

Enviro starts holding company in the USA as part of establishing local plants

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.

The Board of Scandinavian Enviro Systems (publ) has decided to immediately start a holding company in the USA to facilitate Enviro's establishment of co-owned recycling plants on the US market.

“Our new strategy means that Enviro wants to become part-owner of plants based on our technology as it provides good revenue opportunities. However, becoming a partner places other requirements on company structures, and it is from this perspective that the decision to establish a holding company in the US market should be seen”, says Thomas Sörensson, CEO Enviro.

As recently communicated, [Enviro has signed a term sheet](#) with US TreadCraft Carbon LLC regarding the establishment of a jointly owned plant for recycling of end-of-life tyres based on Enviro's technology. The signing means that the parties agree on the main terms for a plant business such as scope of delivery, construction cost, payment and delivery terms.

Based on the term sheet, the parties are now negotiating the terms for a definitive agreement. At the same time, work is also underway to obtain supplementary agreements for the terms of the joint venture and license agreements. All negotiations are conditional on financing, a process that is ongoing in parallel.

“The decision to establish a holding company in the US is part of the process of creating the right conditions for final agreements and financing of the facility.”

Sustainable technology

Enviro has developed a world-leading technology for recycling of end-of-life vehicle tyres, which means that strategic and finite resources such as oil, steel and carbon black can be recovered. By using recycled carbon black instead of virgin carbon black in the production of new tyres and rubber details, the emissions of climate-impacting carbon dioxide can be greatly reduced, while the recycling of other incoming resources means further reduced environmental impact. According to a life cycle analysis conducted by the Swedish Environmental Institute IVL, the use of recycled carbon black can result in between 79 and 84 percent lower emissions of greenhouse gas carbon dioxide compared to the production and use of virgin carbon black.

“The ever-growing interest in sustainable technology and the increasingly decisive questions about how greenhouse gas emissions should be reduced means that there’s also an increasing interest for our unique technology in the tyre and rubber industry”, says Thomas Sörensson, CEO of Enviro.

For more information, please contact:

Thomas Sörensson, CEO Enviro, +46 (0)735-10 53 43, thomas.sorensson@envirosystems.se
Urban Folcker, CFO Enviro, +46 (0)760-00 13 11, urban.folcker@envirosystems.se
Alf Blomqvist, Board Chairman Enviro, +46 (0)733 149 700, alf@blomqvistunlimited.com

Enviro is a company developing, building and operating industrial plants for material recovery from End of Life Tyres (ELT). The company has developed a process, based on a patented technology, where gas generated in the process is heating the tyres in absence of oxygen. This enables the materials in the tyres to decompose and be recovered instead of incinerated. Thus, a sustainable recovery of the resources Carbon black, Oil, Steel and Gas is obtained. The products are used in new products, replacing fossil resources to help the customers reach their sustainability targets. Enviro was founded in 2001, has its head office in Gothenburg and runs its own plant for ELT tyres in Åsensbruk, Sweden. The company is listed on the Nasdaq First North Growth Markets with Mangold Fondkommission AB, tel. +46 (0)8 5030 1550, ca@mangold.se, as its Certified Advisor. www.envirosystems.se

Pressmeddelande
Scandinavian Enviro Systems AB (publ) 556605-6726
2019-09-02



Mangold Fondkommission AB, +46 8 503 01 550, ca@mangold.se, is Enviro's Certified Advisor at Nasdaq First North Growth Markets.

Scandinavian Enviro Systems AB

Regnbågsgatan 8C

SE-417 55 Gothenburg, Sweden

info@envirosystems.se

www.envirosystems.se

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