

Renewed supply agreement underlines the need and demand for Enviro's recycled raw materials

Scandinavian Enviro Systems (Enviro) has renewed a delivery agreement concerning pyrolysis oil from the Åsensbruk facility with a leading American oil company. The ISCC EU certified oil will be used by the oil company for the production of biofuel. The order accounts for 100 percent of the annual production of 750 tons of ISCC EU certified oil at Åsensbruk and the oil company has expressed a demand for substantially larger volumes.

"The order underscores the enormous interest in and perception of the quality of our recycled raw materials. From Åsensbruk, with this agreement, we are selling all the ISCC EU-certified oil we can produce. For the upcoming plant in Uddevalla, the situation is the same, where all oil, regardless of grade, is sold out through so-called offtake agreements even before the facility is operational," says Fredrik Emilson, CEO of Enviro.

Oil recycled from end-of-life vehicle tires and meeting ISCC EU requirements offers significant environmental benefits and can therefore be sold at a higher price than its traditional counterparts. Biofuels produced from oil certified according to ISCC EU can be mass balanced as 100 percent renewable.

"The demand for our recycled raw materials is very high and is connected to their significant environmental advantages. Our recycled carbon black has more than 90 percent lower carbon footprint than virgin carbon black. Regarding the oil, half of it is renewable as it comes from natural rubber, thereby allowing oil companies to produce products with significantly lower climate impact," says Fredrik Emilson.

The current customer successfully conducted production tests of Enviro's pyrolysis oil in 2022 and has since received continuous deliveries of oil from Åsensbruk. The customer has also expressed great interest in purchasing oil from the upcoming plant in Uddevalla in the future.

The market's high demand for recycled pyrolysis oil and carbon black is behind the formation of Infiniteria, the joint venture created between Enviro and Antin Infrastructure Partners, supported by Michelin. Even before the plant began construction, the joint venture company had signed binding long-term supply agreements worth SEK 2 billion with leading tire manufacturers and oil companies.

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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 contributes to enhanced environmental and economic sustainability using a patented technology for the recovery of valuable raw materials from scrapped and end-of-life products, including tires. The production of new tires using carbon black recovered with Enviro's technology reduces carbon dioxide emissions by up to 93 per cent compared with the use of virgin carbon black. Enviro has its head office in Gothenburg and a plant for the recycling of end-of-life tires in Åsensbruk. The largest owner is the French tire manufacturer Michelin. Enviro was founded in 2001 and is listed on Nasdaq First North Growth Market. www.envirosystems.se