

# Updates on central milestones connected to Enviro's commercial development

**During the past six months, Enviro has achieved several central milestones in the efforts to commercialise and industrialise the company's patented technology for recovering valuable raw goods from end-of-life tyres.**

**These milestones include ISCC certification of Enviro's recovered carbon black and pyrolysis oil, an environmental permit application for the future recycling plant in Uddevalla and activities related to the establishment of a recycling plant in Chile jointly with Michelin.**

**"The past autumn served as a clear reminder to the world of the acute need to reduce climate impact and increase the circular use of valuable raw materials. This really motivates us, our suppliers and our customers," says Thomas Sörensson, CEO Enviro.**

Enviro has announced a plan for how the company intends to step-by-step commercialise and industrialise its unique pyrolysis technology. The company's goal is to establish a total annual recovery capacity of 900,000 ton end-of-life tyres by 2030. Establishing efficient planning and execution processes and a focus on modular concepts and standardisation are essential to the success of the expansion plan. One of the projects based on Enviro's patented technology is being implemented in Chile as a joint venture with Michelin. The international engineering firm McDermott is currently developing a Front End Engineering Design, FEED, for the facility in Chile on behalf of Michelin. Meanwhile, recruitment is ongoing for a manager for the facility.

The expansion plan that Enviro communicated also includes the establishment of a new recycling plant in West Sweden. The company decided during the autumn to localise the facility to an industrial site identified in Uddevalla and submitted an environmental permit application. Enviro will need to recruit a number of key competencies to accomplish the overarching plan and to carry out the establishment in Uddevalla. This work is also proceeding according to plan.

## **ISCC certification crucial**

An important milestone that the company announced in the autumn is the sustainability certification according to the International Sustainability & Carbon Certification system (ISCC), which the company received for both its recovered carbon black and oil. This made Enviro the first in the world to certify its carbon black according to the requirements under both ISCC EU and ISCC Plus. The certification received, in combination with other regulations for sustainability classification such as the EU's mass balance approach, means even higher customer value for the recovered carbon black and oil. After this certification, Enviro also saw a significant increase in requests for deliveries of these recovered materials.

"This increase has improved our negotiating position because more parties now want to negotiate long-term delivery agreements. Our ambition is to wrap up these agreements as soon as possible, but since we're not in any hurry the fact that these have been somewhat delayed hasn't been to our disadvantage – rather the opposite," says Thomas Sörensson, CEO Enviro.

## **Increased focus on sustainability**

It has also become even clearer over the past six months just how great the need is for technology like Enviro's, which can help reduce carbon emissions and increase the circular use of valuable raw

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](mailto:ca@mangold.se), as its Certified Adviser. [www.envirosystems.se](http://www.envirosystems.se)



materials. The latest report from the UN's climate panel and the subsequent COP26 climate meeting were a dramatic reminder to the world of the need for immediate measures within a variety of areas.

"Awareness of the importance of sustainability topics has increased drastically, which has further bolstered the customer value of our technology and our products. What we can offer through our technology, in the tyre industry and the oil and chemical industry, are products that help them meet their sustainability targets. Because they're under pressure from everyone from legislators and authorities to customers, investors and consumers, the value of what we offer is even clearer to them," says Thomas Sörensson.

### **Michelin and Bridgestone taking the lead**

Several of the world's major manufacturers within the tyre industry have announced very ambitious targets for improving their sustainability. At a recently arranged international conference on recovered carbon black in Amsterdam, Michelin and Bridgestone announced that they intend to advocate for making the tyre industry more environmentally sustainable through actively focusing on a broadened and significant use of recovered carbon black. In a joint presentation, both manufacturers announced that by 2050 they intend to be entirely carbon-neutral and that by the same year they intend to have 100 percent sustainable material in their tyres.

Enviro also took essential measures to address short- and long-term financing during the second half of 2021, including a directed share issue of MSEK 125. In parallel with this, the company has brought in Pareto Securities as advisor for the capital structure and the international financial advisor Greenhill for long-term financial planning.

*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.*

### **For further information, please contact:**

Thomas Sörensson, CEO of Enviro, +46 (0)735-10 53 43, [thomas.sorensson@envirosystems.se](mailto:thomas.sorensson@envirosystems.se)  
Urban Folcker, Enviro CFO, +46 (0)760-00 13 11, [urban.folcker@envirosystems.se](mailto:urban.folcker@envirosystems.se)  
Alf Blomqvist, Chairman of the Board of Enviro, +46 (0)733 149 700, [alf@blomqvistunlimited.com](mailto:alf@blomqvistunlimited.com)

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

### **Scandinavian Enviro Systems AB**

Herkulesgatan 1K  
SE-417 01 Gothenburg  
[info@envirosystems.se](mailto:info@envirosystems.se)  
[www.envirosystems.se](http://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](mailto:ca@mangold.se), as its Certified Adviser. [www.envirosystems.se](http://www.envirosystems.se)