

Definitive strategic partnership agreements with Michelin delayed

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.

All parts of the definitive agreements between Scandinavian Enviro Systems (publ) (“Enviro” or “The Company”) and Michelin concerning the announced strategic partnership have not yet been fully negotiated. Accordingly, Enviro will not be convening an Extraordinary General Meeting (EGM) for approval of the agreements in January as previously announced. Both Enviro and Michelin expect that the agreements will be fully negotiated in the near future. As previously communicated, the agreements must first be approved by Enviro’s owners at an EGM before they can enter into force. Notice of the EGM will be published separately.

In December 2020, Enviro announced that the company and Michelin had agreed on the key principles for a strategic partnership. The key principles communicated at that time covered the terms for the establishment of a first jointly owned recycling plant and a license agreement regulating the terms of use of Enviro’s recycling technology and subsequent compensation. Since December, the parties have continued to negotiate the definitive agreements that will form the basis for the strategic partnership. The ambition was to complete the negotiations so that Enviro’s Board of Directors could convene an EGM in January, which was also communicated by the company.

Both Enviro and Michelin want to emphasise that the delay will not affect the plans for a strategic partnership.

“Both parties have been working diligently on finalizing the formal documents to conclude the envisioned Strategic Partnership Agreement for which we reached a principal agreement in December. The Covid-19 context is not helping us as physical meetings have been impossible to organize. We are nevertheless confident we will be able to conclude our partnership in a formalized manner shortly,” said Sander Vermeulen, Vice President Marketing & Business Development, Strategy & New Businesses High-Tech Materials at Michelin and member of the board of Scandinavian Enviro Systems.

“There are many pieces that must fall into place before everything is ready, and it has unfortunately taken more time to complete our negotiations than we previously estimated. However, both parties remain equally convinced of the major advantages of our planned strategic partnership and are thus equally as determined to get the agreements into place,” says Thomas Sörensson, CEO Enviro.

Before the definitive strategic partnership agreements can enter into force, they must be approved by Enviro’s shareholders at an EGM. The reason is that Michelin is deemed a related party by virtue of its ownership in the company, and a related-party transaction requires the approval of shareholders at a General Meeting. Immediately following the signing of the definitive agreements,

Press release
Scandinavian Enviro Systems AB (public)
556605-6726
2021-01-28



Enviro's Board will hold an extra board meeting to decide to convene an EGM to gain approval for the agreements. Notice of the EGM will be sent out separately.

For further information, please contact:

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

Mangold Fondkommission AB, +46 (0)8 503 01 550, ca@mangold.se, is Enviro's Certified Adviser on Nasdaq First North Growth Market Stockholm.

Scandinavian Enviro Systems AB

Herkulesgatan 1K
SE-417 01 Gothenburg
info@envirosystems.se
www.envirosystems.se

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 28-01-2021 22:45 CET.

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 Market with Mangold Fondkommission AB, tel. +46 (0)8 5030 1550, ca@mangold.se, as its Certified Advisor. www.envirosystems.se