

Changes in local legislation delays agreement with Vanlead in China

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.

With reference to the press releases from October 26, 2017 "[Enviro only finalist in Chinese tender process](#)" and from November 22, 2017 "[Update: Negotiations with Vanlead](#)", Scandinavian Enviro Systems (publ) (Enviro) hereby would like to inform that the parties are continuing the preparations for final negotiations, but with a delay in the process due to changes in local legislation. However, the negotiations are ongoing and the parties have agreed to meet in January 2018.

The concept to reclaim high value material such as Carbon Black from End of Life Tyres (ELT) and to reuse this directly in connection with the manufacturing of new tyres at the same location is unique in the whole world. Both Enviro and Vanlead are, like previously, planning to build a plant at the selected location.

– Changes in local legislation are affecting the permit situation at the site at which Vanlead currently is manufacturing tyres and also has selected to be a joint location together with recycling of ELT. Due to these circumstances it has not been possible to finalize the contract negotiations during December 2017, says Thomas Sörensson, CEO at Enviro.

During the autumn a new legislation affecting plants related to energy production and handling of oil and lubricants in the Guangzhou area. Enviro is currently, together with Vanlead and local authorities, exploiting if, and in given case how, this will affect this particular site.

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This information is information that Scandinavian Enviro Systems AB (publ) is required to publish under the EU regulation on market abuse. The information is provided under the auspices of the contact person listed above for publication on December 20th 2017 at 16:00 CET.