

Enviro signs joint venture MoU with US-based EE-TDF Cleveland LLC

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 AB (publ) ("Enviro") has signed a memorandum of understanding with EE-TDF Cleveland, LLC, a US company active in the tyre-recycling segment in the United States. The agreement remains in effect for six months, has an option to extend, and opens up opportunities for additional joint venture plants with an annual recycling capacity of 30,000 tonnes tyres.

"Our ambition is to sign a binding agreement over the next three months and then commence our first plant project in Q2 2019," says Thomas Sörensson, CEO of Enviro.

The initial plant construction is planned for EE-TDF Cleveland's existing site in Texas, US, with future plants in Louisiana and Oklahoma. The MoU paves the way for establishing additional plants in these states on the condition that the first plant is established according to plan.

Sörensson continues, "in the future, Enviro will be prioritising plants with full or joint ownership. In this instance, we will require joint ownership as part of the transaction, which is something that is also welcomed by our new partner. We see it as something positive to be joint owners in the plants that we establish in that we will benefit from their anticipated returns. This, of course, is completely in line with our new business strategy."

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Enviro develops, builds, and operates plants for recycling valuable resources from end-of-life tyres in the international market. The company has developed a process based on patented technology in which tyres are heated in an acid-free environment, which allows various tyre materials to be recycled without incineration. This achieves an environmentally friendly extraction where gas is used to operate the plant and the valuable resources of carbon black, oil, and steel are sold in the market. The material is used in new products, which helps customers meet sustainability targets and reduces the need for fossil resources. Enviro was founded in 2001. Its headquarters are located in Gothenburg and it operates a plant for the recycling of end-of-life tyres in Åsensbruk, Sweden. The company is listed for trade in Nasdaq First North with Mangold Fondkommission, 08 5030 1550. as its Certified Adviser. www.envirosystems.se