We give new life and high value to waste that no-one knows how to handle

Using a patented pyrolysis technology that we have **developed and proven for over 20 years**, we are able to tackle an incredible environmental roadblock: the **recycling and reuse of End-of-Life Tires** (ELTs). In doing so, we recover valuable resources such as Carbon Black, Oil and Steel for industries across the globe, **creating a true circular economy**.

With Michelin, the worlds largest tire manufacturer, by our side, we have all the pieces in place ~1bn ELTs created each year – a nascent and nearly endless opportunity

S.C.

now a key, longterm partner providing proof of concept and the first full scale plant ~93% less CO₂ when using Enviro Carbon Black vs. standard virgin Carbon Black

>70% Gross margins, using waste as feedstock and a scalable process

The leading platform creating a circular economy for tires January 10th 2022 Carnegie Clean Tech Seminar

Alf Blomqvist, Chairman



	Strategy	The Market	Expansion		Summary
Disclaimer					

In addition to historical information, this presentation includes forward-looking statements. Examples of forward-looking statements include statements made about strategy, expansion and market expectations, as well as illustrative plant financials By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements

These factors include but are not limited to:

- •Changes in general economic, political or market conditions;
- •Currency exchange rate fluctuations;
- •The successful execution of internal performance plans, including productivity efforts;
- •Customer, supplier and subcontractor performance or contract negotiations, including financing issues;
- •Legal, financial and governmental risks related to international transactions;
- •The full impact of the COVID-19 pandemic and the resulting health and economic crisis.

As a result, Enviros' actual performance and results may differ materially from the plans, goals and expectations set forth in such forward-looking statements.



Nov 22, 2021 30% of the Tire markets initiates a call to action for recovered Carbon Black



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SCANDINAVIAN ENVIRO SYST

Enviro in brief

A Sweden-based technology firm...



20+ year track record of pyrolysis innovation and engineering

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One Sweden-based plant (Åsensbruk) in commercial operation since 2016



World-leading pyrolysis platform and modular production process



1:st company in the world with sustainability certificate for rCB. Enviro TPO is also certified



Headquartered in Gothenburg, Sweden

with a pioneering history	ready for the ne	xt phase of growth
Enviro is a world-leader in pyrolysis technology for the recycling and reuse of End-of-Life Tires	Targeting steady state > 61% EBITDA margin	Aim to reach 120,000t increased capacity
Using a patented technology and		
the global leader in tire recycling through the construction and operation of a network of tire recycling plants	30,000-120,000 tonnes of tire recycled	Currently building 30,000t plant in Chile with Michelin
The Company currently has one operating commercial plant in Åsensbruk, Sweden		
Validated commercial product deliveries since 2016 to e.g. Volvo, Hexpol, Trelleborg and Michelin among others	60,000t plant in Uddevalla	+900,000t capacity Enviro's 10-year plan
Michelin, the world's largest tire manufacturer, is a long-term partner as well as being Enviro's largest shareholder (20%)	20% owned by Michelin, Enviro's strategic partner	POVIC

Technology	Strategy					ry
Pyrolysis – crea	ting circularity fo	or tires			OIL 50%	- STEEL 10%
AND STREET	". Г	Kol & Stål			WING A	The gas is used in the process
End of life Tyres	Substitute of the second secon	oljefylld g	Separation	Pelletering & tork		ARBON 30%
	Värmare	Gas Gastank	Stål (Packas i bal och levereras ut)	₿ Pelleterad kimrök tt (packas i big bags)	Valuable resources	1
A global environ-					Replacing virgin materials up to 100%	I
mental problem More than						Õ
18 million tons per year						

The anatomy of a typical passenger vehicle tire and outputs





Note: Formulation may vary slightly from producer to producer, but this can be seen as general tire formulations

End-of-life tire (ELT) volymes are massive

End-of-life tire volymes are set to continue growing, underpinned by strong tire market growth

- Over 1 billion end-of-life tires (>30 million metric tonnes) generated annually in the world
- Majority of ELT volume is recovered and used as energy (large portion for cement kilns), partly recycled (steel) or used as mix with other material or landfill
- Recovery rate is relatively high in Europe, India and Brazil (>90%), lower in the US (81%) and very low in e.g. Russia and Mexico (20%)
- Tires market compounded growth of 4.6% expected until 2025, that will naturally increase ELT growth





Enviro enables a world without waste

ELTs: an environmental crisis...

30.9 million tonnes of ELTs produced per year and no truly sustainable way to recover ELTs .. Various methods. Asphalt and including shredding for other works reclaimed rubber or for athletic tracks. turf. Civil Engineering I andfilled or playgrounds, etc. incinerated Not Recovered Cement kilns 12% or steel Energy production lecover ~1bn ELTs 15% generated each vear Unknown 29% Unknown recovery method primarily unreported or destroyed amounts in China

... making ELTs an ever-increasing environmental burden

...that tire firms are desperate to solve...

"Michelin is **committed to making our tires 100% sustainable by 2050**...an ambitious target for the Group, a leader in sustainable mobility"



"Bridgestone has clarified its long-term environmental target including **100% recycling rate** and a commitment of increasing the share of renewable material used to 40% by 2030 and further to 100% by 2050"

BRIDGESTONE

"Fully replace petroleum-derived oils by 2040...and reduce greenhouse gases by 25% by 2023 from a 2010 baseline"

GOOD FYEAR

"Continental is committed to a **sustainable material share of 60% by 2030 in flagship products**, further increasing it to 100% by the year 2050"

...with Enviro the perfect solution



93% reduced CO₂ impact, or the equivalent of 45,000 Stockholm to New York flights

Enviro steel

1 tonne CO₂ reduction per tonne steel produced

Green electricity

New plant to **use green electricity**, further supporting Enviro's sustainable impact

Carbon black market in focus: rapid growth in a market ripe for circularity



Existing virgin carbon black producers still lacking in recovered carbon black production

... and consists of a highly consolidated landscape



Potential rCB demand beyond realistic capacity build out

Theoretical maximum rCB m	arket potential by ELT supply ⁽¹⁾

	Demand CB	Supply ELT		Conversion p	otential suppl		# 30' tonnes
Market, tonnes				rCB (% of demand)	TPO		/ plants
World	16,579,500	27,784,000	8,335,200	50%	13,892,000	4,167,600	926
Europe	2,665,000	3,868,000	1,160,400	44%	1,934,000	580,200	129
North America	2,645,000	4,200,000	1,260,000	48%	2,100,000	630,000	140

Theoretical maximum rCB market potential by subst. 2025

CB application	Volume (%)	rCB substitution	rCB (%)	
Tire non tread	47%	50%	24%	
Tire tread	27%	20%	5%	
Non tire	19%	50%	10%	
Specialty	7%	N.A.	N.A.	
Total %	100%		38%	
Total volume	19,000		7,296	
# of 30' plants	2,111		811	

Nearly endless market for Enviro to capture



Recycled oil from Enviro's pyrolysis process is increasing in demand & value



Tire pyrolysis oil overview

The tire pyrolysis oil is an output material from the tire pyrolysis process

~50% of the material volume output from Enviro's pyrolysis process is oil

The oil consists party of renewable material based on the share of natural rubber in the tire feedstock used

Recycled oil – key features and attractions

Valuable petrochemicals with high bio content and eligible for renewable fuel certifications and sustainability premia



The latest research indicates a potential of at least 20 percent blending into conventional diesel is possible to reduce the fossil fuel content



The oil recovered contains about 40 percent bio-origin, making it increasingly interesting to the refinery and chemical market



Limited market competition due to substantial entry hurdles, such as R&D investments, patents and the cost of industrialization



The underlying demand for material circularity and reduced environmental impact drive the long-term demand for TPO

Strong interest based on ongoing discussions

Strategy to capture as large volumes as possible of sustainable and recycled oils for upcycling to advanced biofuels. Initial focus on volumes into their refinery Strategic partner A

Focus is to capture large (500,000 tonnes) volumes of sustainable and recycled pyrolysis oils for usage of production of syngas. Strategic partner B

Strategy to capture as large volumes as possible of sustainable and recycled oils for upcycling to advanced biofuels. Initial focus on volumes into their refinery Strategic partner C

Potential applications and end uses



		The Market				
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Enviro is the only player in the market with both EU-ISCC and ISCC-Plus certificates, and the only player with ISCC certificate for carbon black

Company	Certificate	Scope	Raw material	Add-ons	Valid to	Input material	Output material	Add-ons	ISCC EU waste process applied
0	EU-ISCC + requirements of RED II	Collecting point Pyrolysis plant	Tyres		16-Sep-22	Renewable component of end-of-life-tyres	Refined oil (Renewable component of end-of-life- tyres)	GHG ⁽¹⁾ option: Actual value	Material meets the definition of waste or residue according to the RED
ຍບາເເອັ						Renewable component of end-of-life-tyres	Bio-circular Pyrolysis Oil (Renewable component of end-of-life-tyres)	-	
ALCORNEY OF BOORD DOFFER	2 ISCC-Plus	Collecting point Pyrolysis plant	Tyres End-of-life tyres	GHG	16-Sep-22	Non-renewable	Circular pyrolysis oil (Non-renewable component of end-of-life-tyres)	-	Material meets the ISCC definition of waste or residue
		Onl	y Company with	h ISCC c	ertificate	component of end-of- life-tyres	Bio-circular Carbon Black (Non-renewable component of end-of-life-tyres)	-	
	ISCC-Plus	Collecting point Pyrolysis plant	End-of-life tyres		30-Aug-22	circular end-of-life tyres (the non-renewable part)	Circular pyrolysis oil	-	Material meets the ISCC definition of waste or residue
RE	EU-ISCC + requirements of RED II	Collecting point Pyrolysis plant	Tyres		21-May- 22	Renewable component of end-of-life-tyres	Refined oil (Renewable component of end-of-life- tyres)	GHG ⁽¹⁾ option: Actual value	Material meets the definition of waste or residue according to the RED
EUR&ECO FUELS	EU-ISCC + requirements of RED II	Collecting point Pyrolysis plant Refinery	Tyres		30-Aug-22	Renewable component of end-of-life-tyres	Bio Marine Fuel Bionaphta	GHG ⁽¹⁾ option: Actual value	Material meets the definition of waste or (processing) residue according to the RED II

ISCC is a globally applicable sustainability certification system and covers all sustainable feedstocks, including agricultural and forestry biomass, circular and bio-based materials and renewables

Renewable Energy Directive 2 (RED II) proposes a set of policy measures to achieve a 27% renewable energy share from energy consumed by the electricity, heating and cooling, and transportation sectors by 2030. The 27% target was endorsed by the EU Council in October 2014 and is binding at the EU level. RED II is needed to be able sell pyrolysis oil to fuel producers



nternational Sustainability

& Carbon Certification

....and now in November 2021 the 1:st tire manufacturer have been awarded ISCC plus

SUSTAINABILITY

International Sustainability and Carbon Certification Plus mark awarded to Hankook Tire



11th November 2021

Hankook Tire has announced it has become the first tire manufacturer to receive the International Sustainability and Carbon Certification (ISCC) Plus mark. The mark has been awarded in recognition of the company's sustainable business initiatives through its entire value chain, including the sourcing of renewable raw materials and sustainable end products

Enviro is today the only carbon black supplier that can reduce Hankooks certified CO2 footprint further with a 93% reduction from CB due to our certified CB



Uddevalla plant overview – Starting Enviro's global expansion journey



- Enviro has agreed to build their first full-scale plant in the west of Sweden in Uddevalla
- The plant will be the first full-scale operating plant of Enviro's 10-year expansion plan
- Modularized and standardized engineering will enable shorter lead times and limit the risks related to the plant
- The construction will further support Enviro's standardization strategy by increasing Enviro's efficiency in the plant execution phase and in running multiple projects in parallel
- As the benchmark for international expansion, the new plant will also serve as the base for operation, service, maintenance development and training
- The plant is strategically located as it is accessible from major European hubs and has nearby access to a necessary raw material (ELT) hub
- The plant will be able to handle about 60 percent of Sweden's ELT
- Phase 1 capacity: 30,000 tonnes p.a.
- Phase 2 capacity: 60,000 tonnes p.a.



The return on investment on a plant from Enviro has favourable economics. Base Case with EBITDA margin of 61% and an estimated payback period of 2,7 years

- Our aim is to capture the market for commercial industrial rCB plants to be built and operated by Scandinavian Enviro Systems and/or licensees throughout the world
- Our verified technology is based on our own patents/IP and tested in our commercial plant at Åsensbruk, Sweden
- **The return of investments** for a factory is very favourable with payback period around two years and a EBITDA margin >61%

	Capex MSEK
Total investment	398
Projected annual Profit and Loss Staten	nent Act. vs Full pot.
Turnover Carbon Black	111 - 131
Turnover Oil	124 - 161
Turnover Steel	8 - 8
Total turnover	243 - 299
Variable costs	
Direct material cost	-6
Direct wages expenses	-8
Other variable expenses	-58
Gross profit	171 - 228
Gross profit margin %	70 - 76%
Fixed costs	
Indirect salary expenses	-11
Other fixed expenses	-11
EBITDA	149 - 206
EBITDA-margin %	61 - 69%
*excluding working capital	
Key ratios	
Pavback time, years (Investment/EBITDA)	2.7 – 1.9

Example calculation from a potential project in Europe for a 30.000 tonnes/year plant



Payback in years

61%

EBITDA on plant operations



Rounding may differ figures slightly

Enviro's journey to create circularity that matters is just beginning

- Cutting-edge and patented pyrolysis technology reduces Co2 with 93% that directly aligns with creating the tire circular economy
- Proven, highly replicable and scalable production process that supports a >60% EBITDA margin
- The 28bUSD CB market presents a meaningful opportunity, one that Enviro wants to capture. Legacy CB producers are not up to speed in regards to sustainable production leaving a gap between what tire producers want and what legacy CB producers can provide
- Long-term partnership and proof of concept from Michelin, the worlds largest tire manufacturer
- A call to action from Bridgestone & Michelin shows the tire market is ripe for circularity
- **Execution** We are well prepared to ramp up our execution and expansion capacity with a goal to deliver more than 900.000 tonnes in ELT capacity by 2030 thereby delivering annual sales of >SEK 7b and EBITDA >SEK 4.5b



