

Arctic Falls signs letter of intent with Volvo Cars

Arctic Falls AB (“Arctic Falls” or the “Company”) has entered into a non-binding letter of intent with Volvo Cars regarding the construction and long-term lease of a new winter test facility.

The planned facility is intended to be owned, constructed and operated by Arctic Falls and adapted for Volvo Cars’ operations. In addition to the lease, the future agreement is expected to include services related to the operation and maintenance of the facility.

The parties intend to enter into a long-term collaboration. Based on current discussions, and provided that a final agreement is entered into, Arctic Falls estimates that the collaboration could correspond to approximately 10–15 percent of the Company’s current annual revenue on a yearly basis.

The letter of intent is non-binding and several material conditions remain before a final agreement, including continued negotiations, land and permit processes and required corporate approvals. The Company estimates that the investment could be financed through existing cash reserves and bank financing.

The objective is to enter into a final agreement during the period July–September 2026. The facility is planned to become operational during 2028.

There is currently no guarantee that the negotiations will result in a final agreement or that the project will be completed according to the current timeline or scope. The Company will provide further information if and when a binding agreement is entered into or if other disclosure obligations arise under applicable regulations.

For more information, please contact:

Jonas Jalar, CEO
+46 70 615 75 49
jonas.jalar@arcticfalls.se

Certified Adviser

Svensk Kapitalmarknadsgranskning AB (SKMG)
Telephone: +46 8 913 008
Website: www.skmg.se

About Arctic Falls

Arctic Falls is a leading provider of testing services for the tire and automotive industries. With eight facilities—three indoor and five outdoor—we offer flexible and reliable environments for development and validation. In addition to test environments, our services include testing and testing support, and coordination.

Our global customer base of vehicle and tire manufacturers values our strong focus on confidentiality, safety, and high-quality service, and we aim to be a long-term and trusted partner in their development work. Arctic Falls was founded in 1985 and operates in northern Sweden, where unique climate conditions and our extensive experience provide optimal opportunities for year-round testing.

This information is information that Arctic Falls is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2026-05-28 16:00 CEST.