Press Release
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Scandinavian Enviro Systems obtains new waiver from Nordic Restructuring and Growth Capital 1 and resolves on a second drawdown of SEK 5 million under convertible loan agreement

Scandinavian Enviro Systems AB (publ) ("Enviro" or the "Company") has obtained a new waiver from Nordic Restructuring and Growth Capital 1 ("NRGC") in respect of certain conditions for disbursement under the convertible loan agreement entered into between Enviro and NRGC on 26 August 2026 (the "Agreement"). In light of this, the Company's board of directors has resolved to carry out a second drawdown under facility II of the Agreement in the amount of SEK 5 million. The proceeds are intended to be used for general corporate purposes.

Background

As previously announced, on 26 August 2026 Enviro entered into the Agreement with NRGC regarding a convertible loan of up to SEK 100 million in total, divided into two facilities. Facility I of SEK 35 million is primarily intended to finance the Company's reorganisation, and facility II of SEK 65 million is intended for general corporate purposes. The Agreement entitles Enviro, during a period of 36 months from the entry into the Agreement, to request on multiple occasions that NRGC provide interest-free convertible loans in tranches of up to SEK 5 million each. The loan amount is thereafter converted into newly issued shares in Enviro at NRGC's request. In connection with each drawdown, Enviro shall issue warrants to NRGC free of charge.

On 19 October 2026, the Company announced that NRGC had granted an initial waiver regarding certain conditions for disbursement under the Agreement and that the board of directors had approved an initial drawdown of SEK 5 million under facility II. As announced on 21 October 2026, NRGC requested the conversion of the entire loan amount under the first drawdown. In connection with this, the board of directors resolved, pursuant to the authorisation granted by the annual general meeting on 23 June 2026, and with deviation from the shareholders' preferential rights, to carry out a directed issue of 62,500,000 shares at a subscription price of SEK 0.08 per share, as well as a directed issue of 2,500,000 warrants to NRGC. Payment for the shares was made by set-off of NRGC's receivable of SEK 5,000,000, after which the first drawdown has been fully settled.

Waiver and drawdown under the Agreement

Under the Agreement, disbursement is conditional upon, among other things, the Company's reorganisation plan having become final and non-appealable and the company reorganisation having been concluded. As the Company's reorganisation is still ongoing, NRGC has again waived these conditions for a second drawdown under the Agreement. The new waiver applies solely to the present drawdown and does not affect the conditions for future drawdowns under the Agreement. The administrator has consented to the present drawdown and to the Company incurring the new debt.

The second drawdown relates to facility II and amounts to SEK 5 million. The proceeds are intended to be used for general corporate purposes, and disbursement is expected to take place during week 45.

NRGC is entitled, during a period of 24 months from disbursement of the loan amount, to request that all or part of the amount be converted into new shares in Enviro. Through the second drawdown, the Company undertakes, when NRGC requests conversion or when conversion occurs automatically upon expiry of the 24-month conversion period, to issue new shares to NRGC. The board of directors will therefore, pursuant to the authorisation granted by the annual general meeting on 23 June 2026 or a subsequent authorisation, resolve on directed share issues to NRGC with deviation from the shareholders' preferential rights.

The conversion price shall correspond to 95 per cent of the average of the three lowest daily volume-weighted average prices during the ten trading days immediately preceding a conversion request, but never lower than the quota value of the share. Payment for the new shares shall be made by way of set-off against the corresponding portion of the outstanding loan amount. Upon conversion of the loan amount, the number of shares in the Company will increase. The actual dilution depends on the conversion price at the time of each individual conversion and therefore cannot be determined in advance.

Each resolution on a new share issue as a result of a conversion request will be announced by way of press release.

Warrants

In connection with NRGC's disbursement of the proceeds, the board of directors of Enviro shall resolve on a directed issue of 2,500,000 warrants to NRGC. The board of directors intends to resolve on the issue pursuant to the authorisation granted by the annual general meeting on 23 June 2026 and with deviation from the shareholders' preferential rights. The warrants will be issued free of charge. Each warrant entitles the holder to subscribe for one new share in the Company, and the subscription price shall correspond to 150 per cent of the volume-weighted average price of the Company's share on the trading day preceding the drawdown request, but not lower than the quota value of the share.

Further information and the terms and conditions of the warrants will be announced in connection with the board of directors' resolution to issue the warrants, which is expected to take place in connection with the disbursement during week 45.

The board of directors' considerations

The board of directors has carefully analysed Enviro's financing needs and evaluated various alternatives for raising capital. The board of directors considers that a drawdown under the Agreement, and thereby the directed issues of warrants and, upon conversion, shares to NRGC with deviation from the shareholders' preferential rights, is the most appropriate alternative. The assessment is based on, among other things, the following reasons.

The Company needs liquidity to finance its operations during the ongoing company reorganisation and to secure continued operations. Alternative capital raising, for example through a rights issue, is not considered feasible since, in light of the uncertainty entailed by the company reorganisation, 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, taken together with the above, are considered disproportionate in relation to the size of the capital raise. A drawdown under the Agreement, by contrast, provides a secured capital injection, as NRGC has a contractual obligation to fund the drawdown once the conditions for disbursement have been satisfied or waived. In addition, the terms of conversion and of the warrants have been determined through arm's length negotiations with NRGC and are therefore considered to be on market terms. Against this background, the board of directors' overall assessment is that the reasons for carrying out the financing with deviation from the shareholders' preferential rights outweigh the reasons justifying the main rule on preferential rights, and that the financing is in the interest of the Company and all shareholders.

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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

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