

Sharp increase of interest in Enviro's recovered materials as a result of the war in Ukraine

Since the Russian invasion of Ukraine on February 24, Enviro has noted a sharp increase of interest in purchasing the carbon black and oil that Enviro recovers from end-of-life tyres. The increased interest has been observed among old and new customers, but the company cannot yet assess what this will mean in terms of specific orders or supply agreements.

"The increase in interest entails that we will need to set priorities carefully, while it also confirms that we were wise not to be in a hurry to sign long-term supply agreements connected to our expansion plan," 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.

According to a U.S. market research company, Russia, Ukraine, and Belarus produce a significant part of all carbon black used in Europe. At the same time, Europe wants to reduce its dependence on Russian oil and, because oil is a raw material used in carbon black production, this could also influence supply.

"Accordingly, the war is likely to have a major impact on the supply of carbon black in Europe and globally, and it is obvious that this is causing concern among tyre and rubber manufacturers that shortages will occur," says Thomas Sörensson, CEO of Enviro.

According to Thomas Sörensson, the increased interest was apparent more or less immediately after the Russian invasion. There has been a strong increase in the number of new and existing customers contacting Enviro to investigate the possibilities of receiving deliveries of carbon black from the company.

"Our expansion plan comprises the establishment of a total recycling capacity of 900,000 tonnes of end-of-life tyres by 2030. At the heart of the implementation of the expansion plan is the establishment of long-term supply agreements for recovered materials and end-of-life tyres. The strong rise in interest means that we now need to set our priorities carefully," says Thomas Sörensson.

Enviro is currently unable to assess the implications of the increased interest for the company's future development. The interest applies to both deliveries of carbon black and recovered oil, referred to as pyrolysis oil. Since the company is conducting several discussions with investors, contractors, and partners regarding the planned facility in Uddevalla, the company wants to be transparent towards the capital market about the way in which interest in the company's recycling technology and recovered products has risen due to the war.

"Interest has increased in a way that we could not have foreseen, and it is important that the market understands this, although we are currently unable to say anything more specific about what it will mean for our business," says Thomas Sörensson.

For further information, please contact:

Thomas Sörensson, CEO of Enviro, +46 (0)735-10 53 43, thomas.sorensson@envirosystems.se

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



Urban Folcker, Enviro CFO, +46 (0)760-00 13 11, urban.folcker@envirosystems.se

Alf Blomqvist, Chairman of the Board of Enviro, +46 (0)733 149 700, alf@blomqvistunlimited.com

Mangold Fondkommission AB, +46 (0)8 503 01 550, ca@mangold.se, is Enviro's Certified Adviser on Nasdaq First North Growth Market Stockholm.

Scandinavian Enviro Systems AB

Herkulesgatan 1K

SE-417 03 Gothenburg

info@envirosystems.se

www.envirosystems.se

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