

Enviro receives a pyrolysis oil order worth MSEK 2 from a subsidiary of a leading US oil company

Scandinavian Enviro Systems has received a recovered pyrolysis oil order worth MSEK 2 from the subsidiary of a leading US oil company. The oil will be used for production tests at a European oil refinery owned by the oil company. Completion of the transaction is conditional upon Enviro's recovered oil gaining a registration in accordance with the EU chemicals regulation, REACH. The company expects to obtain a REACH registration for the oil as an intermediate during the second quarter of 2022.

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.

The oil company is one of the five largest oil companies in the US and the oil will be used to conduct production tests to determine how suitable it is as feedstock for the production of different biofuels. The oil will be produced at Enviro's recycling plant in Åsensbruk. The plant is based on Enviro's patented recycling technology for end-of-life vehicle tyres and the oil and carbon black produced at the plant were both certified in accordance with the global sustainability certification system ISCC in September last year.

To enable the transaction to be finalised, Enviro's oil must also be approved in accordance with the EU REACH regulation. Other manufacturers have already obtained registrations for pyrolysis oil in accordance with the regulation. REACH is a regulation of the European Union, adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals. Enviro expects to obtain a REACH registration of its oil as an intermediate during the second quarter of 2022.

"This is the first major order from an oil company and is a milestone for Enviro's development as it signals a clear acceptance of the commercial potential of our pyrolysis oil. Accordingly, this transaction also improves our opportunities to secure off-take agreements for the oil we recover," says Thomas Sörensson, CEO of Enviro.

The ISCC certification of pyrolysis oil from the plant in Åsensbruk is crucial for enabling Enviro to conduct large-scale commercial trading in the oil. Several companies in the oil and chemicals industries have shown interest in using recovered pyrolysis oil in their production for sustainability reasons. The price level on which the order now received is based also confirms the revenue calculations communicated earlier by Enviro regarding the company's future, full-scale recycling plants.

"The stricter requirements concerning sustainability from the authorities, politicians, consumers and investors has increased the interest in our recovered pyrolysis oil markedly in the past few years. Having our recovered materials, such as oil and carbon black, ISCC certified is a significant achievement and makes it possible for the oil industry and the chemicals industry to become more sustainable and circular," says Thomas Sörensson, CEO of Enviro.

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 Adviser. 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 08-02-2022 18:40 CET.

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