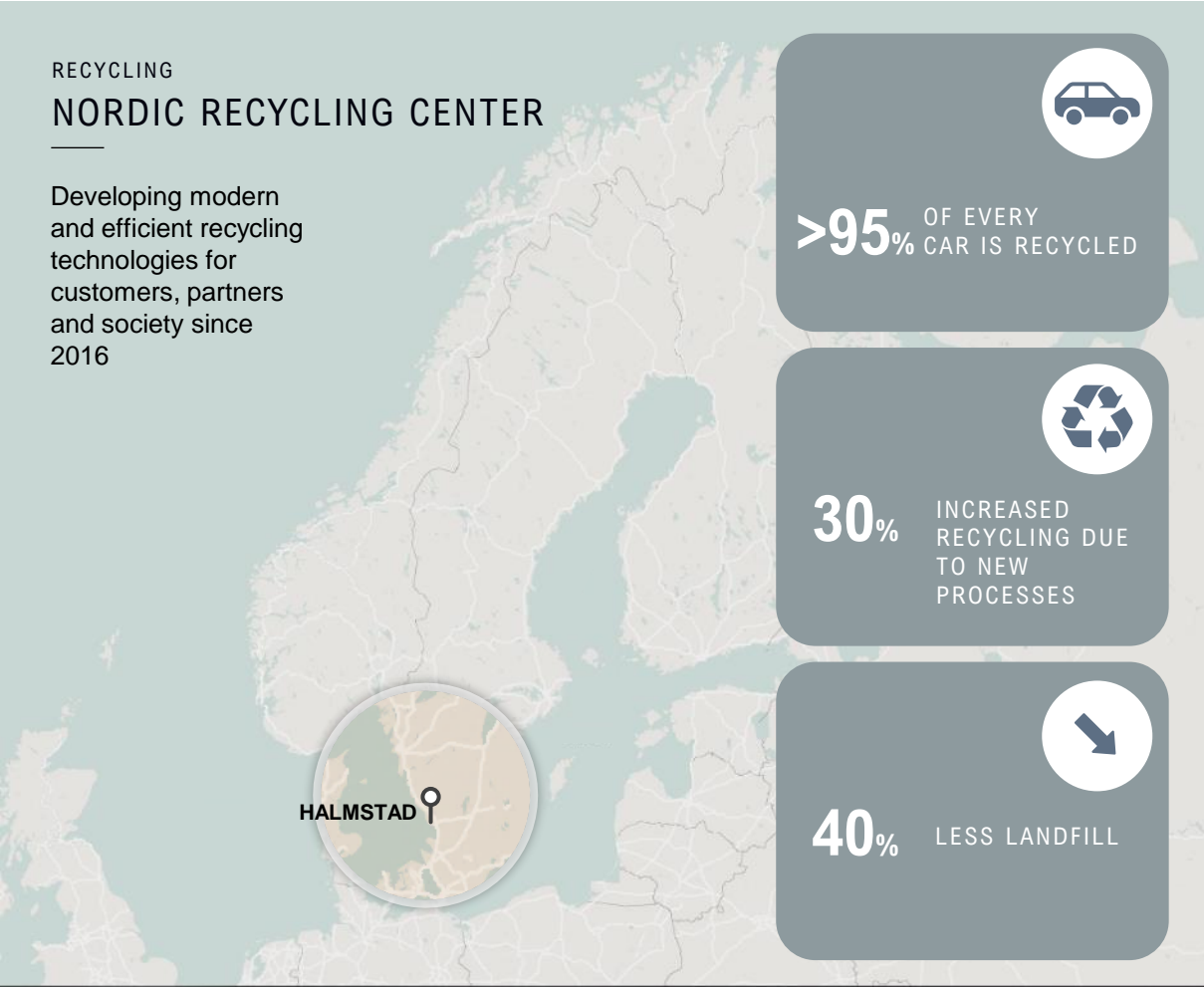


VALUE CREATION



Source: Company information.

STENA NORDIC RECYCLING CENTER – TOP OF THE CLASS FULL-SERVICE RECYCLING CENTER



RECYCLING LAB

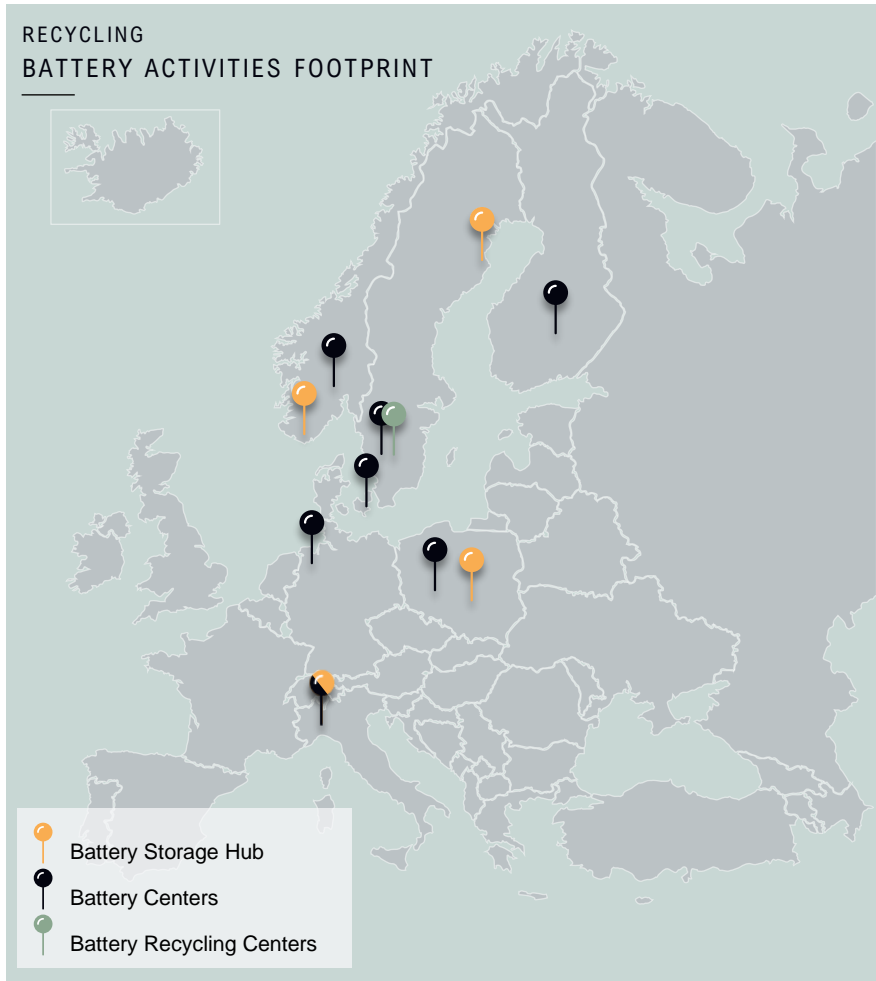
- Collaboration platform
- Testing of new recycling processes and technology
- Material analysis



~1,000m² at SNRC including process and chemical labs for development, operational support and low volume production

Source: Company information.

BATTERY RECYCLING – BATTERY END-OF-LIFE SERVICE PROVIDER



BATTERY RECYCLING FACILITY

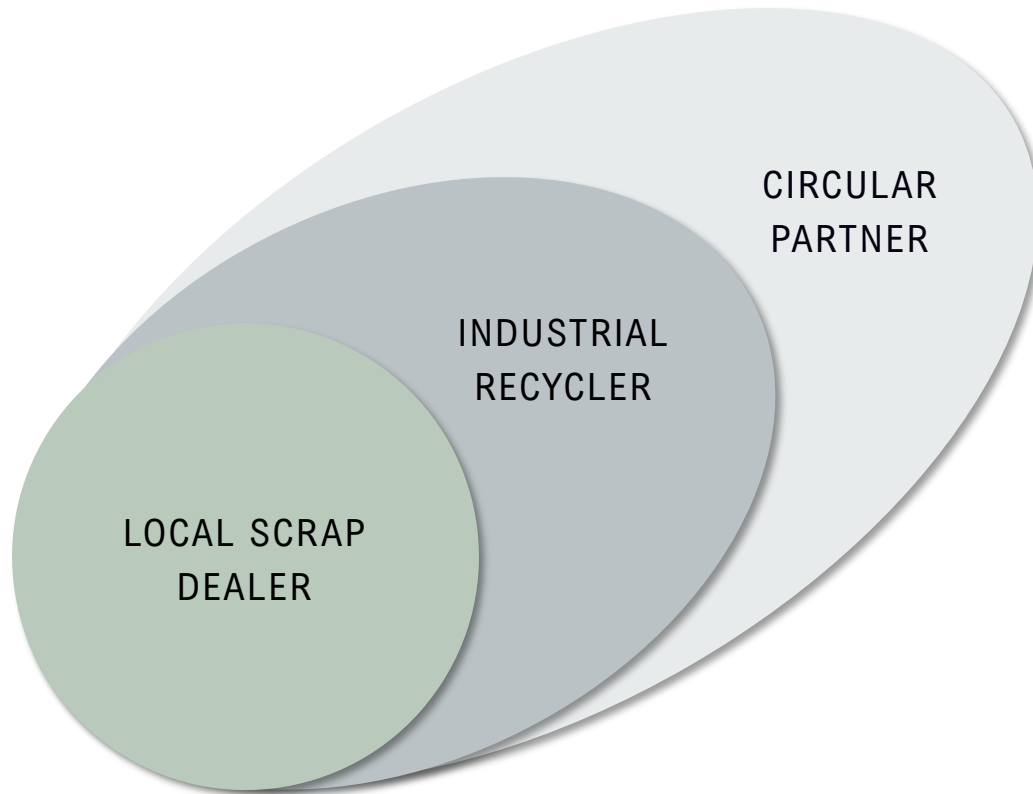
- Inaugurated in March 2023
- Full scale Battery Recycling facility
- Situated in close proximity to SNRC (Halmstad)



~ 5,000m² with a production capacity of 10,000 tons/year (ramp-up opportunity to 20,000 tons/year)

Source: Company information.

BASED ON THE STRONG POSITION IN OUR CORE BUSINESS WE HAVE A GREAT OPPORTUNITY TO
TAKE THE NEXT STEP INTO CIRCULARITY



CIRCULAR PARTNER



INDUSTRIAL RECYCLER



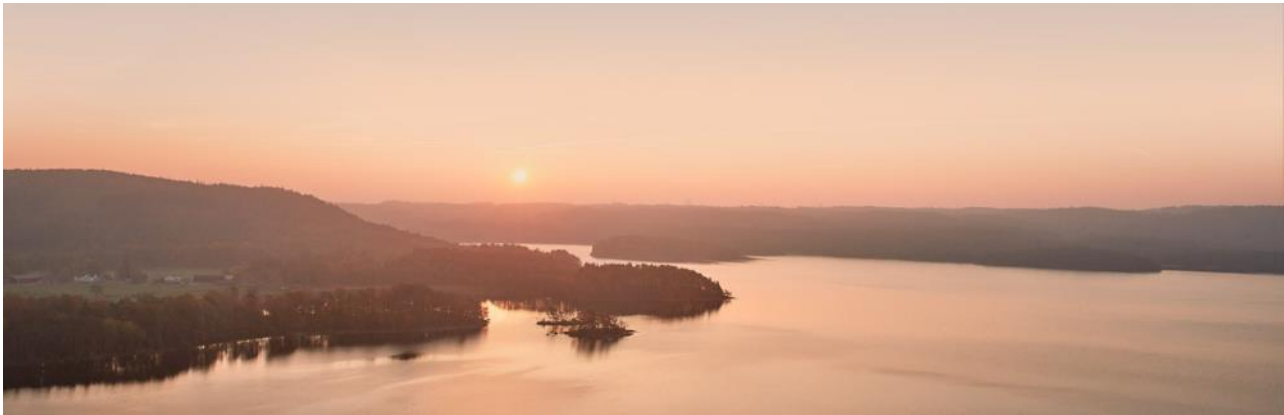
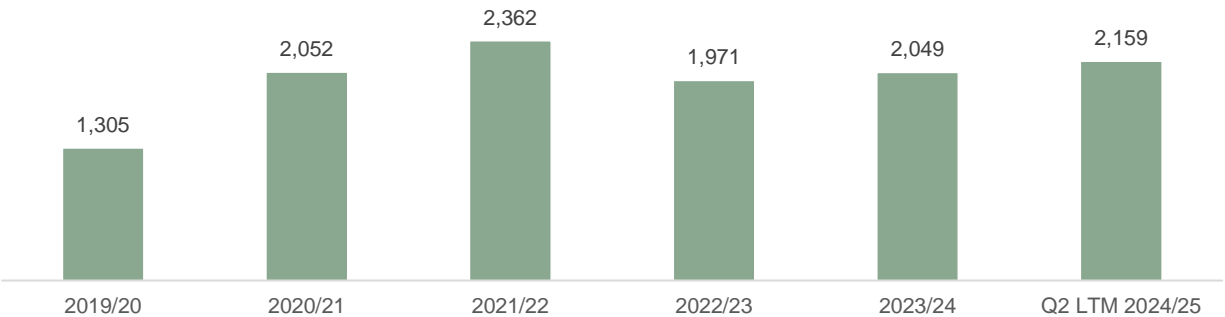
LOCAL SCRAP DEALER



STRONG FINANCIAL PERFORMANCE WITH SECOND HIGHEST RESULT IN THE LAST 6 YEARS

EBITDA DEVELOPMENT

EBITDA (SEKm)



Source: Company information.

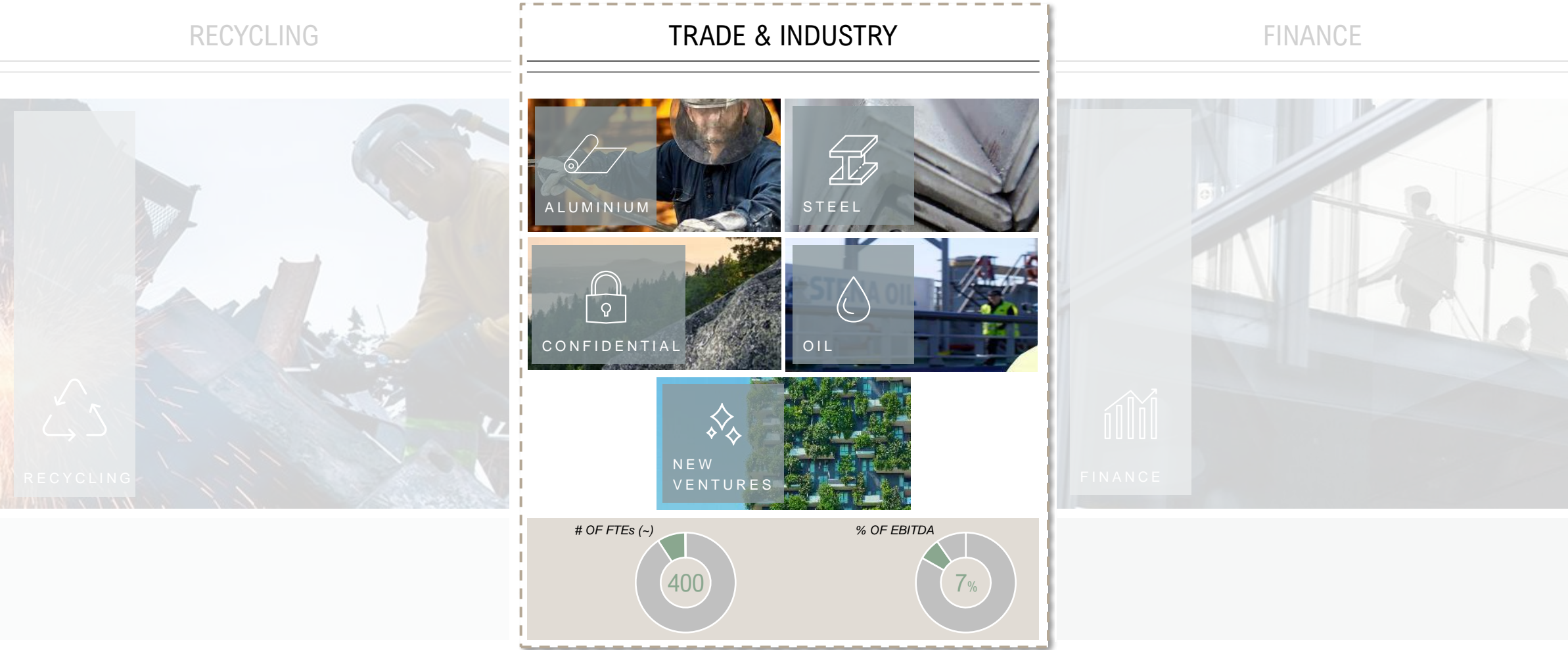
COMMENTS

- Strong financial performance for the period Q2 LTM 2024/25 with an EBITDA of SEK 2,159 million, compared to SEK 2,049 million at FY 2023/24
- Stena Metall demonstrated resilience and strong performance despite a turbulent and unpredictable trade- and geopolitical landscape




BUSINESS OVERVIEW – TRADE & INDUSTRY

BUSINESS OVERVIEW – STENA METALL GROUP



Source: Company information. | Note: EBITDA split based on Q2 LTM 2024/25, excluding the segment "Other".

INTRODUCTION TO TRADE & INDUSTRY



CORE BUSINESS

Conducted through six subsegments; **Aluminium, Steel, Oil, Confidential and New ventures**

Combination of companies with a common ambition to **contribute to the green development** within each respective business

KEY FIGURES
(FY 2023/24)



~400 # OF PEOPLE

20 # OF LOCATIONS

238 EBITDA (MSEK)

5 SUBSEGMENTS

KEY INDUSTRIES



AUTOMOTIVE



INDUSTRIAL



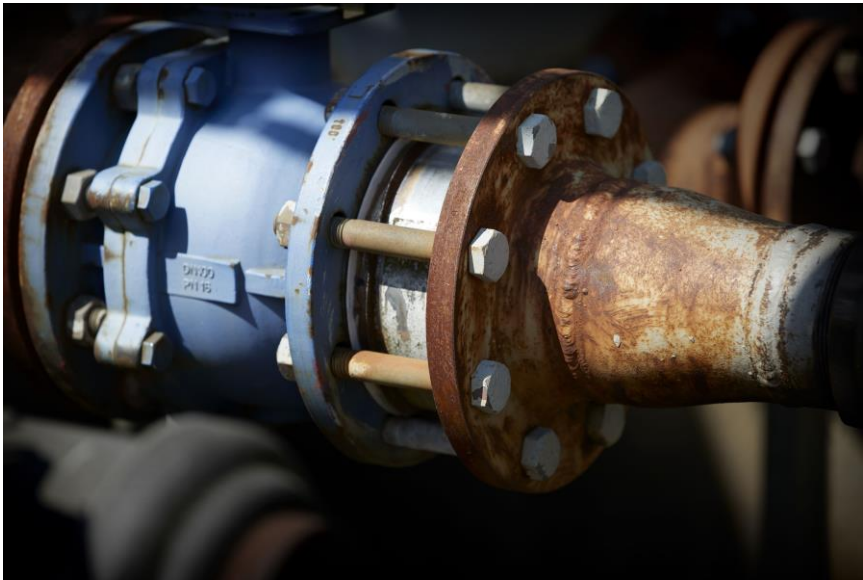
MANUFACTURING



SHIPPING



CONSTRUCTION



Source: Company information.

OVERVIEW OF COMPANIES



Aluminium

In brief

- Producer of aluminium alloys and related services based purely on recycled raw materials

Operational outlook

- Lower material yield puts pressure on margins
- Productivity improvements are going according to plan



Employees: 91



Steel

In brief

- Steel wholesaler with strong local presence in Sweden

Operational outlook

- Signs of weaker demand in construction, especially housing
- Focus on re-use of steel constructions



Employees: 234



Confidential

In brief

- Ensuring secure collection, transportation and destruction of sensitive documents and digital storage devices

Operational outlook

- Increased demand regarding handling of sensitive information



Employees: 119



Oil

In brief

- Scandinavia's leading supplier of marine fuels
- Safe and efficient bunker supply tankers

Operational outlook

- Stable volumes, new vessel, lower carbon fuels, methanol and biofuels
- New terminal in Frederikshavn now in operation



Employees: 21



New Ventures

In brief

- Invests in start-up companies to drive sustainable development and transformation, offering leading material, product and service solutions

Operational outlook

- Focus on companies with potential for a top position in a defined market segment and with HQ in the Nordics



Employees: 1

Source: Company information. Note: Number of employees as per latest available information.

STENA OIL – SUPPLIER OF MARINE FUELS

INTRODUCTION TO STENA OIL

About Stena Oil

- A leading marine fuels retailer, trader as well as terminal- and tanker operator in the Scandinavian waters, with clients from the International Shipping Industry
- Together with Stena Recycling, safe collection and treatment of oil polluted wastewater from oil tankers at sea
- Two of Stena Oil's vessels are technologically advanced and top of the line Leader in the introduction of lower sulphur emission fuels in northern Europe
 - Due to market and regulatory requirements, shipping is in a major turning point by lowering CO2 and sulphur emissions. Stena Oil is a key partner to the industry by providing e.g. biofuels
- Strategic stockpiles of petroleum products for corporate clients as well as European Union member states utilised in times of shortage or conflict

Initiatives

- ✓ Aligning bunker tankers towards highest possible **Clean Shipping Index**
- ✓ Constructing a **state-of-the-art bunker terminal** in northern Denmark, close to one of the world's busiest shipping lanes
- ✓ Partner to the **European Maritime Safety Agency (EMSA)**, responsible for oil spill response services in the Baltic Sea and oil spill equipment storage in case of a major accident in our waters



WHY STENA OIL?

- Stena Metall is committed to contributing with the most sustainable solutions in each vertical of the business
 - As international trade contributes with significant CO2 emissions, Stena Oil can contribute by striving to be best-in-class and promoting clean shipping
 - Although international trade leads to greenhouse gas emissions, it can also contribute to improving welfare by supporting economic growth, lowering prices and increasing consumer choice, as well as contributing with more environmentally friendly goods
- Sea transportation is the most important transportation type used for merchandise trade, as it is the **most efficient** in terms of greenhouse gas emissions per volume of goods transported
- Comparing sea transport with transportation by air, it is evident that sea transportation is significantly better for the environment as **airplanes create 47 times¹⁾ more CO2 than ships** when carrying the same cargo over the same distance

GREENHOUSE GAS EMISSIONS¹⁾, CARGO SHIP EQUIVALENTS



Technologically advanced and top of the line vessels with two “bio-fuel ready”, showcasing that Stena Oil is perfectly positioned for the future of marine fuel

Source: TF Transport Outlook 2021, OECD Publishing, Paris, <https://doi.org/10.1787/16826a30-en>, “The carbon content of international trade” (2021) - World Trade Organization | Note: 1) MIT News: <https://news.mit.edu/2010/corporate-greenhouse-gas-1108> and *Environmental impact of maritime transport*. (2022, 26 April). Kogan Page.

STENA CONFIDENTIAL – NEWLY STARTED BUSINESS UNIT

INTRODUCTION TO STENA CONFIDENTIAL

About Stena Confidential

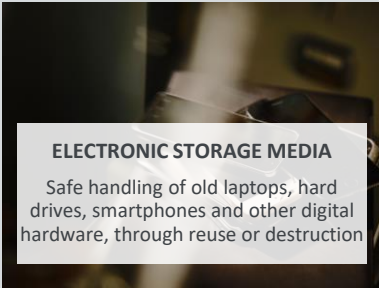
- Specializes in materials containing sensitive information, ensuring secure, traceable, and circular destruction
- Offer responsible secure handling for all types of items, from regular packaging to confidential documents, using innovative solutions to handle mixed materials
- Rigorous procedures are implemented to ensure the confidentiality of information, meeting each customer's needs and security demands
- Stena Confidential is committed to high standards of security and environmental responsibility, utilizing methods for reuse, refinement, and recycling to maximize material potential and reduce the strain on finite natural resources, while established logistics solutions help lower CO2 emissions

Product groups



PAPER AND DOCUMENTS

Safe destruction of paper and documents containing sensitive information



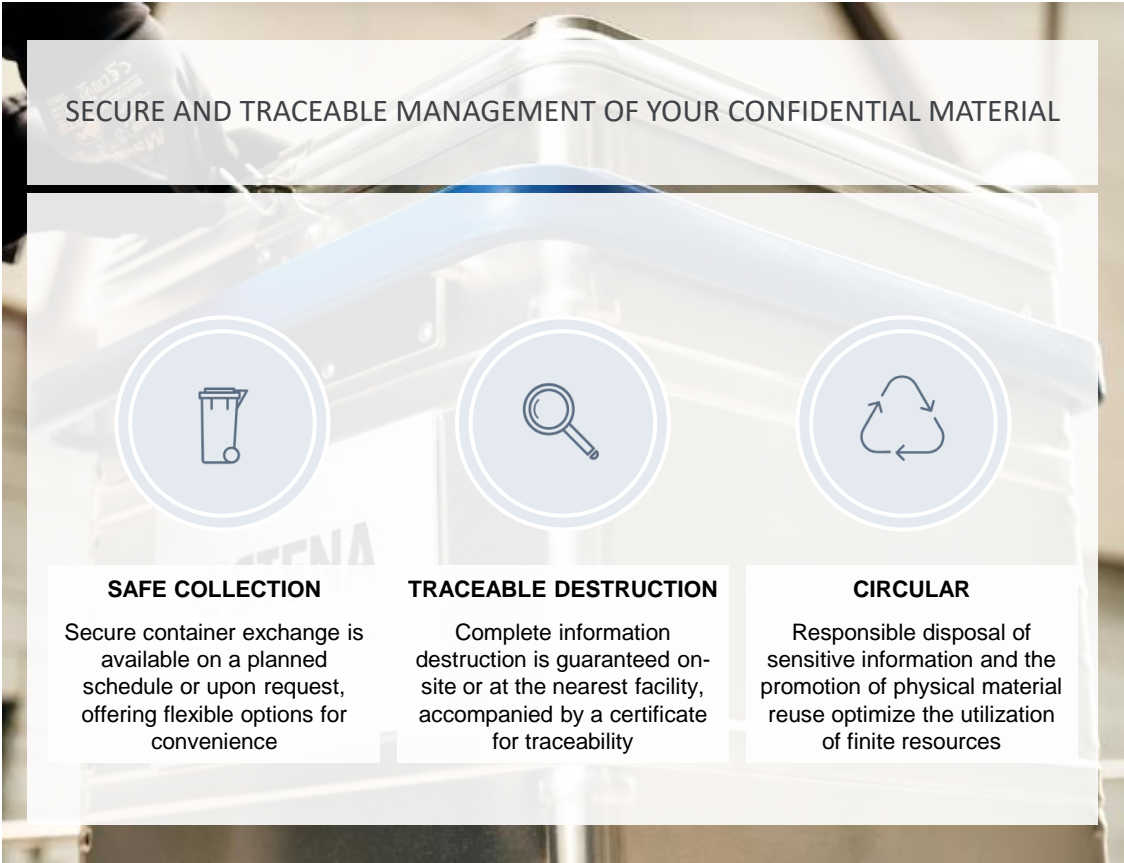
ELECTRONIC STORAGE MEDIA

Safe handling of old laptops, hard drives, smartphones and other digital hardware, through reuse or destruction




PRODUCTS AND OTHER MATERIALS

Confidential handling of workwear, textiles, robots and prototypes




SECURE AND TRACEABLE MANAGEMENT OF YOUR CONFIDENTIAL MATERIAL




SAFE COLLECTION

Secure container exchange is available on a planned schedule or upon request, offering flexible options for convenience



TRACEABLE DESTRUCTION

Complete information destruction is guaranteed on-site or at the nearest facility, accompanied by a certificate for traceability



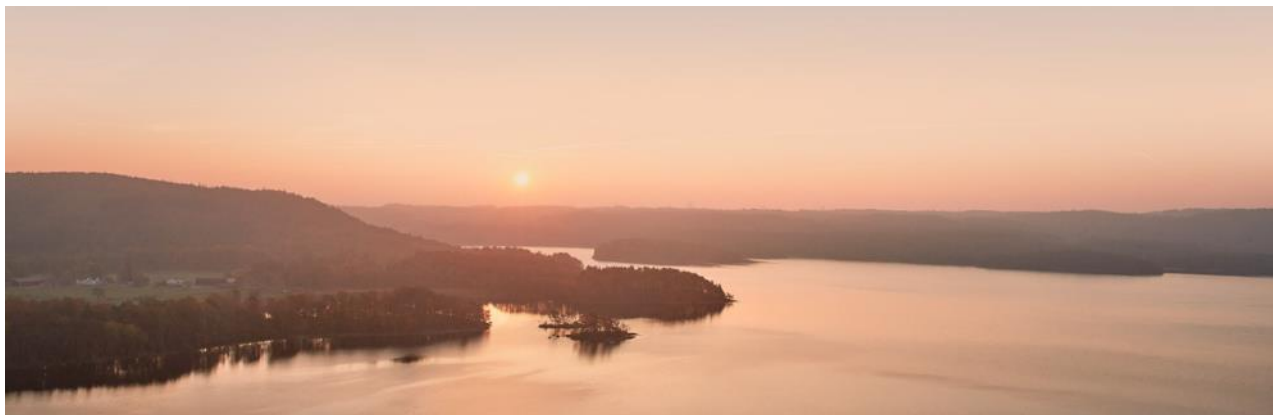
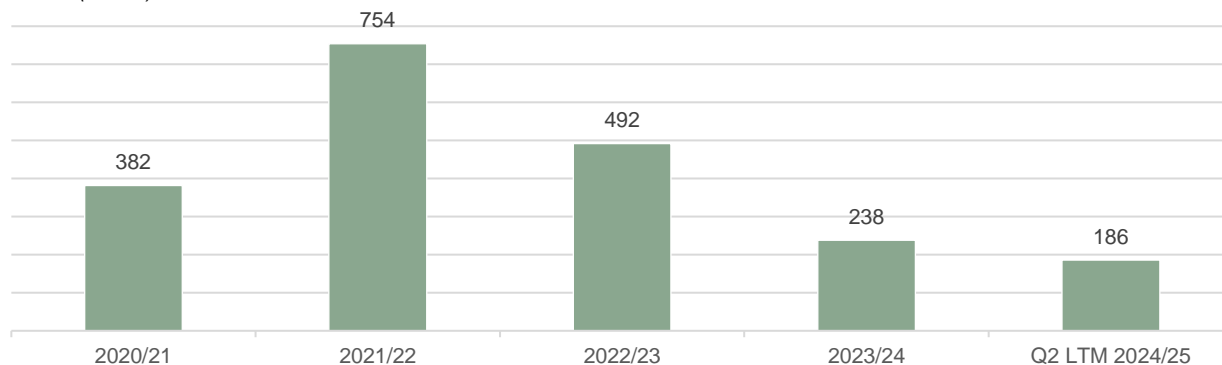
CIRCULAR

Responsible disposal of sensitive information and the promotion of physical material reuse optimize the utilization of finite resources

Source: Company information.

EBITDA DEVELOPMENT

EBITDA¹⁾ (SEKm)



Source: Company information. | Note: 1) Excluding subsegments Halosep and New Venture as those are of a start-up character.

COMMENTS

- Stena Aluminium has maintained its volumes and focus on productivity and flexibility improvements
 - New partnerships were developed to enhance operational planning and contribute to steadier and more efficient production in the future
- For Stena Stål, albeit lower order intake from specific markets, there are positive signs with growing interest in production-related products and some stabilization in certain market segments
- Despite less volatile prices, the ongoing geopolitical factors continue to contribute to uncertainties for Stena Oil. Although, in Scandinavia, Stena Oil remains the leading supplier of marine fuels
- The newest business area, Confidential, specializes in providing secure destruction and deletion services for companies managing sensitive information
 - Sales and EBITDA has continued to improve during the first year and Confidential has contributed with SEK 25 million in EBITDA for the period Q2 LTM 2024/25



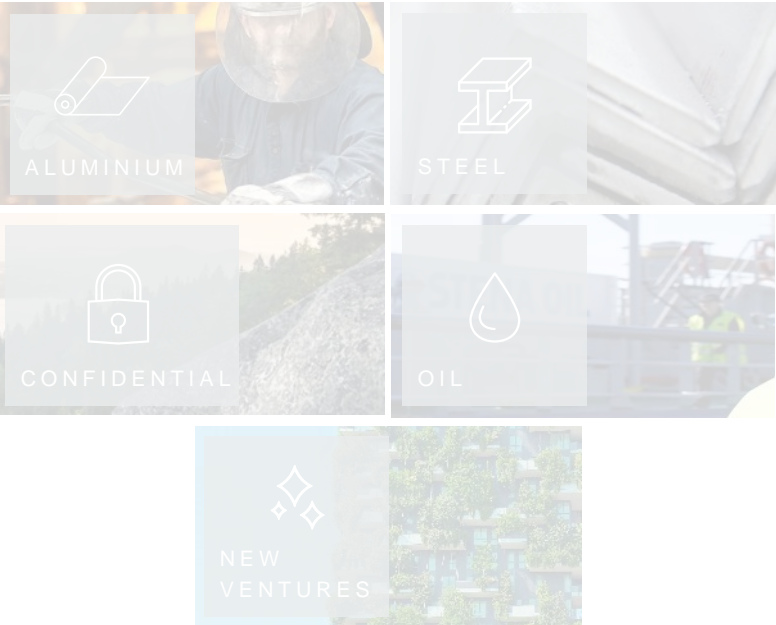
BUSINESS OVERVIEW – FINANCE

BUSINESS OVERVIEW – STENA METALL GROUP

RECYCLING



TRADE & INDUSTRY




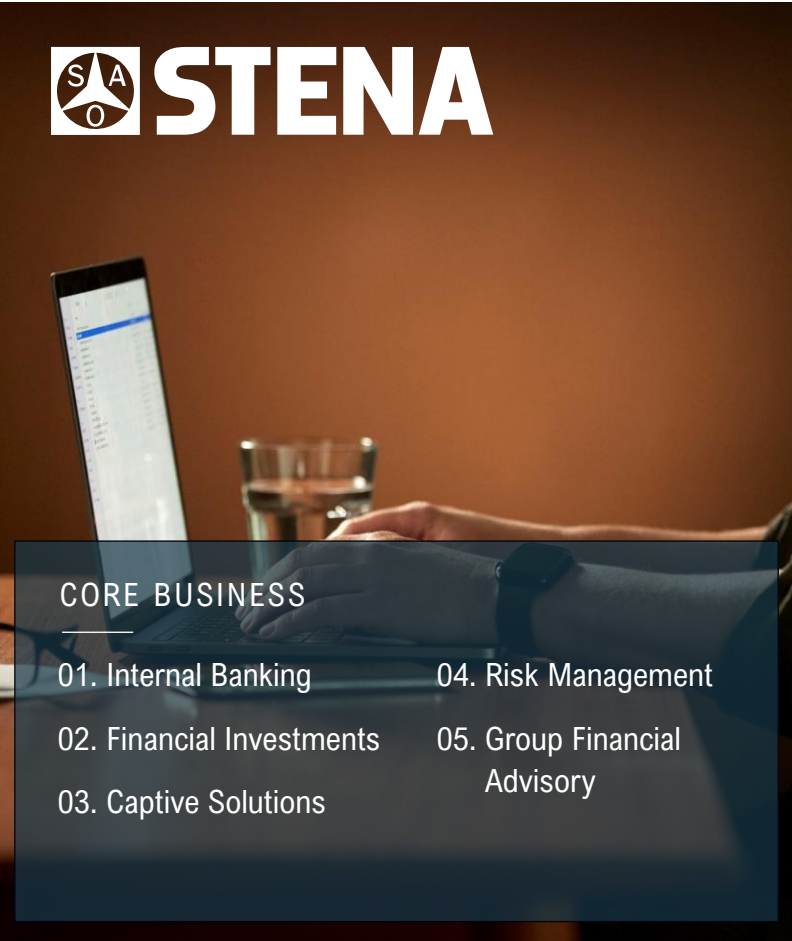
FINANCE



Source: Company information. | Note: EBITDA split based on Q2 LTM 2024/25, excluding the segment "Other".

INTRODUCTION TO FINANCE





CORE BUSINESS

01. Internal Banking

02. Financial Investments

03. Captive Solutions

04. Risk Management

05. Group Financial Advisory

INVESTMENTS

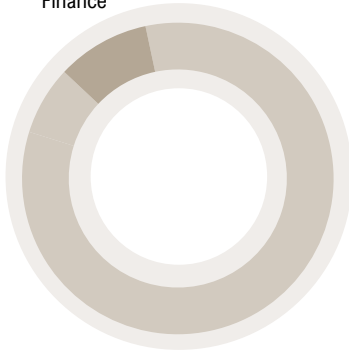


- The financial portfolio consists of financial assets with different risk, time and geographical exposure, all to find the desired risk level and increase diversification
- The financial assets held by Finance are; publically traded shares, hedge funds (without any, or low correlation to the stock markets), Private Equity-funds, bonds and non-listed shares
- No negative yearly results within the investment business

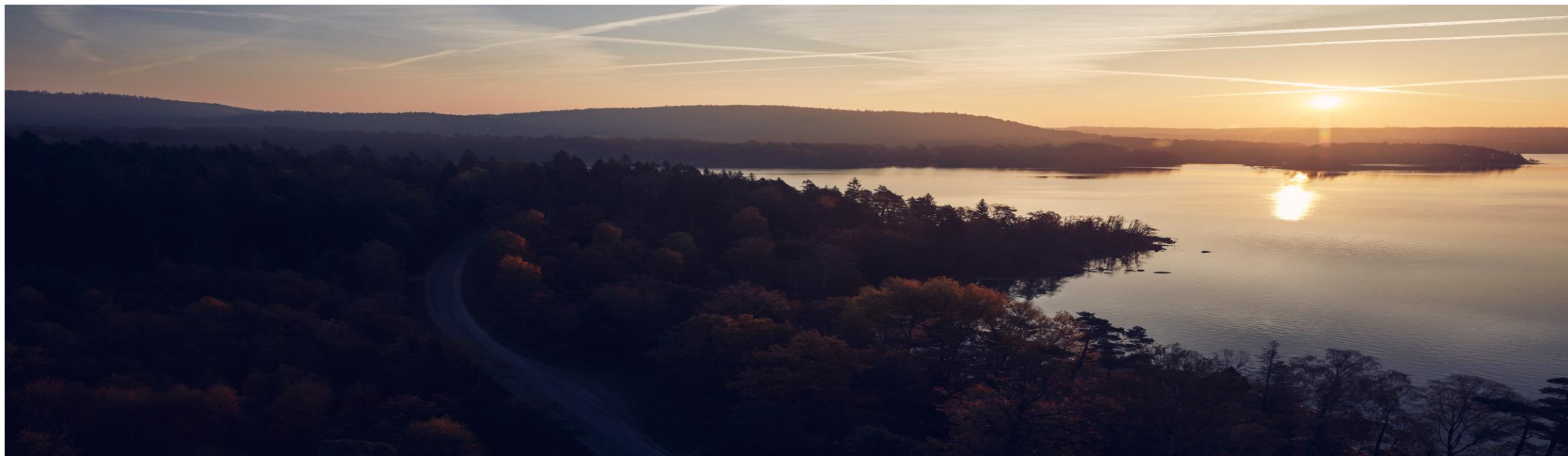


EBITDA split Q2 LTM 2024/25

10%
Finance



Source: Company information.



SUSTAINABILITY AT STENA METALL

GLOBAL CHALLENGES AND TRENDS



Source: Company analysis.

CIRCULAR RESOURCE MANAGEMENT FOR THE FUTURE

Linear economy models rely on extracting, using and disposing of resources, often without effective reuse or recycling

The circular economy offers a better solution: resources circulate instead of being used just once

This is achieved by:

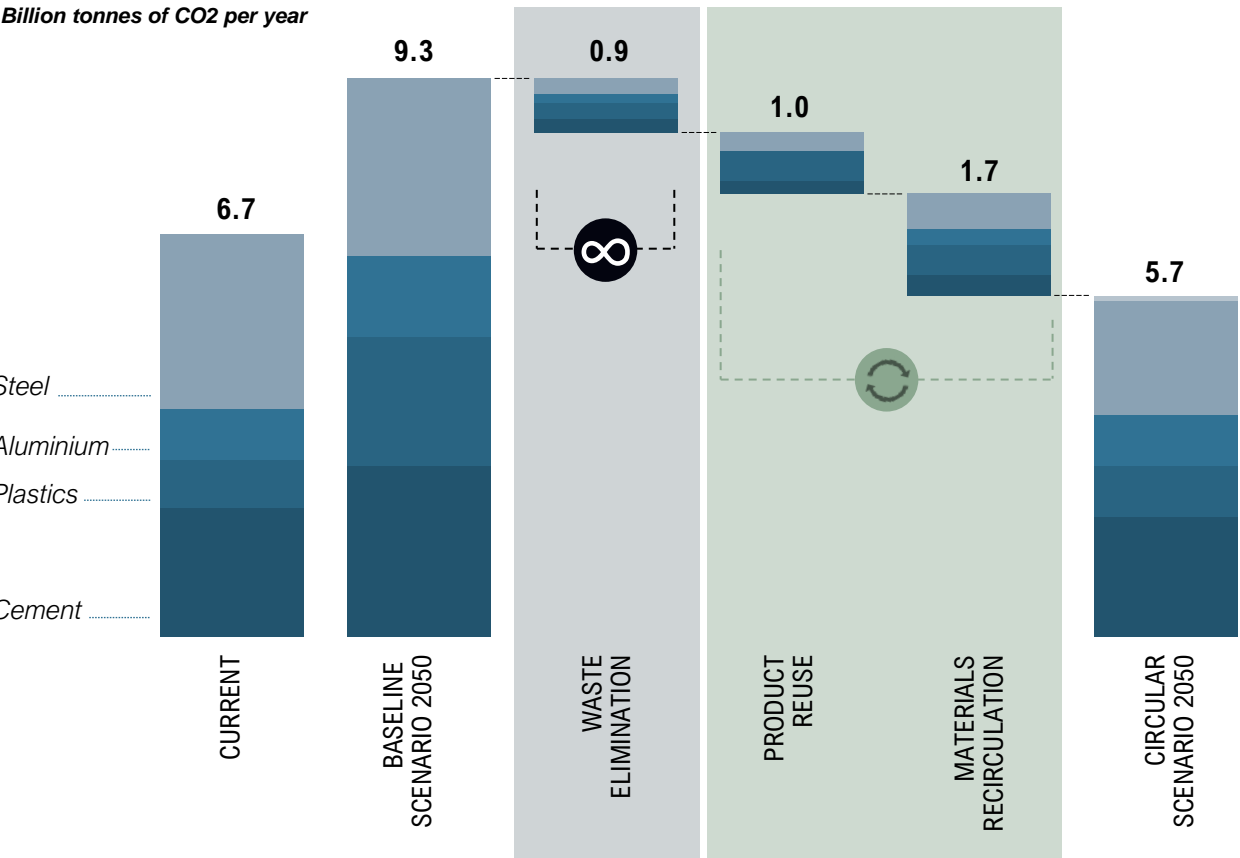
- Maximizing the product's lifecycle – extending its lifespan or enabling reuse
- Creating efficient recycling solutions to keep materials in circulation

The circular model reduces the amount of waste generated, the need for extracting new resources and lowers CO2 emissions compared to virgin material extraction



CLIMATE BENEFITS OF THE CIRCULAR ECONOMY

GLOBAL CO2 EMISSIONS FROM FOUR KEY MATERIALS PRODUCTION



Source: The Circularity Gap report (2023) <https://www.circularity-gap.world/2023> , The Ellen MacArthur foundation “Completing the Picture: How the Circular Economy Tackles Climate Change” (2019) <https://www.ellenmacarthurfoundation.org/completing-the-picture>

“Our current global economy is only 7.2% circular”

– The Circularity Gap Report 2023

“A circular economy could reduce annual global CO2 emissions from key industry materials by 40% or 3.7 billion tonnes in 2050”

- The Ellen MacArthur foundation “Completing the Picture: How the Circular Economy Tackles Climate Change” (2019)



STENA RECYCLING'S SCIENCE-BASED TARGETS



- Stena Recycling has set Science-Based Targets initiative (SBTi)-approved targets to cut scopes 1 and 2 emissions by 50% and prioritized scope 3 emissions by 25% by 2030
- Stena Recycling has also committed to a science-based net-zero target by 2050
- Climate Impact reports are published annually to report on progress towards the targets
- Highlights from Stena Recycling's 2024 Climate Impact report include
 - 16% reduction in Scope 1 emissions versus base year. (2021)
 - 26% decrease in Scope 2 emissions versus base year. (2021)

COMPANY ▲	NEAR-TERM STATUS ⓘ ▼	NET-ZERO STATUS ⓘ ▼
Stena Recycling Group Sweden, Europe	🌱 TARGETS SET	🌱 TARGETS SET

Source: Stena Recycling Climate Impact report 2024, https://www.stenarecycling.com/globalassets/about-us/documents/2024_climate_impact_report.pdf

STRATEGIC SUSTAINABILITY WORK

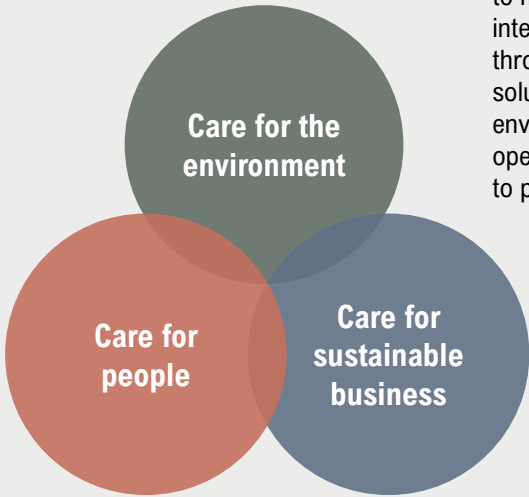
THREE SUSTAINABILITY AREAS

The three areas i) Care for the environment, ii) Care for people, and iii) Care for sustainable business support the Group’s sustainability work



CARE FOR PEOPLE

Together in the Group, the people build a safe and engaging working environment, with care and including as drivers. The aim is to create a culture driven by engagement and a strong business acumen. Stena Metall continuously strives to develop the Group’s people and leaders and enable them to create value and grow within the organization



CARE FOR THE ENVIRONMENT

Stena Metall supports the transition towards a circular economy by collaborating with customers and business partners to increase circularity in society. Stena Metall also aims to minimize the Group’s climate impact, both internationally and through the value chain , through sustainable practices and innovative solutions. Stena Metall assesses the environmental risks that could occur in its operations and take precautionary measures to prevent such risk



CARE FOR SUSTAINABLE BUSINESS

Stena Metall conducts business in a responsible way, in accordance with the values stated in the Group’s Code of Conduct. The Group also engages in dialogue with supplier, customers, and business partners to promote sustainable value chains, with consideration for people, the environment, and sound business principles



THE UNITED NATION’S SUSTAINABLE DEVELOPMENT GOALS

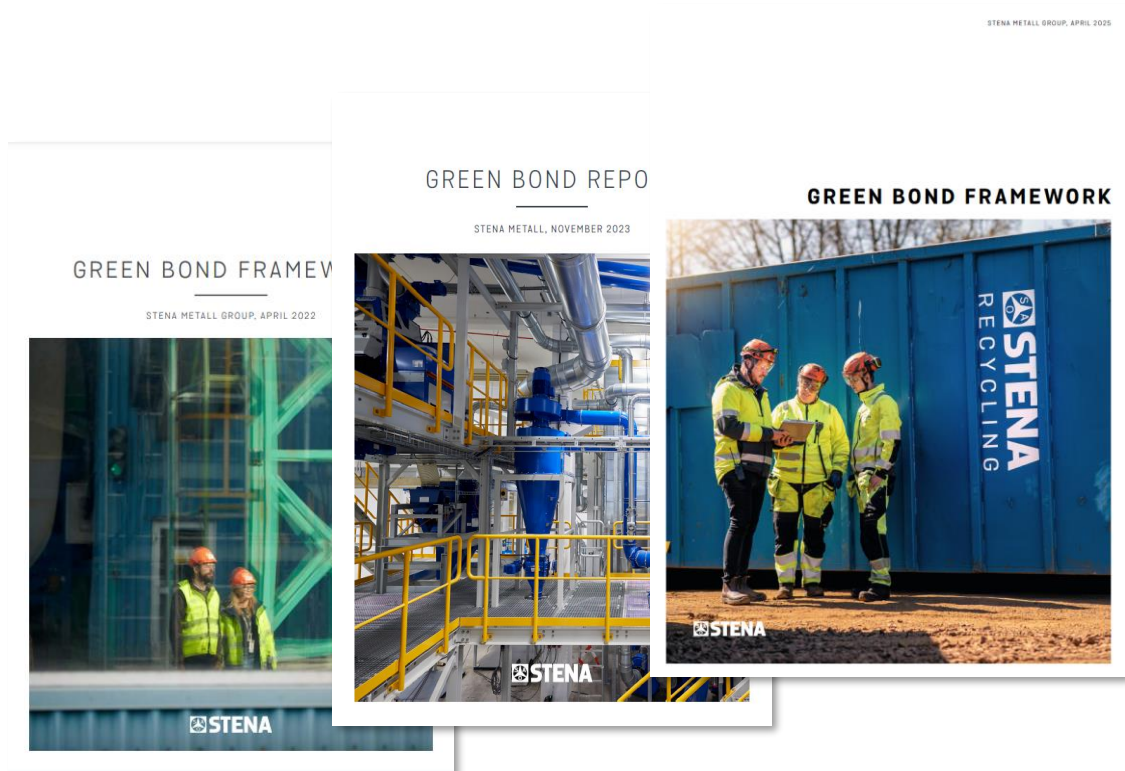
Stena Metall’s work is aligned with the UN Sustainable Development Goals (SDGs). The contributions made by the Group’s operations to achieve the goals have been mapped with the SDGs. In March 2022, the Group became a signatory of the UN Global Compact. This commitment reflects the company’s ongoing efforts to adopt socially and environmentally responsible strategies, while providing regular reports on their implementation and progress



THE GLOBAL GOALS
For Sustainable Development



STENA METALL'S HISTORY OF GREEN FINANCING



Source: Company information.

2018

Issued the first Green Bond amounting to SEK 800 million, rated "Dark Green" by Cicero Shades of Green

2020

Established a Green Credit Revolver in collaboration with SHB and DNB

2022

Issued the second Green Bond amounting to SEK 1,000 million under an updated Green Bond Framework, also rated "Dark Green" by Cicero Shades of Green

Stena Metall and SHB sets up a Green Term Loan

2023

Issued the third Green Bond amounting to SEK 1,000 million under the 2022 Green Bond Framework

2024

Expanded the Green Credit Revolver in collaboration with Danske Bank, DNB, SEB and SHB

Issued two Green Loans in partnership with SHB and SEK

Annual Reporting

Annual Green Bond Report to communicate progress on selected KPIs

STENA METALL GROUP GREEN FINANCE FRAMEWORK

ELIGIBLE ASSET CATEGORIES	CIRCULAR ECONOMY	CLEAN TRANSPORTATION	RENEWABLE ENERGY
ICMA gbp category	Circular economy	Clean transportation	Renewable energy
EU environmental objective	Climate change mitigation	Climate change mitigation	Climate change mitigation
SDGS	<div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>13 CLIMATE ACTION</div></div>	<div>11 SUSTAINABLE CITIES AND COMMUNITIES</div>	<div><div>7 AFFORDABLE AND CLEAN ENERGY</div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div></div>
Example investments:	Investments in recycling of lithium-ion vehicle batteries, electronic waste (WEEE), different types of plastics, non-ferrous processing such as sorting metals from other materials and from each other, and other types of processing of complex waste to recover recycled material fractions that can be used as resources in new production.	Battery-driven and/or grid-connected electric vehicles and working machines such as trucks, construction equipment, forklifts and associated charging infrastructure. Freight cars for rails, transporting material to and from the facilities.	Wind and solar power, including associated charging infrastructure.



Source: Company information.

STENA METALL GROUP GREEN BOND FRAMEWORK

S&P Global Ratings

An S&P Global Second Party Opinion (SPO) includes S&P Global Ratings' opinion on whether the documentation of a sustainable finance instrument, framework, or program, or a financing transaction aligns with certain third-party published sustainable finance principles. Certain SPOs may also provide our opinion on how the issuer's most material sustainability factors are addressed by the financing. An SPO provides a point-in-time opinion, reflecting the information provided to us at the time the SPO was created and published, and is not forward-looking. We assume no obligation to update or supplement the SPO to reflect any facts or circumstances that may come to our attention in the future. An SPO is not a credit rating, and does not consider credit quality or factor into our credit ratings. See [Analytical Approach, Second Party Opinions](#).

Second Party Opinion

Stena Metall Group Green Bond Framework

April 25, 2025

Location: Sweden

Sector: Waste and Recycling Materials Services

Alignment Summary

Aligned = ☒ Conceptually aligned = ☐ Not aligned = ☐

☒ Green Bond Principles, ICMA, 2021 (with June 2022 Appendix 1)

See [Alignment Assessment](#) for more detail.

Strengths

Investments eligible under the framework aim to expand the issuer's recycling and circular services and reduce the associated greenhouse gas emissions. Stena Recycling's (a segment of Stena Metall) circular services are key to reducing industrial carbon footprints by replacing virgin materials with recycled inputs. It also addresses emissions in its operations and value chain, with Science-Based Targets initiative (SBTi)-approved targets to cut scopes 1 and 2 emissions by 50% and selected scope 3 emissions by 25% by 2030. Since 2021, it has reduced its overall emissions—especially in transport and electricity—achieving a 16% and 26% reduction in scope 1 and 2, respectively. Scope 3 fell slightly but remains the main source. Stena Recycling aims to be net zero by 2050.

The framework emphasizes battery recycling infrastructure. Recovering valuable materials from end-of-life batteries can help reduce reliance on virgin raw materials and support the broader transition to electric vehicles.

Weaknesses

No weaknesses to report.

Areas to watch

The recycling process remains energy-intensive, particularly the treatment of complex materials and thermal processes. While decarbonization and electrification efforts are underway at Stena Recycling, supported by investments under this framework, the overall climate impact will depend on the pace of implementation and access to low-carbon electricity.

Stena Recycling does not currently screen individual assets for physical climate risks, beyond what is required by regulation. However, it has initiated high-level scenario analysis aligned with Task Force on Climate-related Financial Disclosures (TCFD) guidance to support strategic planning and assess broader climate-related impacts.

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Dark green

Activities that correspond to the long-term vision of a low-carbon, climate-resilient future.

Our [Shades of Green Analytical Approach](#).

spglobal.com/ratings

This product is not a credit rating | CONFIDENTIAL

April 25, 2025 1

DARK GREEN RATING IN ALL CATEGORIES AND NO WEAKNESSES TO REPORT

DARK GREEN

CIRCULAR ECONOMY

Investments in comprehensive solutions within recycling and circular services. All investments aiming to move waste upward in the waste hierarchy and to increase the share of products and materials that can be reused or recycled including related infrastructure. When applicable, best available technology (BAT) conclusions are used for investment decisions

DARK GREEN

CLEAN TRANSPORTATION

Investments in elective vehicles and working machines for use in the recycling operations, including associated infrastructure such as charging stations

DARK GREEN

RENEWABLE ENERGY

Investments in renewable energy and associated infrastructure such as grid connections, transmission systems, and structural foundations

“

The company plays an important role in improving the carbon footprint of industries through its business model of supplying recycled raw materials.

”

“

No weaknesses to report.

”

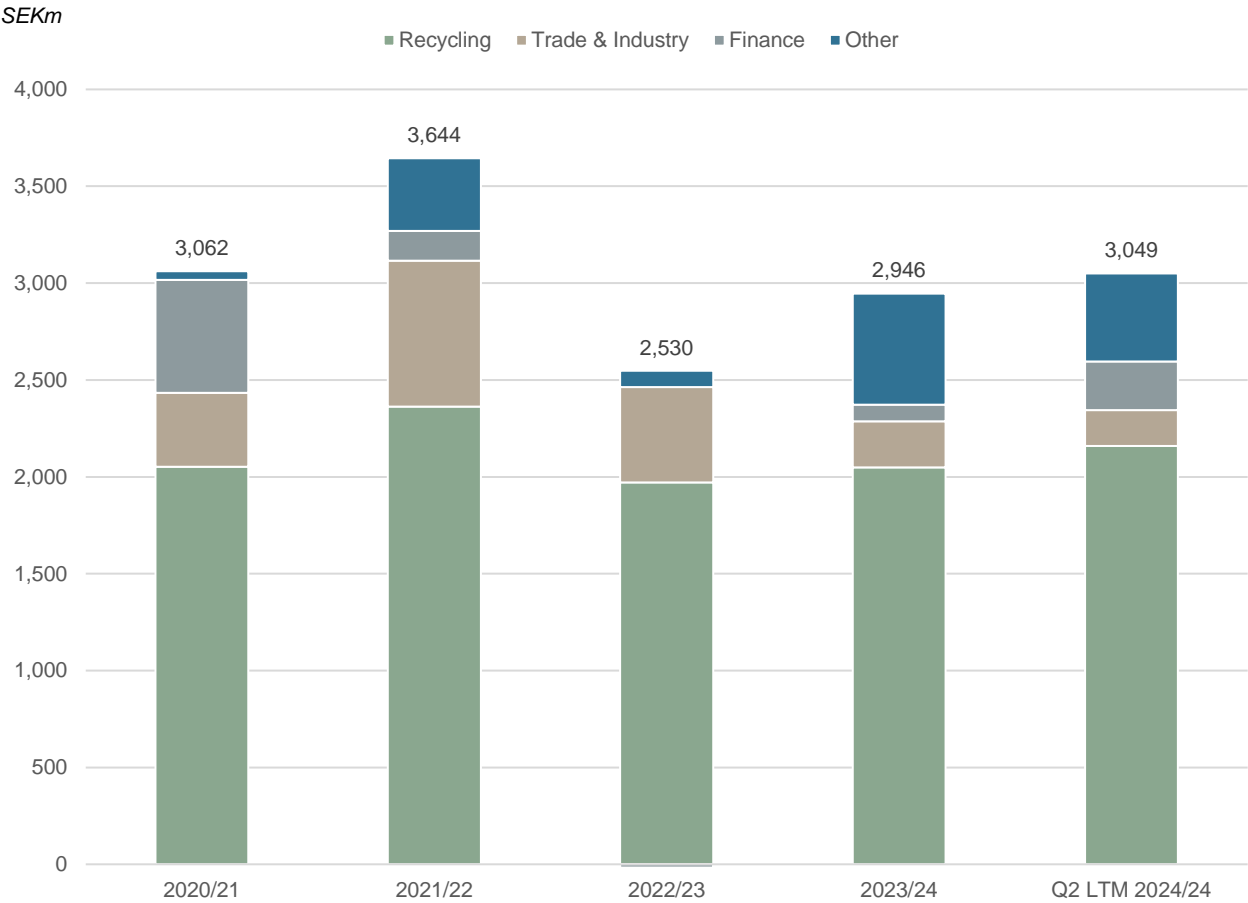
Source: Stena Metall Group Green Bond Framework Second Opinion by S&P <https://www.spglobal.com/assets/documents/ratings/research/101622058.pdf>

Strictly Private & Confidential 38



FINANCIAL OVERVIEW

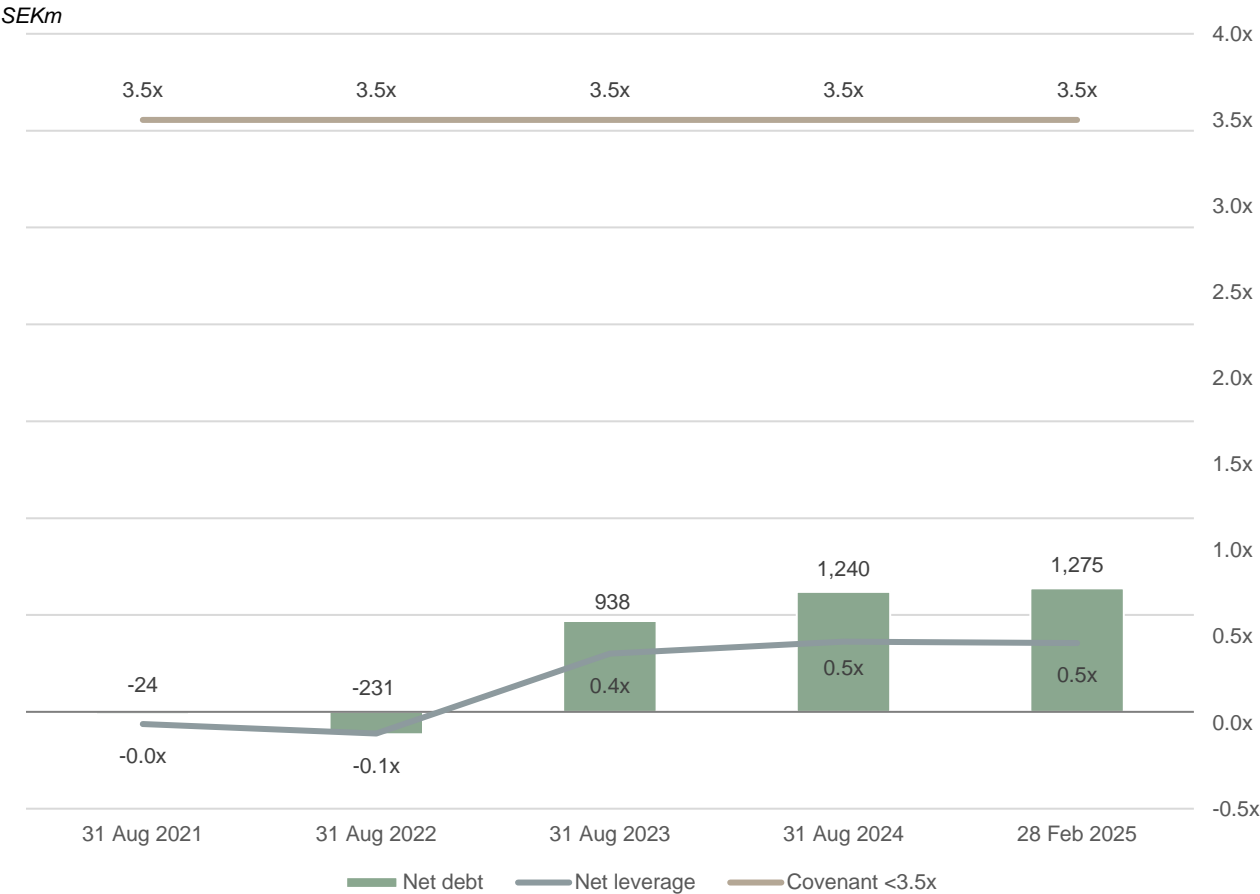
GROUP EBITDA DEVELOPMENT



Source: Company information.

- Increased earnings from both 2022/23 and 2023/24, with strong performance in the largest segment Recycling
- Maintained cost discipline have increased EBITDA margins in comparison to last year
- Underlying markets shows strength albeit volatile prices due to macro uncertainties

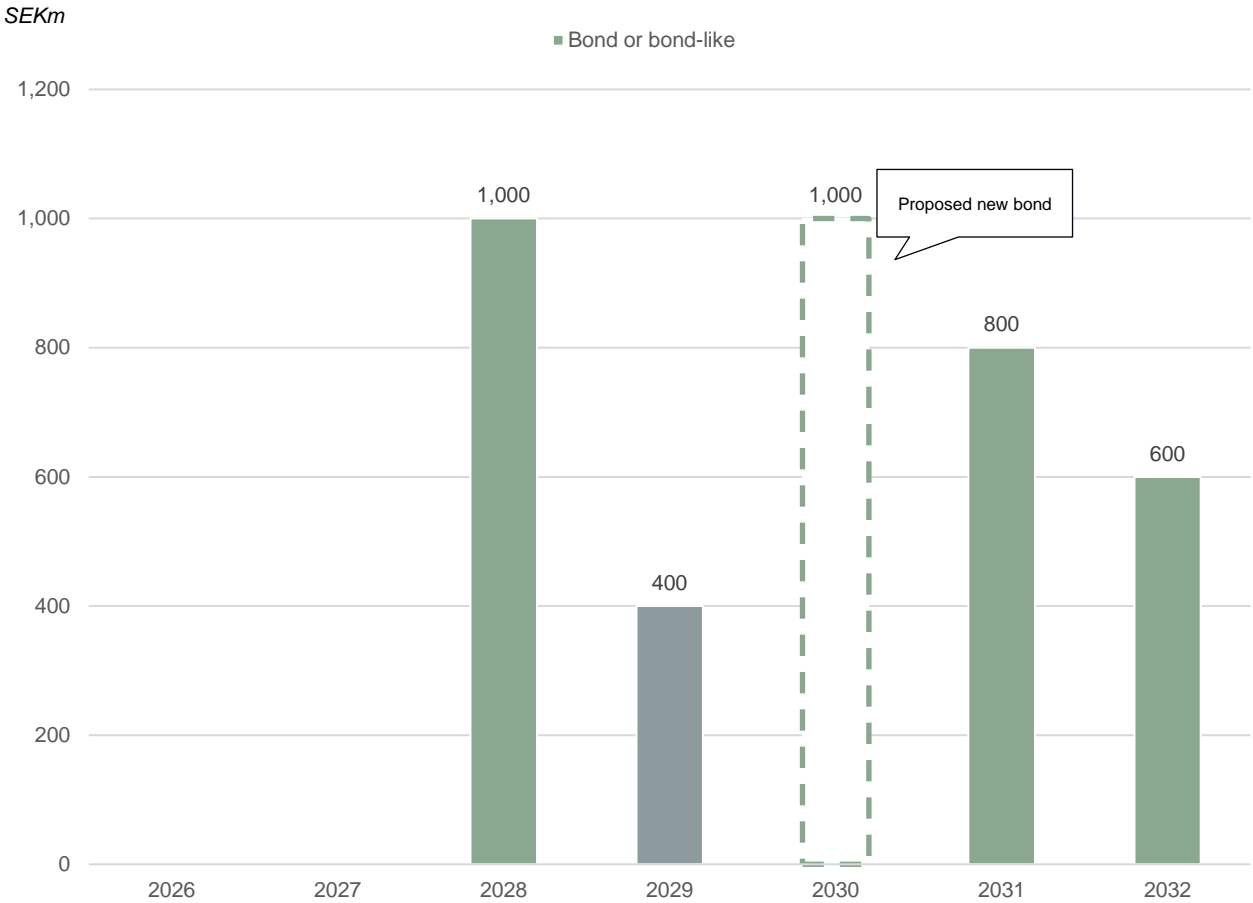
NET DEBT AND FINANCIAL COVENANTS



- Continued low leverage levels at around 0.5x driven by a combination of strong underlying profitability, balanced debt profile and a strong natural cash build-up
- Solid liquidity with a cash position of SEK 389 million and short-term securities of SEK 1,358 million
- Furthermore, available credit facilities;
 - SEK 1,500 million overdraft facility (partly utilized)
 - SEK 1,000 million back-stop (un-utilized)
 - SEK 1,000 million Green RCF (un-utilized)
- The net leverage has been around or below 0.5x for the past five periods, demonstrating a solid balance sheet

Source: Company information. | Note: Net leverage calculated with frozen GAAP (incl. financial assets). IFRS16 leasing liabilities per 28th of February 2025 was SEK 999 million.

PRUDENT MATURITY PROFILE



- Prudent maturity profile with maturities spread out over the next coming years
- No single year with maturities over SEK 1,000 million

Source: Company information.



APPENDIX – ESG QUESTIONNAIRE

ESG QUESTIONNAIRE: GENERAL INDUSTRY

<p>Please list the industry's three biggest sustainability (ESG) related challenges and briefly describe the process for identifying these challenges:</p>	<p>Stena Metall Group consists of subsidiaries in several different industries. As stated in our Sustainability report, sustainability-related risks relevant to the industries where we operate can be summarised as below:</p> <ol style="list-style-type: none">1. Emissions to land, air and water when managing waste, materials and products, license violation and consumption of fossil fuels with climate impact2. Risks in occupational health and safety, and violations of human rights in the value chain3. Violations in the form of corruption and lack of business ethics <p>Stena Metall conducts materiality analysis in accordance with the requirements of the GRI 2021 standard, this process constitutes the foundation for identification and handling of material sustainability issues. The materiality analysis forms the basis for identifying the sustainability issues that are the most important for Stena Metall, including economic, social and environmental impacts of the operations on the outside world, as well as the sustainability issues that are most important to stakeholders. The materiality analysis enables the systematic prioritisation of the sustainability issues that are to be focused on, which is crucial for effective sustainability work. In addition to the materiality analysis, Stena Metall also conducts enterprise risk assessments, which include several sustainability related risks that shall be assessed by the subsidiaries.</p>
<p>Have you conducted any preliminary assessments of your company in relation to the EU Taxonomy? If so, what was the outcome?</p>	<p>A preliminary assessment has been conducted. The assessment resulted in the conclusion that Stena Recycling on all markets, and Stena Aluminium have eligible activities within EU Taxonomy framework.</p> <p>More in depth analyses will be conducted the coming period, however will this be made in regard to the Omnibus proposal and timeline.</p>

ESG QUESTIONNAIRE: ENVIRONMENT (1/2)

<p>Please list the company's three primary risks related to climate change and list, if any, the company's climate-related opportunities:</p>	<p>Risks</p> <ol style="list-style-type: none">1. Emissions to land, air and water when managing waste, materials and products2. Increased costs to ensure compliance with emerging regional and international climate regulations3. Consumption of fossil fuels with climate impact <p>Opportunities</p> <p>About half of global emissions stem from the way we extract, process and use materials, food and products. The transition to a circular economy is therefore a vital part of reducing the climate impact from production of materials and products, and companies are increasingly striving to become more circular. Through a strong focus on innovation and collaboration, the Stena Metall Group addresses this demand by helping customers to become more circular. In this way, the business contributes to stronger competitiveness, a more circular economy and generally more sustainable development.</p>
<p>Does the firm anticipate any climate related investments, and if so to what extent?</p>	<p>Several investments directed towards increased circularity and recycling efficiency, including investments in plastic recycling, increased focus on recycling and reuse of batteries, a growing offering within circular services, design and resource management, production of circular raw materials from recycled materials and products, and new recycling and reuse services.</p> <p>Major recent investments include Stena Recycling Sweden's a new battery recycling plant. This investment makes it possible to recycle 95 percent of a lithium-ion battery, the most common battery used in electric vehicles. The new plant is located adjacent to the Stena Nordic Recycling Center in Halmstad, Sweden. Other major initiatives include the establishment of a new facility and increased capacity for electronics recycling in Norway and investment in recycling of precious metals and plastic from electronics in Poland.</p>
<p>Circular Economy: how are purchases and waste managed? If the firm rely on any scarce resources, please describe what efforts are made to mitigate the risk of those resources becoming scarcer in the future, e.g. recycling, reusing substitutes or improved resource efficiency?</p>	<p>Circularity is at the core of the operations in the Stena Metall Group and embedded in the actual business offerings. Resource efficiency in Stena Metall entails striving for increased recycling rates as well as moving waste upwards in the waste hierarchy. This includes both the waste taken care of from customers, but also internal waste that arises within the operations.</p>

ESG QUESTIONNAIRE: ENVIRONMENT (2/2)

<p>Transition-related risks: Does the company anticipate any risks or opportunities due to the transition to a carbon-neutral society? Is there any risk of the firm's offer being negatively affected? If yes, is the company well positioned to handle that risk?</p>	<p>We have identified the below trends as drivers in the transition to more sustainable and carbon-neutral societies. While transition always constitutes a challenge, due to the Group's focus on circularity these are considered as opportunities rather than risks.</p> <ul style="list-style-type: none">• Environmental awareness among customers, end-users and employees• Legislative changes are creating new needs• New opportunities arising for digitalisation and rapid technological development <p>Stena Metall responds to the emerging opportunities through:</p> <ul style="list-style-type: none">• Major investments in plastic and WEEE recycling• Increased focus on recycling and reuse of batteries• A growing offering within circular services, design and resource management• Production of circular raw materials from recycled materials and products• New recycling and reuse services
<p>Have you set a target to become climate neutral? If so, how have you defined carbon neutrality?</p>	<p>Stena Recycling, including all the companies and countries, are committed to the Science Based Targets initiative, both near-term and net-zero targets in accordance with the Business Ambition for 1.5°C campaign, striving to become climate neutral by 2050 at the latest. The definition of net zero will follow the SBTi corporate net zero standard.</p>
<p>Please list the company's primary means of making a positive environmental impact or minimising negative environmental impact. List the corresponding most relevant UN SDGs. What proportion of sales can be directly linked to selected UN SDGs?</p>	<p>The Stena Metall Group contributes actively to the development of the circular economy, by working in close collaboration with customers and partners to achieve more efficient and smarter use of resources. Besides offering recycling and reuse services, we supply raw materials, steel products and aluminium alloys to customers all over the world. The Group's products and services create value that benefits everyone – customers, their customers, the environment and society at large. In addition, there is extensive internal work to reduce negative impacts and increase positive impacts within the Group's significant sustainability issues. The work is carried out at Group level and in each subsidiary, but also in collaboration with other actors and partners in the value chain.</p> <p>Stena Metall focuses on three sustainability areas: Care for the environment, Care for people and Care for sustainable business.</p> <p>The most relevant UN SDGs are:</p> <p>5: Gender Equality, 6: Clean Water and Sanitation, 7: Affordable and Clean Energy, 8: Decent Work and Economic Growth, 9: Industry, Innovation and Infrastructure, 11: Sustainable Cities and Communities, 12: Responsible Consumption and Production, 13: Climate Action, 16: Peace, Justice and Strong Institutions, and 17: Partnerships for the Goals.</p>

ESG QUESTIONNAIRE: SOCIAL

<p>Does the company have a history of accidents? If so, how have these been managed? Are there any preventive measures, such as policies?</p>	<p>Stena Metall has an extensive systematic safety management system and works continuously to limit the risk of near-accidents and injuries, with the aim of preventing any accidents from occurring. The framework comprises joint, systematic health and safety measures that include risk identification and continuous follow-up. The companies apply a shared Group framework to address their specific challenges and needs. Most of the companies in the Stena Metall Group hold working environment certification in accordance with ISO 45001.</p> <p>Accident frequency (Number of personal injuries resulting in sickness absence per million hours worked):</p> <p>2023/2024: 7.1</p> <p>2022/2023: 5.8</p> <p>2021/2022: 6.8</p>
<p>If applicable, state the company's targets for gender and cultural equality and indicate the relevant split of men/women at every level of the firm:</p>	<p>Group breakdown:</p> <p>Men 73% / Women 27%</p> <p>BoD and Management breakdown:</p> <p>Men 69% / Women 31%</p> <p>Equal treatment and anti-discrimination are important parts of the Stena Metall Group's principles, which are set out in the Code of Conduct. Within the Group, we also strive for a composition of teams based on different experiences in order to utilise the creativity that these differences entail.</p>
<p>Does the company conduct any community engagement activities aside from those directly connected to the business?</p>	<p>Stena Metall engages in dialogue within several different forums and expert groups to promote and enable the transition to a circular economy. Since 2007, Stena Metall also funds a professorship within industrial recycling at Chalmers University of Technology in Gothenburg.</p>
<p>How often does the company conduct audits of its suppliers? How often do you discover incidents not compliant with your code of conduct?</p>	<p>To reinforce the Group's expectations that suppliers, customers and other business partners work in line with Stena Metall's values, a Groupwide Code of Conduct for Business Partners has been developed. The Code of Conduct for Business Partners is consistent with the expectations described in Stena Metall's internal Code of Conduct, but addresses the Group's external suppliers and other partners. Supplier audits are managed on company level and systematically handled in accordance with ISO standards for quality and environment.</p> <p>Self-assessment for indirect suppliers are conducted. This system offers several benefits, including streamlined processes for supplier risk assessment, as well as an overview of identified risks. The assessment evaluates sustainability performance concerning environmental, social, human rights, quality, and governance aspects.</p>
<p>Please list the firm's (1-2) primary means of making a positive social impact or minimising negative social impact. Please list the corresponding most relevant UN Sustainable Development Goals. What proportion of sales can be directly linked to selected UN SDGs?</p>	<p>The Group's commitment to caring for people is an important aspect of the sustainability approach. Long-term prosperity and development require passionate people who possess the right skills. The culture in Stena Metall is built on a delegated business acumen, shared values, and a focus on continuous professional development. At the core of Stena Metall's culture are the three values: simplicity, reliability, and development. These principles, along with the Code of Conduct, guide every aspect of the Group's activities.</p> <p>8.8 — Protect labor rights and promote safe and secure working environments for all workers - Stena Metall has well-established safety policies and procedures to create the safest possible workplace for all employees and workers. Health and well-being among employees are promoted in a number of ways, including healthcare benefit allowances and other health-related benefits. There are also preventive procedures against alcohol, drug, and gambling addictions. Based on the Code of Conduct and the Business Partner Code of Conduct, Stena Metall works to promote sustainable business conduct, both internally and in the value chain.</p> <p>16.5 — Substantially reduce corruption and bribery in all their forms - An anonymous whistleblowing system gives all employees the ability to report any perceived violations of the Code of Conduct without fear of retaliation.</p>

ESG QUESTIONNAIRE: GOVERNANCE (1/2)

<p>Do all staff members receive continuing education on anti-corruption? Is there an external whistleblower function? Are there any ongoing or historical incidents involving corruption, cartels or any other unethical business conduct? Have any preventive measures been taken?</p>	<p>There is zero tolerance of all forms of corruption, which includes all types of bribery and illegal payments. Stena Metall has established Group-level e-learning both for the Code of Conduct, which includes responsible business conduct, and specifically for anticorruption. The e-learning are available in the local language for all the Group's markets.</p> <p>Stena Metall addresses risks related to corruption through the internal Code of Conduct and the Code of Conduct for Business Partners. Additionally, the Group has implemented an anti-corruption policy which serves as a framework for proactive preventive measures. The company has zero tolerance to corruption, encompassing all types of bribery and unlawful payments.</p> <p>Incidents can be reported anonymously in a whistleblower system provided by an external partner. All employees are informed of the process for reporting grievances as part of their onboarding, and the information is easily available for all employees on the Intranet and on printed posters in the workplace. The whistleblower system is also available online for external stakeholders to use. Reported cases are received by the Head of Governance, Risk and Compliance, and followed up according to established procedures, including evaluation of whether the cases need to be escalated to Group</p> <p>Incidents of corruption:</p> <p>2023/2024 – 0</p> <p>2022/2023 – 0</p> <p>2021/2022 – 0</p>
<p>Please state the firm's business tax residence (i.e. where the firm pays tax) and explain why that specific tax residence was chosen</p>	<p>Stena Metall's business tax residence is in Sweden, where the Group is located.</p>
<p>How many independent members sits on the Board of Directors?</p>	<p>Independent members - Defined as not directly linked to the company in ways other than through the position on the board.</p> <p>2023/2024 - 7</p>
<p>Please state if and to what extent, the company has transactions with related parties:</p>	<p>Stena Metalls AB's subsidiary Stena Oil AB sells bunker oil for ships to the Stena AB Group. The value of these sales during the financial year amounted to 3,687 (3,893). Stena Fastigheter AB has been paid 20 (14) for rents and property management. The Stena Metall Group owns two vessels which are chartered out to Stena Line AB and Stena Rederi A/S. Total rental income for the vessels amounted to 174 (172).</p> <p>The Stena Metall Group rents offices from the Olsson family. Rents paid amounted to 35 (24). All transactions with related parties are carried out on market terms.</p>

ESG QUESTIONNAIRE: GOVERNANCE (2/2)

Which KPIs dictate the remuneration to management (are sustainability and diversity goals included)?	The majority of the remuneration to management is based on financial results. Personal objectives however can be based on diversity and other ESG-related KPIs.
Describe the company's process for monitoring and reporting ESG issues and performance to senior management/the Board. Confirm what KPIs are monitored (if any) and how frequently reporting is undertaken.	<p>The Group's organisation for the development of sustainability work consists of sustainability coordinators at each company. The coordinators work closely with each CEO and company representatives for specialist areas such as HR, marketing and communications, environment, safety and production. They are also responsible for creating consensus on sustainability issues with the individual company management teams. The coordinators in turn report to the Head of Sustainability, Brand & Communications at Group level who has direct access to Group management and Group-wide functions such as R&D, property, IT, purchasing, marketing and communications, safety, and HR. There is a decision forum linked to this process, the Sustainability Decision Forum, which consists of selected</p> <p>company managers and representatives from Group management. The key decisions from the Group's decision forum can be escalated to Group Management and the Group Board of Directors. Certain issues relating to internal control can be escalated to the Group Audit Committee. All topics of identified medium or high materiality in the materiality analysis are monitored and reported in the Annual Sustainability Report.</p>
Have you signed a Union agreement: (Yes/No)	The percentage of employees covered by collective bargaining agreements is 78 percent.

ESG QUESTIONNAIRE: PRINCIPLE ADVERSE IMPACT (1/2)

Revenue (SEK)	SEK 41,620m (FY 2023/2024)
Greenhouse gas emissions; Scope 1, Scope 2, Scope 3	Scope 1 / Scope 2 / Scope 3 (please note, only Stena Recycling included) 2023/2024: 48,300 CO ₂ e / 14,200 CO ₂ e / 356,722 CO ₂ e 2022/2023: 48,000 CO ₂ e / 23,600 CO ₂ e / 429,248 CO ₂ e 2021/2022: 45,700 CO ₂ e / 23,500 CO ₂ e / 430,272 CO ₂ e Mapping of scope 3 emissions has been conducted in all companies, including headquarter companies. During 2023/2024 quality assurance of the scope 3 mapping has been conducted and internal reporting has been initiated. The aim is to report scope 3 in the sustainability report 2024/2025.
Share of non-renewable energy consumption	20%
Share of non-renewable energy production	N/A
Energy consumption in GWh	Scope 1 & 2: 2023/2024: 389 GWh 2022/2023: 386 GWh 2021/2022: 369 GWh
Tonnes of emissions to water	0
Tonnes of hazardous waste and radioactive waste generated	Stena Metall manages waste in two different respects, but mainly in its recycling operations, where customers' waste is processed for recycling. Internal waste also arises within the Group's operations and processes. In recycling operations, the internal waste flows are managed together with customers' waste. Hazardous waste (tonnes): 2023/2024: 346 041 2022/2023: 316 740 2021/2022: 296 919 Radioactive waste is not generated in our own operations, nor should it be handled at the recycling facilities from customers. Rare cases can occur when radioactive waste is received from customers, processes are in place to handle those rare occasions.
Unadjusted gender pay gap	Stena Metall doesn't measure gender pay gap as of today. Actions to measure the information is ongoing
Board gender diversity	Board gender diversity Stena Metall Group Women – 30% / Men – 70%

ESG QUESTIONNAIRE: PRINCIPLE ADVERSE IMPACT (2/2)

Fossil fuel operations	Yes – Stena Oil
Sites/operations located in or near to biodiversity sensitive areas where activities negatively affect those areas	No
Science Based Target	Yes – Stena Recycling Group
Reports to CDP	No –some companies within the Group report individually
UN Global Compact Signatory	Yes
Involved in the manufacture or selling of controversial weapons	No
Whistle blower policy	Yes
Supplier code of conduct	Yes



APPENDIX

INCOME STATEMENT

SEK million	Second quarter 2024/2025	Second quarter 2023/2024	First six months 2024/2025	First six months 2023/2024	Full year 2023/2024
Net sales	9,790	9,964	20,217	21,126	41,620
Cost of goods sold	-9,094	-9,358	-18,603	-19,554	-38,373
GROSS PROFIT	696	606	1 614	1 572	3 247
Sales expenses	-137	-150	-298	-303	-589
Administrative expenses	-377	-369	-774	-749	-1,503
Other operating income & expenses	186	53	287	223	536
OPERATING PROFIT	368	140	829	743	1,691
Income from investments in associated companies	3	-	3	-	8
Interest net	-75	-79	-160	-171	-347
Other financial income & expenses	-5	-3	-3	-17	-18
PROFIT BEFORE TAX	291	58	669	555	1,334
Taxes	-50	-43	-123	-149	-292
PROFIT FOR THE PERIOD	241	15	546	406	1,042
Other comprehensive income	-41	-21	-336	-64	-307
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	200	-6	210	342	735
Total comprehensive income for the period is attributable to:					
Parent Company's shareholders	200	-6	210	342	734
Non-controlling interests	-	-	-	-	1
Total comprehensive income	200	-6	210	342	735

BALANCE SHEET – ASSETS

SEK million	2025-02-28	2024-02-29	2024-08-31
ASSETS			
Fixed assets			
Intangible fixed assets	1,801	1,662	1,739
Tangible fixed assets	9,086	8,722	9,308
Financial fixed assets	1,979	2,284	2,277
TOTAL FIXED ASSETS	12,866	12,668	13,324
Current assets			
Inventories	2,486	2,610	2,685
Short-term receivables			
Accounts receivable	4,088	3,692	3,498
Other receivables	2,221	2,264	2,391
TOTAL SHORT-TERM RECEIVABLES	6,309	5,956	5,889
Short-term securities	1,358	1,107	922
Cash and cash equivalents	389	547	849
TOTAL CURRENT ASSETS	10,542	10,220	10,345
TOTAL ASSETS	23,408	22,888	23,669



BALANCE SHEET – EQUITY AND LIABILITIES

SEK million	2024-11-30	2023-11-30	2024-08-31
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY	11,301	10,839	11,232
Long-term liabilities			
Provisions	1,358	1,273	1,358
Interest-bearing long-term liabilities*	4,169	4,298	4,264
Other long-term liabilities	10	10	10
TOTAL LONG-TERM LIABILITIES	5,537	5,581	5,632
Current liabilities			
Interest-bearing short-term liabilities*	1,314	1,093	1,564
Accounts payable	2,215	2,100	2,495
Other liabilities	3,041	3,275	2,746
TOTAL CURRENT LIABILITIES	6,570	6,468	6,805
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	23,408	22,888	23,669
*Whereof long- and short-term lease liabilities	999	986	1,124

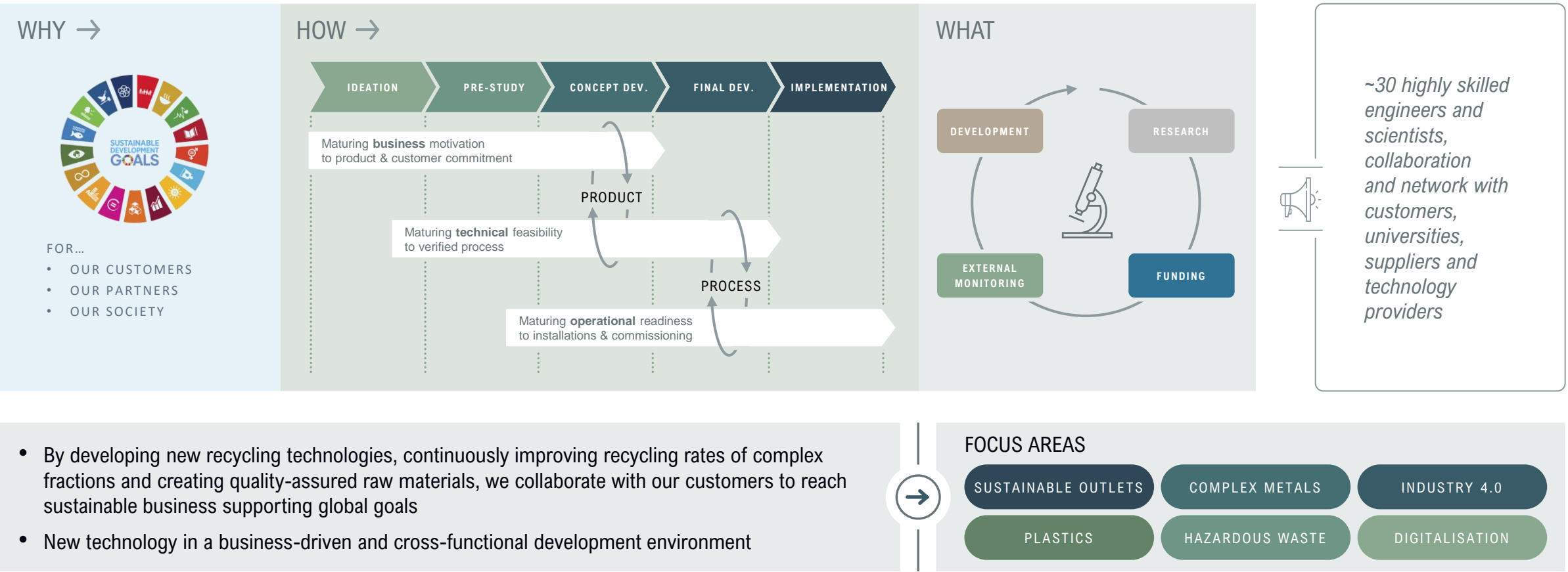
STATEMENT OF CASH FLOWS

SEK million	Second quarter 2024/2025	Second quarter 2023/2024	First six months 2024/2025	First six months 2023/2024	Full year 2023/2024
Operating activities					
Profit before tax	291	58	669	555	1,334
Reversal of amortization/depreciation fixed assets	323	319	648	631	1,255
Adjustments for other non-cash items	25	122	-92	305	189
Taxes paid	27	-88	-132	-200	-256
Changes in working capital	-114	396	-206	152	-12
CASH FLOW FROM OPERATING ACTIVITIES	552	807	887	1,443	2,510
Investing activities					
Acquisition and sale of subsidiaries/business units	0	0	-2	-86	-119
Acquisition of intangible fixed assets	-54	-76	-114	-149	-259
Acquisition of tangible fixed assets	-217	-395	-447	-708	-1,600
Acquisition and sale of securities	-27	54	-408	604	793
Other changes from investing activities	110	7	101	-8	-136
CASH FLOW FROM INVESTING ACTIVITIES	-188	-410	-870	-347	-1,321
CASH FLOW AFTER INVESTMENTS	364	397	17	1,096	1,189
Financing activities					
Changes in loans from credit institutions	-143	-623	-340	-739	-533
Share dividend	-140	-110	-140	-110	-110
CASH FLOW FROM FINANCING ACTIVITIES	-283	-733	-480	-849	-643
CASH FLOW FOR THE PERIOD	81	-336	-463	247	546
Cash and cash equivalents beginning of period	308	884	849	305	305
Translation difference in cash and cash equivalents	0	-1	3	-5	-2
CASH AND CASH EQUIVALENTS END OF PERIOD	389	547	389	547	849



RESEARCH AND DEVELOPMENT – ENABLING CIRCULAR BUSINESS

How R&D creates value for STENA Recycling and our customers



CASE STUDY: “RE-MADE TO MATTER”: STENA RECYCLING & ALFA LAVAL

CIRCULAR INITIATIVE



“This is a win-win-win for our customers, society and the environment. With the refund incentive to upgrade to more modern, efficient plate heat exchangers, businesses can greatly reduce their energy consumption. On top of improved long-term costs, this means a significant reduction in CO₂ emissions.”

– Fredrik Ekström, President Business Unit Brazed & Fusion Bonded Heat Exchangers,
Energy Division at Alfa Laval

- An innovative partnership between Stena Recycling and Alfa Laval to boost circularity in the heat exchanger supply chain.
- The “Re-made to matter” initiative encourages industrial customers to replace old heat exchangers with new ones, which are more energy efficient. The customer receives an upfront refund for their old heat exchanger, and will also reduce their energy consumption.
- The old heat exchanger is sent to Stena Recycling, where up to 100% of the metals can be recovered.
- The recycled material is re-processed into high quality recycled fractions, which are sold back into the supply chain – possibly to become a new, energy-efficient heat exchanger.



RISK FACTORS

RISK FACTORS (1/7)

Investing in bonds involves inherent risks. Prospective investors should carefully consider, among other things, the risk factors set out in the Registration Document before making an investment decision.

A prospective investor should carefully consider all the risks related to the Company and the Group and should consult its own expert advisors as to the suitability of an investment in bonds issued by the Company. An investment in bonds entails significant risks and is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of the investment. Against this background, an investor should thus make a careful assessment of the Company, the Group, its creditworthiness and its prospects before deciding to invest, including its current and future tax position.

The risk factors for the Company, Guarantor and the Group are deemed to be equivalent for the purpose of this Registration Document unless otherwise stated.

The Company believes that the factors described below represent the principal risks inherent in investing in Bonds in the Company, but the Company may be unable to pay interest, principal or other amounts on or in connection with Bonds for other reasons which may not be considered significant risks by the Company based on information currently available to it or which it may not currently be able to anticipate. The risks within each category are listed, in the view of the Company, according to the possible negative impact they may have and the probability of their occurrence. The greatest risk within each category is mentioned first. It applies for all risk factors that, if materialized, and depending on the circumstances, may have an adverse effect on the Company or the Guarantor and which may reduce anticipated revenue.

Risks relating to the Group's financial situation

Through its operations, the Group is exposed to a number of financial risks: currency risk, interest rate risk, liquidity risk etc. The Group's financial risk exposures are described below.

Currency risk

The Group's financial operations are reported in Swedish kronor (SEK), however the Group earn and incur a substantial portion of revenues and expenses in other currencies, mainly EUR, USD, DKK, NOK, PLN. Currency risk arises through future business transactions, recognized assets and liabilities, and net investments in foreign operations. Fluctuation in exchange rates between the above mentioned currencies and the Swedish kronor can significantly impact the funds needed to meet the Group's obligations and affect the Group's assets and liabilities.

Translation differences from exposure of net assets in foreign subsidiaries are transferred directly to the Group's shareholders' equity. The book value of the net assets in foreign currency in the Group's subsidiaries amounted to a value of SEK 2 367 million on August 31, 2024. These net assets are primarily denominated in PLN, and such value of the PLN denominated assets correspond to SEK 981 million. A change of 1% in the value of SEK against PLN as of August 31, 2024 would affect shareholders' equity by 9.8 million.

RISK FACTORS (2/7)

The Group manages part of the foreign currency exposure using different types of hedging instruments, including but not limited to, Currency Swaps and FX Forwards. Sales conducted in other currencies than the reporting currency is hedged in order to lock in the cash-flow effect coming from that sale. However, there is no guarantee that these hedging strategies will be successful as the volumes sold could change based on the quality control conducted by the customers at delivery. This in combination with the normal foreign exchange fluctuations may adversely affect the Group's financial results and operating margins.

Interest rate risk

Risk relating to interest rates refers to the risk that there are changes that affect the interest rate, and thus the Group's borrowing costs. The Group's interest rate risk arises through long-term funding via its bi-and multilateral bank agreements as well as its current active bonds issued by the Company. For the Groups bank-funding, Interest Coverage Ratio covenants are in place, meaning that the Group needs to maintain healthy interest rate levels. Floating rate funding exposes the Group to interest rate risk associated with cash flows, which is partly neutralized by floating rate cash reserves. Fixed rate funding exposes the Group to interest rate risk associated with fair value. The Group usually obtains long-term loans with floating rates. The Group's interest rate levels are affected by underlying market rates which have historically fluctuated due to and are in the future likely to be affected by, a number of different factors, such as macroeconomic conditions, inflation expectations and monetary policies. Should there be changes in interest rates for the Group leading to increased interest expenses for the Group, this could affect the Group's cash flow and have a negative effect on the Group's ability to make payments on its debts, including the Bonds.

Market risk

The Group maintains an inventory of processed and unprocessed material. The processed material is sold in the market at the current market price. The throughput time from the purchase of the material until it is processed and sold varies. During this time the market price of the material may change, because of which the Group has a price risk in inventory. The price of certain products can be hedged through derivatives e.g. Aluminium, Copper and Oil. The overall hedge ratio of the Group's products that can be hedged are less than 10%. Other products such as Ferrous is a product that cannot be hedged. Should the market price of the Group's inventory change negatively, this could in turn have a negative effect on the Group's operations, earnings, results and financial position.

As part of the Group's overall strategy, the Group's finance operations trade in financial instruments. Even if the instruments are overwhelmingly traded in active markets and valuation are based on quoted market prices, there is always an inherent market price risk involved in financial trading. If the Group's trade in financial instruments is not successful, the Group's financial position and results of operations could be adversely affected.

RISK FACTORS (3/7)

Credit and counterparty risk

Credit risks arise in the Group's operating activities in the form of accounts receivable and advance payments to suppliers, where the Group is exposed to the risk of contractual default by a counterparty. The Group is engaged in trading in several different markets and geographies, some where the access to financial data is limited and thus limiting the possibility to conduct thorough credit analysis. Counterparty risk also arises through liquid assets, derivatives and balances with banks and financial institutions, as there is always an inherent risk of default when depositing liquid assets within financial institutions. Should customers not being able or willing to pay, the Group would suffer a financial loss. Prudent credit risk management as well as credit insurances are in place to mitigate these risks. However, should customers not be able or willing to pay as agreed under contracts with the Group, the Group would suffer financial loss which in turn would affect the Group's cash flow and have a negative effect on the Group's financial results.

Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its financial obligations towards lenders, suppliers and other stakeholders, for example the bondholders, as they fall due. The Group are exposed to a number of different metals and other raw material price fluctuations, as well as currency fluctuations, which in its nature are highly volatile and not something that the Group can affect or control, and therefore the need for liquidity headroom increases for the Group, in order to mitigate the risk that operations need to be stopped or postponed due to cash restrains. If the Group is not able to meet its financial obligations, the Group's business, financial position, operating results or cash flows could be significantly and negatively affected with direct demand for payment or suppliers not willing to deliver material.

Risk relating to the Group and its business

Political and legal risk

The Group's activities are to a high degree governed by legislation and changes in legislation or changes in planned implementation of new environmental legislation or other relevant legislation related to the business of the Group which could have material impact on the Group's operations and financial results. Examples of major legislation implemented or under review or change affecting the Group are; EU's Waste Framework Directive, EU Waste Shipment Regulation and EU's Chemical legislation (REACH, CLP). Non-compliance with such legislation could limit the Group's business opportunities and have a material adverse effect on the Group's results. The business is also influenced by economic instruments like for example energy taxes and waste taxes. Decisions regarding municipal urban planning can have a material influence on the Group's operations if a key installation is affected by the decision and are forced to re-locate to another geographical area.

RISK FACTORS (4/7)

Risk relating to political instability and armed conflicts

The Group operates somewhat globally and is hence exposed to geopolitical uncertainties which could negatively impact the Group's operations and results. The occurrence of acts of terrorism and any military response may cause instability in financial markets and disruptions in trade patterns and supply chains. In particular, Russia's invasion of Ukraine as the Group conducts recycling activities in a bordering country, with the potential of material damages in the facilities where business is conducted close to the boarder, as well as a loss of workforce as some employees are directly or indirectly engaged in the war. Such events have and may continue to result in sanctions, such as trade restrictions (including tariffs), embargos and disruption in global supply chains, military actions and macroeconomic instability, each of which may have an adverse impact on the Group's business as some products are exported and sold on the global trade market.

Key personnel

The Group is dependent on the work, management, knowledge, experience and commitment among key individuals as well as other employees throughout the Group's business areas. The development and stability of the Group is dependent on its access to qualified personnel, in particular key management positions. Expertise knowledge of the different materials that the Group handles, and the understanding of the overall business are specialized skills that are hard to obtain in the desired regions. There is also a risk that key employees may start working for competing companies or start their own competing business. The loss of key personnel may have an adverse impact on the Group's operating results and financial position as loss of key personnel on a specific site could lead to short-time stoppage in production, hence affect the Group's ongoing operations.

Competition

The industry in which the Group operates is highly competitive. Competition comes from companies in the same industry but also from new operators that have entered the market in recent years as Recycling has become a vital part of the circular society/economy. The Group also operates in different regions with different competitor landscape. The Group is well positioned in the market. As the industry in which the Group operates are highly competitive, there can be no assurance that the Group, for example, will be able to keep its established customer relations with certain customers or that the future terms of customer agreements will be as favourable to the Group as is currently the case. As a result, any future revenues of the Group may decline over time. Accordingly, if the Group is unsuccessful in maintaining a competitive position and/or if it fails to adapt to changed market conditions, this may have an adverse effect on the Group's earnings.

RISK FACTORS (5/7)

Insurance risk

The Group maintains third party insurance coverage for the biggest risks, such as property damage (including fire), business interruption and product liability claims which are damages that could potentially lead to most substantial financial losses for the Group. The Group believes that it has adequate insurance protection in line with its industry standards. Reinsurance is procured in the international reinsurance market and through a captive insurance scheme for a variety of exposures and risks. However, while the Group believes it has adequate insurance coverage for all anticipated exposures, e.g. property damage, fire, soil recovery and business interruption, in line with industry standards there can be no assurances, partly due to a decreased availability during the recent years of insurance coverage within the recycling industry, that (i) the Group insurance policies necessarily cover all potential liabilities of the Group (due to lack of reinsurance), (ii) the Group will be able to maintain its existing insurance coverage on acceptable terms, if at all, at all times in the future or that claims will not exceed, or fall outside the third-party insurance coverage (or reinsurance), or (iii) its provisions for uninsured or uncovered losses will be sufficient to cover its ultimate loss or expenditure. Accordingly, there is a risk that the Group will suffer substantial losses which will not be covered by any insurance policy, which may result in material negative impact on the financial position of the Group.

The Group's business is exposed to economic cycles.

Changes in economic conditions in the markets in which the Group operates as well as where in the business cycle the overall economy currently is situated in can affect the demand for the Group's products and services. As more products and goods are produced during times of economic growth, the amount of scrap and demand for recycling and other services increases. The situation could be the opposite in times of economic recession. There can be no guarantee that sufficient demand for the Group's products and services can be created or maintained. Customer bankruptcies due to lower economic activities or other elements that may delay, or complicate collection of receivables will impact the Group's cash flow and liquidity. The Group may also, dependent on the current sentiment, market outlook, price situation for different raw material etc. fail to effectively estimate risks, costs or timing when bidding on contracts and to manage such contracts efficiently which could have a material adverse impact on the profitability of the Group. The Group may be required to make substantial capital expenditure for expansion of its operations. Such capital expenditures could be covered by revenues or by obtaining new debt. If the Group's revenues are not sufficient to cover capital expenditures for future expansion plans or if new debt arrangements are not accessible, or only on unattractive commercial terms, the Group will experience a limited ability to expand its business.

Health, safety and environmental risks

The Group is involved in handling industrial, commercial and residential waste (both hazardous and non-hazardous) and petroleum products, and consequently the employees of the Group are exposed to health and safety risks. Health- and safety risks primarily concern incidents or accidents in production facilities. Furthermore, such operations may cause substantial pollution and other environmental damage to the ground and water in the environment in which the Group operates. This also includes environmental liabilities on sites where the Group no longer have any operations. The technical requirements of these laws and regulations covering the above, are becoming increasingly more complex, stringently enforced and expansive to comply with. Any failure to comply may result in regulatory actions, the imposition of fines or the payment of compensation to third parties. All of which could have an adverse effect on the Group's operational business as well as the financial result.

RISK FACTORS (6/7)

Risks associated with fraud, bribery and corruption

The industry in which the Group operates, the recycling business, involves inherent risks associated with fraud, bribery and corruption, and the Group is exposed to such risks in particular in connection with its use of agents in several jurisdictions, as the ability to conduct background checks limits when the counterparty is located in different geographies than where the production is done and may only be used sporadically. Although the Group maintains routines and other safeguards in line with its Code of Conduct and Anti Money Laundering Laws, designed to prevent the occurrence of fraud, bribery and corruption, such as no acceptance of cash payments at any recycling yards, it may not be possible for the Group to detect or prevent such instances. The work related to fraud, bribery and corruption is monitored by the Groups Corporate Governance Department. Any alleged or actual involvement in corrupt practices or other illegal activities by the Group's directors, employees, agents, business partners or customers could have a material adverse impact on the Group's business, inter alia as a result of civil or criminal penalties, exclusion from public tenders and/ or reputational damage that could lead to missed business opportunities, which in turn could result in a material negative impact on the financial position of the Group and its growth potential.

Risk relating to import and export restrictions

The Group is exposed to risks regarding the correct application of import and exports regulations.

Recently, governments have imposed trade barriers and raised tariffs to protect their domestic industries, reducing the demand for import. For example, the ongoing trade tension between, on one side, the US and, on the other side, the EU, China and Canada, among others, have resulted in high tariffs, import restrictions and other barriers that can significantly impact global trade, supply chains and shipping demand. This could lead to increased risks that the Group's operations as of now and in the future may be subject to more significant regulations regarding export control and tariffs when shipping products and material to the U.S. This could lead to increased costs, increased administrative burdens, the need for greater internal control and, in some cases direct barriers for trade. Any breach of such regulations, as a consequence of incorrect classification of products or otherwise, may have an adverse impact on the Group's business in the form of postponed or even lost businesses, negatively affecting the financial performance.

Risk of losing licenses

The Group's operations are dependent on several licenses in various jurisdictions which allows it to operate in the waste industry and to handle, transport, export and import various types of waste that might be withdrawn in the event of non-compliance with applicable laws and regulations. The Group's licenses contain conditions and requirements that must be met to maintain such licenses. The licenses may be suspended, terminated or revoked if the Group fails to comply with the relevant requirements. If the Group fails to fulfil the specific terms of any of its licenses or if it operates its business in a manner that violates applicable law, government regulators may impose fines or suspend or terminate the licenses, any of which could have a material adverse effect on the Group's results of operations, cash flows and financial condition. Loss of such licenses could have a material adverse impact on the business of the Group.

RISK FACTORS (7/7)

Technology risk

All the businesses of the Group are dependent on technology to some degree and information systems are critical for the effective management and provision of services. The technology and machinery in the Recycling industry have during the last years made major progress and it is important that the Group continuously invest in new machinery and keep the R&D-work going, in order to be in line with the technical standards of the industry, to be able to attract new customers and not lose relevant market positions to competitors with could negatively affect earnings for the Group. The Group will depend upon ongoing investments in advanced computer database and telecommunications technology as well as upon their ability to protect their telecommunications and information technology systems against damage or system interruptions from cyber-attacks, natural disasters, technical failures and other events beyond their control.

IT-security related risk

The Group is exposed to certain risks attributable to the Group's information technology (IT) systems. Disruptions in critical IT systems or digital infrastructure can directly impact key business functions, such as production, financial reporting, and other essential processes. The Group operates in a mixed environment, relying on both on-premises and cloud-based systems, which exposes the Group to risks related to interruptions or failures in both internal infrastructure and third-party cloud services. These disruptions, whether caused by technical errors, external cyberattacks, or lack of proper maintenance, can severely affect operations and negatively impact earnings.

Additionally, the shift to new IT systems may bring unexpected costs and delays, with legacy systems often being complex and costly to maintain. If business systems fail to perform as expected, leading to operational interruptions, this could have a significant adverse effect on both business operations and financial performance.

As regulatory requirements become stricter in areas such as data protection, cybersecurity, and AI governance, the Group also faces increasing compliance risks. There is a risk that the Group is unable to efficiently implement routines, systems and control functions that are needed to avoid non-compliance of such regulations, which could lead to fines and legal and reputational risks which may have an adverse effect on the Group's cash flow and liquidity and hence negatively affecting the Group's financial position.

IT STARTS HERE.

