

Enviro provides a status update regarding the company's ownership in the joint venture company

Scandinavian Enviro Systems (Enviro) currently has an ownership stake of 8.78 percent in the joint venture that the company formed together with Antin Infrastructure Partners' NextGen platform and which is supported by Michelin. Enviro's share of ownership will shift as the joint venture company is capitalized, Enviro is compensated for the achievement of certain milestones and depending on when Enviro exercises its option to buy into the company.

The current share of ownership is the result of the compensation the company received for historical costs linked to the establishment of the facility in Uddevalla. During February and May this year, Enviro has received a total of SEK 106.8 million in compensation, of which SEK 53.4 million in cash and SEK 53.3 million in the form of shares in the joint venture company. With the current capitalization of the joint venture company, this gives Enviro an ownership stake of a total of 8.78 percent. Enviro has now been fully compensated by the joint venture company for historical costs for the plant in Uddevalla.

Going forward, Enviro will continuously receive compensation linked to the achievement of certain pre-defined milestones. These compensations 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 will communicate individual transactions linked to the achievement of these milestones and current ownership 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. The parties have agreed on a predetermined valuation principle that determines the price for the remaining shares when the option is exercised.

The option has a term of 6 months counted from the successful commissioning of the facility in Uddevalla, i.e. the time when the factory functions as planned and production is fully ramped up. The facility in Uddevalla is expected to be fully operational in 2025.

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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.

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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.