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Enviro has received MSEK 17.6 in additional milestone compensation of which half in shares in the joint venture company

Scandinavian Enviro Systems (Enviro) has received MSEK 17.6 in compensation from the joint venture company after achieving a second milestone linked to the construction of the plant in Uddevalla. Half of the compensation consists of cash and the other half of shares in the joint venture company.

“The compensation is linked to progress at the site but also to completed procurement of critical equipment”, says Fredrik Emilson, CEO.

The compensation is received after achievement of the second of several predefined milestones linked to the construction of the site in Uddevalla. As previously communicated, Enviro will continuously receive compensations linked to the achievement of certain predefined milestones. As Enviro also previously announced, the company will communicate individual transactions linked to these compensations.

The compensations linked to the milestones will consist of half cash and half shares in the joint venture company until a certain share compensation cap is reached. Once the cap is reached, the compensation will continue in cash only.

Enviro's stake in the joint venture company will fluctuate in pace with the capitalization process for the joint venture. As Enviro previously communicated, current ownership in the joint venture will be communicated with the frequency that follows from current accounting requirements, however at least once a year in connection with the year-end report.

Enviro has an option that gives the company the right to buy into the joint venture company for an ownership stake that ultimately corresponds to approximately 30 percent. Enviro intends to exercise this option in full.

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N.B. The English text is an in-house translation of the original Swedish text. Should there be any disparities between the Swedish and the English text, the Swedish text shall prevail.

Scandinavian Enviro Systems contributes to enhanced environmental and economic sustainability using a patented technology for the recovery of valuable raw materials from scrapped and end-of-life products, including tires. The production of new tires using carbon black recovered with Enviro's technology reduces carbon dioxide emissions by up to 93 per cent compared with the use of virgin carbon black. Enviro has its head office in Gothenburg and a plant for the recycling of end-of-life tires in Åsensbruk. The largest owner is the French tire manufacturer Michelin. Enviro was founded in 2001 and is listed on Nasdaq First North Growth Market.