**Contec S.A. raises EUR 10 million from investor**

**Contec S.A., a startup recovering industrial raw materials from used tires, has raised EUR 10 million in their latest funding round. These funds will be used to expand the efficiency of Contec's plant (Szczecin, Poland) almost threefold. Two investors are providing the funds: HiTech ASI, the corporate venture capital fund of Bank Gospodarstwa Krajowego, and the Warsaw Equity Group, which is the majority shareholder.**

**Contec S.A. invests in increasing processing capacity**

The lead investor of the round is HiTech ASI, managed by VINCI - a subsidiary of Bank Gospodarstwa Krajowego. The second investor is Contec's major shareholder, the Warsaw Equity Group. The funds obtained (EUR 8 million - HiTech ASI and EUR 2 million - Warsaw Equity Group) will be used to increase the processing capacity of Contec's Szczecin plant. Once completed, the plant will be able to nominally process 33,000 tons of used tires per year – three times more than today. In addition, the modernization will increase the production capacity of post-pyrolysis oil and recovered carbon black.

The expansion of the Szczecin plant is due in the first half of 2024. In addition, Contec is currently searching for optimal locations for the construction of further plants in Europe.

**Contec S.A. significantly reduces the carbon footprint thanks to proprietary technology**

Contec recovers industrial materials from used tires using their unique protected technology, Molten, a proprietary pyrolysis. Molten, a mixture of liquid salts to heat up the reactor in which the pyrolysis process takes place, is a unique solution capable of expansion on a global scale.

The development of this solution lasted five years, and the company engaged in research work with Warsaw University of Technology, among others. Contec is the first manufacturer in the world to use molten salts in pyrolysis. This is because the technology allows the process continuity under optimal conditions, making pyrolysis a safer, more efficient, and an economical process.

Contec recycles used tires to source recovered carbon black (RCB), post-pyrolysis oil, and steel. Contec products reduce the carbon footprint more than five times, when comparing them to the conventional fossil fuel-based raw materials

Contec is an active participant in the circular economy. Every year, over a billion used tires in the world are recycled in the European Union. That alone is over 3 million tons of waste.

Unfortunately, nearly two-thirds of used tires are - often illegally - burned or buried. Contec‘s unique technology, however, giving used tires a new life in a resourceful, effective, and safe way, turning them into raw materials that can be used in the production of new tires and other rubber products.

The acquisition of financing is an important step in the company’s development. The interest in our products significantly exceeds the current production capacity, and the acquired capital will allow us to expand production and respond more efficiently to the reported demand.

"For many years, we have been supporting the manufacturing sector’s climate actions towards closing the loop and circularity. The implementation of sustainable solutions that reduce a company's environmental impact is an important pillar in the status of a modern and competitive company, following implementation of the goals described in ESG strategies worldwide. We, as Contec, are a partner enabling the decarbonisation of supply chains and the use of sustainable raw materials, especially in the plastics and rubber industry", says Krzysztof Wróblewski, CEO of Contec S.A.

"The mission of HiTech ASI is to support Poland's sustainable socio-economic development by building the value of project companies at various levels of their development and strengthening the innovativeness of the Polish economy, increasing its competitiveness on the international arena. Involvement in Contec S.A. is the implementation of the HiTech's mission. It will have a positive impact on the development of the circular economy and increase the specialist competence of the Polish company ", says Piotr Woliński, CEO of VINCI.

The new investor confirms that 2023 is a breakthrough year for Contec. Already in January this year, thanks to the support of the Warsaw Equity Group, the company has completed the installation of the back end in its technological process. As a result, sales of the recovered carbon black to customers began.

"Contec is a venture building project of the Warsaw Equity Group, which has been implemented since 2015. After a period of intensive R&D, which resulted in stable and scalable technology, the company enters the intensive commercialization phase. Therefore, Contec' needs funds and partners to increase its production capacity and, consequently, be able to respond to the demand reported by companies from the chemical and rubber sectors. I am glad that Contec has acquired such a partner as BGK. Thanks to this cooperation, our portfolio company will be able to strengthen its position on the European market", comments Przemek Danowski, Managing Partner at Warsaw Equity Group.

**About Contec S.A.**

Contec S.A. specializes in the processing of car tires. From them, it produces full-value raw materials reused in industry. It is the only company in the world that uses molten salt as a heat carrier. Molten's proprietary technology creates the conditions for a safer, more efficient and more economical method of production, designed with repeatable quality in mind. Since 2017, the company has been refining and optimizing this technology to produce an alternative to soot and petrochemical raw materials.

**ABOUT VINCI S.A.**

VINCI S.A. is a subsidiary of Bank Gospodarstwa Krajowego. The subject of its activity is the management of alternative investment companies, providing appropriate solutions in the field of financing Polish entrepreneurs. Currently, VINCI manages two venture capital funds: HiTech ASI, which provides capital to technology companies at various stages of development, and IQ ASI, which invests at early stages of development in research and science projects.

**About Warsaw Equity Group**

Warsaw Equity Group is a leading private investment company that invests and supports projects in innovative solutions aimed at automating processes and improving the efficiency of enterprises, as well as in sustainable development. It has been operating on the market for over 20 years.

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