

Enviro heading towards joint venture in China – signs MoU with Vanlead Group

Enviro has signed yet another memorandum of understanding (MoU) with Chinese Vanlead Group, Southern China's biggest tyre manufacturer and a major international tyre industry player. The objective of the MoU is to set up a joint venture to market Enviro's patented technology across the entire Chinese market.

"Both Enviro and Vanlead see the great potential for Enviro's environmental technology with respect to materials recovery from end-of-service tyres in China. A joint venture with one of China's biggest tyre manufacturers enables both parties to capitalise more rapidly and successfully on the world's biggest carbon black market," says Thomas Sörensson, CEO of Enviro.

Another MoU has been signed with the Vanlead Group to create a joint venture for the Chinese market. As part of their partnership, the parties have also signed an MoU to build a recycling plant in Guangdong in Southern China, which is designed to meet Vanlead's need for reclaimed carbon black for tyre production.

"Vanlead's position as one of China's leading tyre producers and one that is focused on high-tech and sustainable solutions is a unique opportunity. Enviro represents a high degree of efficiency and automation and we fit in very well with Vanlead's sustainability ambitions."

In addition to being Southern China's largest tyre producer, Vanlead Group currently exports tyres to Europe, the United States, and other parts of the world. Over the past year, Vanlead's new Hefei factory, featuring so-called Industry 4.0, has been brought online and is set up to be one of the world's most automated tyre production units.

"China is the world's biggest tyre market and new solutions for processing end-of-service tyres more circularly are necessary from both environmental and resource-related perspectives. Both Vanlead and Enviro are incredibly pleased to have charted out a course for our journey together – and our efforts to form the joint venture company will start immediately. Our goal is to have an agreement ready for signing over the summer," says Enviro CEO Sörensson.

Vanlead Group: http://www.vanlead.com/gw_en/

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Enviro is an environmental company that offers profitable recycling of tyres and processed materials primarily for the rubber industry. The company sells turn-key environmental facilities to industrial investors and operate their own plant for end-of-service tyres in Åsensbruk, Sweden. Enviro, headquartered in Gothenburg, was founded in 2001, has 20 employees, and is listed on the Nasdaq First North securities exchange with Mangold Fondkommission AB, tel. +46 (0)8 5030 1550, as its Certified Advisor. www.envirosystems.se

During the term of the above mentioned MOU, except for Scandinavian Enviro Systems, only Vanlead Group and Gudinna Investment Consulting has the authority to release news and information on behalf of Enviro regarding Enviro's affairs in China, this in accordance with agreements between Enviro and the parties.

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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.