Scandinavian Enviro Systems has resolved on a directed share issue to Nordic Restructuring and Growth Capital 1 and Alumni Capital Limited

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 and in accordance with the information announced in Enviro's press release earlier today, resolved to carry out (i) a directed new share issue of 52,966,101 shares at a subscription price of SEK 0.1888 per share ("Issue 1") to Nordic Restructuring and Growth Capital 1 ("Nordic Restructuring and Growth Capital"), and (ii) a directed new share issue of 12,870,357 shares at a subscription price of SEK 0.186475 per share ("Issue 2") to Alumni Capital Limited ("Alumni Capital").

Background

As previously communicated, Enviro today entered into an agreement with Nordic Restructuring and Growth Capital regarding a convertible loan of up to a total amount of SEK 100 million (the "**Agreement**"). The Agreement gives Enviro the right, during a 36-month period and in tranches, to request that Nordic Restructuring and Growth Capital provides convertible loans up to the total amount of SEK 100 million. At Nordic Restructuring and Growth Capital's request, the loan amount shall thereafter be converted into newly issued shares with attached warrants in Enviro. As consideration for Nordic Restructuring and Growth Capital's provision of the facility, Enviro shall pay a so-called commitment fee corresponding to 10 per cent of the total loan amount, i.e. SEK 10 million, to be paid in the form of newly issued shares in the Company.

In addition to the Agreement, Enviro has today entered into an amendment agreement (the "**Amendment Agreement**") with Alumni Capital regarding an extension of the existing financing arrangement entered into on 22 May 2026.[1] The Amendment Agreement entails that the commitment amount is increased by SEK 30 million, from SEK 50 million to a total of SEK 80 million, that the number of warrants that may be issued to Alumni Capital is increased from 50,000,000 to 80,000,000, and that the number of warrants issued in connection with each subscription shall be no more than 2,750,000 warrants per occasion, proportionally adjusted if the request is less than SEK 5.5 million. The terms otherwise remain unchanged. As consideration for the extension, Enviro shall pay a so-called commitment fee corresponding to 8 per cent of the amount of SEK 30 million, i.e. SEK 2.4 million, to be paid in the form of newly issued shares in the Company.

Against the above background, the board of directors of Enviro has today resolved on Issue 1 and Issue 2 (hereinafter jointly, the "**Directed Issues**") on the following terms.

Issue 1

The board of directors has, pursuant to the authorisation granted by the annual general meeting on 23 June 2026 and with deviation from the shareholders' pre-emptive rights, resolved to carry out a directed new share issue of 52,966,101 shares at a subscription price of SEK 0.1888 per share, resulting in an increase of the share capital by SEK 2,118,644.04.

The newly issued shares could only be subscribed for by Nordic Restructuring and Growth Capital. The subscription price of SEK 0.1888 per share was determined through arm's-length negotiations between Enviro and Nordic Restructuring and Growth Capital and corresponds to the closing price of Enviro's ordinary share on Nasdaq First North on 25 August 2026, i.e. the day before the resolution on Issue 1. Payment is made by way of set-off against Nordic Restructuring and Growth Capital's receivable from Enviro in respect of the aforementioned commitment fee of SEK 10 million, which the Company is required to pay as consideration for Nordic Restructuring and Growth Capital's provision of the facility.

Issue 2

The board of directors has, pursuant to the authorisation granted by the annual general meeting on 23 June 2026 and with deviation from the shareholders' pre-emptive rights, resolved to carry out a directed new share issue to Alumni Capital of 12,870,357 shares at a subscription price of SEK 0.186475 per share, resulting in an increase of the share capital by SEK 514,814.28. The newly issued shares could only be subscribed for by Alumni Capital.

The subscription price of SEK 0.186475 per share was determined through arm's-length negotiations between Enviro and Alumni Capital and corresponds to the lowest daily volume-weighted average price of the Company's shares on First North during the five trading days preceding the entry into the Amendment Agreement. Payment is made by way of set-off against Alumni Capital's receivable from Enviro in respect of the aforementioned commitment fee of SEK 2.4 million, which the Company is required to pay as consideration for Alumni Capital's provision of the facility.

Reasons for the deviation from shareholders' pre-emptive rights

The reason for the deviation from shareholders' pre-emptive rights is to ensure, in a time- and cost-efficient manner, the financing required to complete the ongoing company reorganisation, settle the Company's debts to its creditors and, in the long term, ensure sufficient working capital for the continued operation and development of the Company's business during and after the reorganisation period. The board of directors has carefully considered the possibility of raising capital through a rights issue instead and has concluded that, for several reasons, it is currently more advantageous for the Company and its shareholders to raise capital through the Agreement and the Amendment Agreement.

Under the Agreement, the Company gains access to capital from an investor considered to have the financial capacity to support the Company during the ongoing company reorganisation and in the long term, and through the Amendment Agreement, a cost-effective capital contribution is made possible under the existing financing arrangement. In addition, a rights issue would (i) take more time and entail execution risk, which is not compatible with the Company's current financial position and the strict time frames applicable to the implementation of the reorganisation, (ii) likely require significant underwriting commitments from an underwriting syndicate, which would entail additional costs and/or further dilution depending on the type of consideration paid for such underwriting, and (iii) likely have had to be carried out at a lower subscription price given the discount levels for rights issues recently carried out in the market and the Company's situation.

Against the above background, the board of directors' overall assessment is that the reasons for carrying out the Directed Issues outweigh the reasons supporting the general rule that new share issues are to be carried out with pre-emptive rights for shareholders, and that the Directed Issues are in the interest of both the Company and all of its shareholders.

Dilution

Through the Directed Issues, the number of shares in Enviro will increase by a total of 65,836,458, from 1,137,994,435 to 1,203,830,893, corresponding to a dilution of approximately 5.47 per cent for existing shareholders.

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.

Further information regarding the financing arrangement with Nordic Restructuring and Growth Capital and Alumni Capital is provided in the previously published press releases today, 26 August 2026, and on 22 May 2026, respectively, available on Enviro's website, www.envirosystems.se.

Further information regarding subsequent share issues to Nordic Restructuring and Growth Capital and Alumni Capital will be announced if and when they are carried out.

[1] Further information about the existing financing arrangement with Alumni Capital Limited is set out in a previously published press release dated 22 May 2026, which is available on the Company's website, www.envirosystems.se.

For further information, please contact:
Fredrik Aaben, CEO Enviro, +46 (0) 729 70 78 91, fredrik.aaben@envirosystems.se

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