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Enviro and Antin announces final investment decision for plant in Uddevalla

- The joint venture between Scandinavian Enviro Systems (publ) ("Enviro" or the "Company") Michelin and Antin Infrastructure Partners today made the final investment decision regarding the construction of the end of life tire recycling plant in Uddevalla, Sweden.
- The joint venture has secured equity financing for the construction of the plant and signed multi-year agreements for the supply of end-of-life tires and offtakes for the recovered carbon black and oil products. The signed agreements regarding deliveries of recovered materials have a total value of approximately MEUR 180 (SEK 2 billion) over the contract period, which varies between 5 and 10 years.
- Customers for recovered oil and carbon black include several leading manufacturers in the tire, rubber and oil industries as well as the chemicals industry. Michelin has also signed multi-year delivery contracts for recovered materials in support of the joint venture and its plans.
- In conjunction with ownership of the land where the plant is being constructed passing to the joint venture, Enviro will receive remuneration from the joint venture for the costs worked up at that point in time. Half of the costs worked up will be paid in cash, while the rest will be converted to a stake in the joint venture.

The plant in Uddevalla will be the first full-scale recycling plant based on Enviro's unique and patented technology and the first to be constructed by the joint venture (following its formation in March 2023). All the of the necessary environmental and construction approvals have been obtained, enabling the joint venture to place orders for key materials and machinery (including those with longer lead times) and construction subcontractors to establish operations on site of the Uddevalla plant. The construction of the plant is anticipated to commence in the first quarter of 2024, with the aim to have the plan fully operational in 2025, in accordance with previous communications.

Agreements and letters of intent pertaining to multi-year delivery contracts

The joint venture has negotiated and signed legally binding long-term agreements pertaining to delivery of end-of-life tires to the plant in Uddevalla and delivery of recovered carbon black and oil from the plant. The end-of-life tires will be delivered by companies including Svensk Däckåtervinning AB, while customers for the recovered carbon black and oil include several leading companies in the tire, rubber and oil industries such as Michelin, Preem, Nokian Tyres and H&R Group. These agreements encompass deliveries of recovered oil and carbon

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.



black over the contract period, which varies between 5 and 10 years, at an aggregate value of approximately MEUR 180 (SEK 2 billion).

One million metric tons

As previously communicated, 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. After successfully commissioning the plant in Uddevalla, the joint venture will seek to accelerate the build-out of additional plants in other European jurisdictions. The procedure for establishment in other European countries has begun so as to ensure a rapid roll-out. Enviro and Antin Infrastructure Partners' NextGen fund have previously agreed on a plan for financing the construction of the plants.

Enviro to be remunerated for investments made

In conjunction with ownership of the land where the plant is being constructed passing to the joint venture, Enviro will receive payment from the joint venture for the costs worked up at that point in time. Half of the amount will be paid in cash, while the rest will be converted to a stake in the joint venture. Enviro will announce the amount and the ownership stake once both have been established in conjunction with ownership of the land passing to the joint venture.

As previously communicated, Enviro has an option to acquire an ownership share of approximately 30 percent in the joint venture.

This disclosure contains information that Scandinavian Enviro Systems is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 2024-02-07 22:32 CET.

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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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