

EU's mass balance approach increases value of Enviro's oil following ISCC EU certification

The ISCC certification obtained in September for Enviro's recovered pyrolysis oil has made it significantly more attractive to various fuel producers as a raw material. The reason is that this certification, combined with the EU mass balance approach, which forms part of the EU Renewable Energy Directive, means that the oil can be commercialized by fuel producers as 100-percent renewable.

"Our oil can thus strongly improve the producers' ability to meet the reduction demands that are based on taxation in relation to the proportion of fossil raw material," says Thomas Sörensson, CEO of Enviro.

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.

In September this year, the pyrolysis oil that Enviro recovers at its plant in Åsensbruk was awarded sustainability certification in accordance with the International Sustainability & Carbon Certification (ISCC), as communicated by the company earlier. Enviro's pyrolysis oil is recovered from end-of-life tyres and has a highly renewable, so-called biogenic content, since tyres largely comprise natural rubber. The content varies, but on average, oil from tyres for vehicles such as cars, trucks and buses, have up to 50 percent biogenic content. Oil from large tyres for construction machinery and mining machinery may have a content of as much as over 70 percent.

The mass balance system is included in the EU Renewable Energy Directive and fulfillment of mass balance entails that, overall, there is a balance between ingoing and outgoing sustainable materials. Mass balance is also central to the ISCC certifications, ISCC EU and ISCC Plus, which Enviro received earlier this year, and aims to ensure that the registration of amounts and properties of incoming raw materials (end-of-life tyres) is placed in relation to the amounts and properties of the products (oil, gas, steel and carbon black) that result from the recycling process. As a result of the ISCC EU certification, it is possible for Enviro, via the mass balance approach, to maximize the renewable content to the volume of oil sold to fuel producers. Since pyrolysis oil usually has a biogenic content of 50 percent, this entails that approximately half of Enviro's recovered oil can be commercialized by fuel producers as 100 percent renewable.

The certification obtained in September has also expanded the area of use for the oil and, accordingly, to greater interest from potential customers and negotiations with more partners than previously.

"As more people see the commercial opportunities of our oil, the number of requests for potential deliveries increases, as does the number of negotiations. Following certification, we are in an excellent position and feel that it is more important for us to choose the right counterparties and terms for long-term agreements, rather than moving rapidly," says Thomas Sörensson.

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



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