Press release
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Feasibility study investigates conditions for tyre recovery with Enviro's technology in the UK

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' (publ) ("Enviro") representative in the UK market, 2G BioPOWER, has been granted the equivalent of MSEK 2.5 in state funding for a feasibility study that will investigate the possibilities for the large-scale introduction of Enviro's recovery technology for end-of-life tyres in the UK. The objectives include investigating the possibilities for recovering oil and carbon black from domestic end-of-life tyres.

Every year, the UK generates approximately 450,000 tonnes of end-of-life tyres, of which 400,000 tonnes are ground down to granulate or exported to countries such as India where they continue to be used despite traffic safety risks, or alternately are transformed into low-value oil products with tremendous negative environmental impact. Moreover, since the tyres are regarded as waste, exports are costly and the transportation itself also affects the environment. The state-financed innovation office Innovate UK will therefore fund a feasibility study to investigate the conditions for recovering a large percentage of the end-of-life tyres within the country's borders more sustainably using Enviro's patented pyrolysis technology.

What the study is primarily interested in is the possibilities of recovering and refining the natural rubber-based, renewable oil from the tyres. A vehicle tyre consists of approximately 50 percent oil, a significant portion of which comes from natural rubber. Enviro's advanced recovery method makes use of the components that become oil from the tyres, known as pyrolysis oil, that can be refined or used to replace fossil fuel-based oil in several different contexts. In addition to 2G BioPOWER and the engineering company OSL, an international company in the oil sector with operations in countries including the UK will also be involved in the study.

2G BioPOWER, which has been commissioned to lead the study, has represented Enviro in the UK regarding certain aspects of its business since 2015. The objectives of the preliminary study include investigating the supply of end-of-life tyres, including logistics; reporting on the outcome of pyrolysis oil testing; quantifying the market for carbon black in the tyre industry and producing a capital investment appraisal for large-scale use of Enviro's technology in the UK. It is estimated that the preliminary study will extend over a period of up to six months.

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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 Advisor. www.envirosystems.se

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