

Press release

of Pyrum Innovations AG

Pyrum and Polyfuels sign letter of intent to jointly build and operate four pyrolysis plants

- Letter of intent provides for the construction and operation of four pyrolysis plants in Norway, Sweden, Finland and Estonia
- Each plant is to consist of at least three pyrolysis reactors with a capacity of about 20,000 tonnes of end-of-life tyres per year
- Establishment of a joint venture planned within the next 12 months

Dillingen / Saar, 24 January 2023 - Pyrum Innovations AG (“Pyrum”), a pioneer in the sustainable recycling of end-of-life tyres (ELT) based on its patented pyrolysis technology, and Polyfuels Group AB intend to jointly build and operate four pyrolysis plants as part of a joint venture. Both companies have agreed on this in a letter of intent (LOI). The plants will be based on Pyrum technology and will be realised by Circular Tires AS, a wholly owned subsidiary of Polyfuels. Polyfuels Group AB is engaged in the collection and recycling of plastics, mixed plastics – both from industry and consumers - and chemical recycling projects with industrial partners.

According to the LOI, a total of up to four pyrolysis plants for recycling waste tyres are to be built in Norway, Sweden, Finland and Estonia by 2030. Pyrum and Polyfuels plan to contractually fix the construction of the plants within the next twelve months. Pyrum will support its partner in all phases of the project, from the planning and construction of the plants to the basic process design and possible distribution channels for the raw materials and products. In addition, it was agreed that Pyrum will participate in the joint investment and receive compensation for its support in the planning process.

Pascal Klein, CEO of Pyrum Innovations AG: “After our successful IPO in Oslo, our cooperation with Polyfuels is a first important step for the development of the Nordic market. We are pleased to be working with an equally ambitious partner who - like us - has set itself the goal of striving for a circular economy in the field of waste recycling. The Scandinavian countries are pioneers in this respect and we want to contribute to achieving the demanding goals.”

Geir Langeland, CEO Polyfuels Group AB: “Polyfuels started the process over a year ago in order to be first mover in the Nordic region regarding ELT projects. Today’s systems in the Nordic region are obviously not sustainable. After evaluating ELT technologies we concluded that Pyrum has an optimal turnkey solution for ELT with a complete business model, not at least regarding offtake ELT oil with BASF. We have already started pre-studies on four projects with partners and located concrete sites for the ELT plants in all countries.”

Each of the planned plants will be equipped with three pyrolysis reactors and thus have a recycling capacity of around 20,000 tonnes of ELT per year. This represents a significant expansion of Pyrum Innovations AG's current capacities. Currently, the existing Pyrum plant in Dillingen/Saar is being expanded from one to three production lines. The construction work is proceeding largely according to plan despite a generally tight supply situation. The new shredder is scheduled to go into operation by the end of February 2023, and the first commissioning work of the entire plant is expected for the end of the first quarter.

About Pyrum Innovations AG

Pyrum Innovations AG is active in the attractive recycling market for end-of-life tyres with its patented pyrolysis technology. Pyrum's pyrolysis process is energy self-sufficient and, according to the Fraunhofer Institute, saves significantly more CO₂ emissions than today's standard recycling processes for end-of-life tyres - especially compared to incineration in cement plants - and produces new raw materials such as pyrolysis oil, gas and recovered carbon black from the waste used as input materials. In this way, Pyrum closes the recyclable material loop and pursues a completely sustainable business model. As a pioneer, Pyrum Innovations AG was the first company in the end-of-life tyre recycling sector to receive REACH registration from the European Chemicals Agency (ECHA) for the pyrolysis oil it produces. This means that the oil is recognised as an official raw material that can be used in production processes. In addition, Pyrum has received ISCC PLUS certification for the pyrolysis oil and the recovered carbon black. Both products are thus considered sustainable and renewable raw materials. These achievements have also been recognised by international experts in the tyre industry. For example, Pyrum won the Best Tyre Recycling Innovation category at the inaugural Recircle Awards and has been nominated for the "Grand Prix Mittelstand" ("Großer Preis des Mittelstandes") from the German state of Saarland.

<https://www.pyrum.net/en>

About Polyfuels

The company's purpose is through environmentally friendly technology to operate circular, financially profitable, sustainable activities in material recycling processes of plastic and other organic materials. With industrial partners Polyfuels will produce and sell end products from the chemical processes that convert plastic and organic material into liquid carbon compounds.

<https://polyfuels.group>

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