

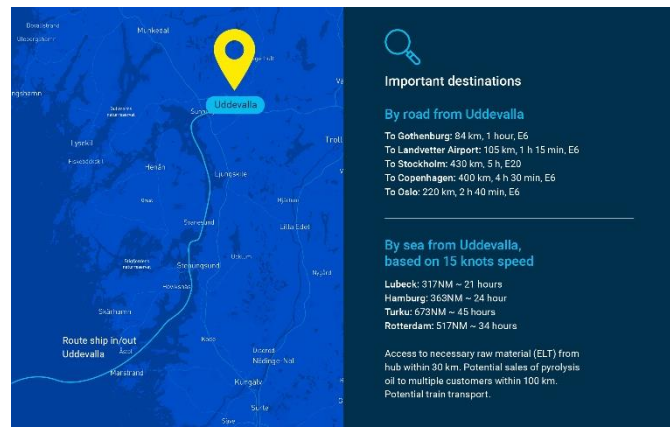
Enviro initiates consultation regarding plant on identified industrial site in West Sweden

– planned plant has capacity to recycle half of all end-of-life tyres in Sweden

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.

Scandinavian Enviro Systems will submit a proposal for consultation documentation to the county administrative board in Västra Götaland ahead of a future permit application for a new recycling plant for end-of-life vehicle tyres. The consultation pertains to the establishment of a new facility to be located in Uddevalla Municipality with an annual capacity to recycle half of all end-of-life tyres in Sweden.

Enviro has previously communicated its aim to ultimately establish about four new recycling plants per year over the next ten years. The company has stated that West Sweden and Central Europe are its initial priority markets and has now identified an industrial site in Lillesjö, in Uddevalla Municipality, as potentially suitable for establishment of a new recycling plant in West Sweden. Since 2013, Enviro has operated a wholly owned recycling plant at Åsensbruk, in Mellerud Municipality, with a permit for recycling a maximum of 15,000 tonnes of tyres per year. The planned facility in Uddevalla is estimated to have a maximum capacity of 60,000 tonnes of tyres per year, which would suffice for the recycling of half of Sweden's total annual volume of end-of-life tyres. The planned new facility will not affect the operations at the plant in Åsensbruk.



The documentation that has now been produced for consultation will be followed up by a formal application for permission to establish the plant. It is expected that the permit application will be submitted in early autumn. A final decision on establishment of a plant is also dependent on several other factors, such as securing access to end-of-life tyres and agreements covering deliveries of recovered materials.

Enviro has developed a patented method for the recycling of end-of-life vehicle tyres that makes it possible to recover constituent components such as carbon black, oil and steel. Carbon black is an oil-based component that is central to the production of new tyres, and tyre production using recovered carbon black has major positive environmental consequences. A life cycle analysis conducted by the Swedish Environmental Research Institute (IVL) shows that tyre production using carbon black that has been recycled using Enviro's method could lead to 79-84 per cent lower greenhouse gas emissions, compared with production using virgin carbon black. The recovery of steel

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



and oil also has a positive impact on the environment. Enviro has entered into a strategic partnership with the French tire manufacturer Michelin, which is Enviro's largest owner since April of last year.

New industrial jobs

A future recycling plant in Uddevalla would not only contribute to reduced environmental impact, but would also lead to the creation of new industrial jobs.

"Naturally, the exact number will depend on the size of the plant and the volumes that we recover, but there is no doubt that this type of facility generates new jobs," says Thomas Sörensson, CEO of Enviro.

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