

2024-05-02

Enviro receives additional MSEK 54 payment for costs incurred, of which half in cash and half as ownership share in joint venture

- **Scandinavian Enviro Systems (publ) (“Enviro” or the “Company”)** has today received an additional payment for costs incurred relating to the plant in Uddevalla, Sweden. The payment has been made by the joint venture established by Enviro and Antin Infrastructure Partners.
- This time, Enviro has received a payment of MSEK 53.8 million, of which MSEK 26.9 in cash and MSEK 26.9 in the form of shares in the joint venture.
- As previously communicated, Enviro has an option to acquire an ownership share in the joint venture that over time will ultimately correspond to approximately 30 percent. Enviro intends to fully exercise this option.

This time too, the payment covers part of the costs incurred by Enviro for establishing the full-scale recycling plant for end-of-life tires in Uddevalla. In February, Enviro received MSEK 53 in a first payment for costs incurred of which 50 percent was in cash and 50 percent in the form of shares in the joint venture. In total, Enviro has now received MSEK 106.8 in payments, whereof MSEK 53.4 in cash and MSEK 53.4 in the form of shares.

Enviro’s stake in the joint venture will fluctuate in pace with the capitalization process for the joint venture, but over time Enviro is entitled to acquire an ownership share that ultimately corresponds to approximately 30 percent.

The construction of the full-scale plant in Uddevalla was initiated in February this year. The facility and the land it is built on have now passed into the joint venture’s ownership. The joint venture will be the world’s first large-scale tire recycling company, combining Enviro’s unique patented technology for extracting carbon black and pyrolysis oil from end-of-life tires with Antin’s expertise in developing and scaling up future infrastructure platforms. The joint venture plans to construct plants across Europe targeting a total annual recycling capacity of up to one million metric tons of end-of-life tires by 2030.

As previously communicated, Enviro will receive revenue through both service fees and an asset fee based on the profitability of the respective plants while the company will have the possibility of building up long-term value through ownership in the joint venture. After the directed share issue in the spring 2023 and the final investment decision, Enviro has secured the financing of the company's operations during 24-30 months counted from May 2023.

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.



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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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