

Scandinavian Enviro Systems responds to Infiniteria's request to terminate the company reorganization

Scandinavian Enviro Systems AB (publ) ("Enviro" or the "Company") yesterday submitted a statement to the Gothenburg District Court in response to the request made by Infiniteria Sweden AB and Infiniteria Europe Sàrl ("Infiniteria") that Enviro's ongoing company reorganization be terminated. Enviro disputes the request and believes that there is no reason to terminate the company reorganization.

Background

Enviro's company reorganization was granted by the Gothenburg District Court on 27 February 2026. In doing so, the District Court assessed that the prerequisites for reorganization were met and that there were reasonable grounds to assume that the viability of the business could be secured. At the creditors' meeting on 18 March 2026, the District Court found no reason why the reorganization should not be allowed to continue.

As communicated through a press release on 20 March 2026, Enviro terminated the agreements governing the joint venture with Infiniteria pursuant to Chapter 3, Section 9 of the Swedish Company Reorganization Act. The strategic rationale for the terminations was to release Enviro from burdensome and loss-making commitments that made a long-term sustainable business impossible.

As communicated through a press release on 15 April 2026, Infiniteria intended to request that Enviro's ongoing company reorganization be terminated with immediate effect. Infiniteria's request was filed with the District Court on 15 April 2026 and Enviro yesterday, 22 April 2026, responded with a statement to the District Court.

Enviro's position

Enviro disputes Infiniteria's request and several of the claims made by Infiniteria in support of it.

The joint venture agreements that Enviro entered into with Infiniteria have constituted a decisive cause of Enviro's financial difficulties, and negotiations regarding the terms of the agreements had been conducted between the parties over an extended period without any agreement being reached. Through the business plan submitted to the district court together with the application for company reorganization, Enviro has demonstrated that there are potential and concrete opportunities to independently create a profitable and long-term sustainable business. The company reorganization aims to commercialize the value of Enviro's world-leading technology, strong market interest and underlying business model - assets that Enviro now has the opportunity to fully realise without the limitations imposed by the joint venture agreements with Infiniteria.

Infiniteria's claims

In its submission to the District Court, Infiniteria asserts that Infiniteria has a significant claim against Enviro and presents a preliminary claim for damages amounting to approximately EUR 84 million. Enviro notes that Infiniteria has in no way substantiated its alleged claim for damages or how the amount has been calculated. In addition, Infiniteria itself states that the amounts presented are preliminary, have not been definitively calculated, and that they partially overlap with claims that are subject to the ongoing arbitration that was announced by Enviro through a press release on 6 February 2026.

Since Infiniteria has not disclosed how the amounts have been calculated, how large a portion of the claim overlaps with the ongoing arbitration or which agreements the claim is based on, Enviro is unable to respond to the claims at a detailed level.

Enviro notes that several of the agreements governing Enviro's and Infiniteria's joint venture contain agreed limitations of liability. The marketing and agency agreement includes a limitation of liability of EUR 3 million, the license agreement a limitation of liability of EUR 2 million and the service agreement a limitation of liability of EUR 3 million. These limitations of liability mean that the agreements set a cap on any claims for compensation, provided that Enviro has not acted with gross negligence or intentionally breached the agreements.

Enviro considers the limitations of liability to be applicable and constitute a key factor in the assessment of potential claims for compensation. Infiniteria has not presented any circumstances suggesting that the limitations of liability should not apply. In addition to the limitations of liability in the agreements, Infiniteria also has a statutory obligation to mitigate its damage resulting from the terminations.

The license agreement

Among the terminated agreements with Infiniteria is a license agreement that regulates Infiniteria's right to use Enviro's patented technology (the "**License Agreement**"). Infiniteria has asserted that the license is protected as a right in rem and that the exclusivity forms part of the license, which according to Infiniteria means that the License Agreement cannot be terminated pursuant to Chapter 3, Section 9 of the Swedish Company Reorganization Act. Enviro does not share this view. According to Enviro's assessment of English law, which is applicable to the License Agreement, licenses do not benefit from any general protection against the licensor's creditors. The effect of an insolvency on a license is instead determined by what the parties have agreed.

In addition, the License Agreement contains ongoing obligations for Enviro, which constitute continuing contractual obligations that are not protected as rights in rem, and which therefore may be terminated pursuant to Chapter 3, Section 9 of the Swedish Company Reorganization Act. The License Agreement further expressly provides that, if the agreement is terminated, the exclusivity shall cease. Enviro therefore considers that it had the right to terminate the License Agreement, with the consequence that Infiniteria loses its exclusive right to use Enviro's patented technology.

Business development and outlook

Enviro is currently conducting intensive and focused business development activities. Interest in Enviro and its technology remains very strong, and new enquiries regarding partnerships are continuously received from parties around the world.

On 17 March 2026, it was announced that a letter of intent had been entered into with a party evaluating the possibility of establishing one or more facilities based on Enviro's technology in North America. The work within the scope of the feasibility study has had a good start and is progressing at a faster pace than expected, confirming the strong demand for Enviro's technology.

In parallel with the feasibility study in North America, constructive dialogues are ongoing with around ten stakeholders regarding the licensing of Enviro's technology. At the same time, Enviro is exploring the possibilities of establishing its first own factory.

Enviro is determined to build a successful company based on world-leading technology, strong market interest and a clear business plan. Enviro is well positioned to create long-term value for shareholders and other stakeholders.

Further information about the company reorganization and the termination of the agreements can be found in previous press releases published on Enviro's website, www.envirosystems.se.

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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, +46 8-528 00 399, info@fnca.se, as its Certified Advisor. www.envirosystems.se