Press Release
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Scandinavian Enviro Systems resolves on a directed issue of shares and warrants to Nordic Restructuring and Growth Capital 1 under convertible loan agreement

Scandinavian Enviro Systems AB (publ) ("Enviro" or the "Company") has today, pursuant to the authorisation granted by the annual general meeting on 23 June 2026, resolved on a directed issue of 58,823,529 shares at a subscription price of SEK 0.085 per share and a directed issue of 2,500,000 warrants (together, the "Issue") to Nordic Restructuring and Growth Capital 1 ("NRGC"). The Issue is carried out as a result of Enviro, on 5 November 2026, having requested a drawdown of SEK 5 million under the convertible loan agreement entered into between Enviro and NRGC on 26 August 2026 (the "Agreement"), and of NRGC having today submitted a conversion request in respect of the entire loan amount.

Background

As previously announced, Enviro entered into the Agreement with NRGC on 26 August 2026 regarding convertible loans totalling up to SEK 100 million. The Agreement entitles Enviro, during a period of 36 months, to request that NRGC provide interest-free convertible loans in tranches of up to SEK 5 million each. The loan amounts shall thereafter, at NRGC's request, be converted into newly issued shares in Enviro. In connection with each drawdown, Enviro shall issue warrants to NRGC free of charge. On 5 November 2026, Enviro resolved to request a second drawdown of SEK 5 million under the Agreement, and NRGC has disbursed the loan amount.

Terms of the Issue

The board of directors has today, pursuant to the authorisation granted by the annual general meeting on 23 June 2026 and with deviation from the shareholders' preferential rights, resolved on a directed issue of 58,823,529 shares and 2,500,000 warrants to NRGC within the framework of the Agreement.

The share issue is carried out as a result of NRGC having today requested conversion of SEK 5,000,000, corresponding to the entire loan amount under the second tranche. The subscription price amounts to SEK 0.085 per share, corresponding to 95 per cent of the average of the three lowest daily volume-weighted average prices of the Company's share during the ten trading days preceding the conversion request, in accordance with the terms of the Agreement. Payment is made by way of set-off against NRGC's claim of SEK 5,000,000, following which the second tranche has been repaid in full.

The issue of warrants is carried out as a result of Enviro's drawdown under the Agreement on 5 November 2026. The warrants have been issued free of charge. Each warrant entitles the holder to subscribe for one new share in the Company at an exercise price of SEK 0.169, corresponding

to 150 per cent of the volume-weighted average price on the trading day of 5 November 2026, in accordance with the terms of the Agreement. The warrants may be exercised during a period of three years from the registration of the issue resolution with the Swedish Companies Registration Office and are subject to customary recalculation terms.

The issue of warrants forms part of the consideration for the drawdown on 5 November 2026, whereas the issue of shares fulfils the Company's contractual obligation following NRGC's conversion request and at the same time reduces the Company's debt to NRGC by SEK 5 million.

The board of directors' considerations

The reason for the deviation from the shareholders' preferential rights in the Issue is to secure, in a time- and cost-efficient manner, the financing required to fund the Company's operations during the ongoing company reorganisation and to ensure continued operations. Alternative capital raising, for example through a rights issue, is not considered appropriate in light of the uncertainty resulting from the company reorganisation, and there is a significant risk that a rights issue would not be fully subscribed. A failed or materially undersubscribed rights issue could damage confidence in the Company and further weaken its financial position. Furthermore, a rights issue would entail higher costs, which are, taken together, considered disproportionate in relation to the size of the capital raise.

The financing under the Agreement, including the Issue, by contrast entails a secured capital injection, since NRGC is contractually obliged to fund each drawdown once the conditions for disbursement have been fulfilled or waived.

The terms of the Issue follow from the Agreement, which was negotiated at arm's length with NRGC, and are therefore considered to be on market terms.

In light of the above, the board of directors' overall assessment is that the reasons for carrying out the Issue within the framework of the Agreement and with deviation from the shareholders' preferential rights outweigh the reasons justifying the main rule that new issues shall be carried out with preferential rights for the shareholders, and that the Issue is in the interest of both the Company and all shareholders.

Dilution

Through the issue of shares, the number of shares in Enviro increases by 58,823,529, from 1,330,234,170 to 1,389,057,699, and the share capital increases by SEK 2,352,941.16, corresponding to a dilution of approximately 4.2 per cent for existing shareholders.

Upon full exercise of all 2,500,000 warrants, the number of shares in the Company will increase by a further 2,500,000, to 1,391,557,699, and the share capital by a further SEK 100,000, corresponding to an additional dilution of approximately 0.2 per cent.

The newly issued shares are expected to be admitted to trading on Nasdaq First North Growth Market following registration with the Swedish Companies Registration Office and Euroclear Sweden AB. The warrants are not intended to be admitted to trading on any marketplace.

Further information

Further information on the financing arrangement with NRGC is set out in the previously published press releases of 26 August 2026, 19 October 2026, 21 October 2026 and 5 November 2026, which are available on Enviro's website, www.envirosystems.se.

Information on any further new issues to NRGC as a result of a drawdown or conversion request will be announced by way of a separate press release if and when they are carried out.

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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 percent compared to virgin carbon black. Enviro has its head office in Gothenburg. Enviro was founded in 2001 and is listed on Nasdaq First North Growth Market with FNCA Sweden AB, info@fnca.se, as its Certified Advisor. www.envirosystems.se