

Scandinavian Enviro Systems applies for extension of the company reorganisation and provides update on expected liquid funds

Scandinavian Enviro Systems AB (publ) ("Enviro" or the "Company") will today submit an application to the Gothenburg District Court to extend the ongoing company reorganisation of Enviro by three months, until 27 August 2026. As part of the extension application, the board of directors has assessed that Enviro has sufficient liquid funds to operate the business during the additional three months of the reorganisation. Enviro simultaneously provides an update regarding the Company's financial position and activities carried out during the initial period of the reorganisation.

Application for extension of the company reorganisation

Enviro's company reorganisation was granted by the Gothenburg District Court on 27 February 2026. The initial reorganisation period runs through 27 May 2026. Enviro will today, after consultation with the administrator, apply for an extension of the company reorganisation by an additional three months. Subject to the Gothenburg District Court granting the application, the reorganisation period will be extended by an additional three months through 27 August 2026.

An extension of the company reorganisation is a necessary prerequisite for completing the ongoing negotiations regarding long-term financing and for preparing and presenting a reorganisation plan.

Update regarding liquid funds

As part of the application for extension of the reorganisation, Enviro has prepared an updated liquidity budget. The liquidity budget demonstrates that Enviro has sufficient liquid funds to continue operating the business during an extension of the reorganisation. The Company forecasts that liquid funds will amount to approximately SEK 20 million at the end of May 2026. During a continued reorganisation period, the Company intends to strengthen its liquidity by requesting that Alumni Capital Limited subscribe for newly issued shares in the Company for a value of SEK 5 million. Taking this financing into account, the Company is expected to have liquid funds of just over SEK 5 million at the end of August.

Update regarding financial position and activities carried out

Since the commencement of the reorganisation, Enviro has implemented several important measures to strengthen its financial position, including the following:

- Terminated agreements with Infiniteria Europe Sàrl and Cuibhil Luxco regarding the joint venture Infiniteria, in order to release Enviro from onerous and loss-making commitments. Further information on the termination of the agreements is set out in the press release published on 20 March 2026, available on Enviro's website, www.envirosystems.se.

- Secured financing of a total of SEK 50 million through a financing arrangement with Alumni Capital Limited. The arrangement relates to a so-called Equity Line structure whereby Alumni Capital Limited, at Enviro's request, shall subscribe for newly issued shares with attached warrants in Enviro for an amount of up to a total of SEK 50 million over a period of twelve months. Further information on the financing arrangement is set out in the press release published on 22 May 2026, available on Enviro's website, www.envirosystems.se.
- Conducted negotiations with potential investors regarding arrangements that may provide Enviro with necessary capital on a long-term basis, including financing of a potential future composition. The negotiations are ongoing and Enviro assesses, in light of the interest shown by potential investors, that there are conditions for these to be concluded during the coming three-month period.
- Wound down the capital-consuming operations of the subsidiary Tyre Recycling in Sweden AB by filing for bankruptcy at the Gothenburg District Court, as part of the reorganisation and in order to strengthen Enviro's liquidity and long-term profitability.
- Conducted negotiations with future collaboration partners intended to secure for Enviro primarily revenues from work and licences. Enviro also continues negotiations in connection with the letter of intent entered into regarding a possible licensing of Enviro's technology for the establishment of one or more tyre pyrolysis plants in North America. The feasibility study regarding North America is progressing better than planned and application processes for required permits are expected to commence during the third quarter of 2026. Further information on the letter of intent is set out in the press release published on 17 March 2026, available on Enviro's website, www.envirosystems.se.
- Applied for an environmental permit and secured an option regarding property for Enviro's first wholly-owned full-scale Nordic pyrolysis plant. Further information is set out in the press release published on 22 May 2026, available on Enviro's website, www.envirosystems.se.
- Held an extraordinary general meeting at which the board of directors was authorised, during the period until the next annual general meeting, on one or more occasions, with or without deviation from the shareholders' preferential rights, to resolve on new issues of shares, warrants and/or convertibles. Further information is set out in the press release published on 21 May 2026, available on Enviro's website, www.envirosystems.se.
- Successfully countered Infiniteria's request to terminate the company reorganisation prematurely and developed Enviro's analysis of, and position in relation to, Infiniteria's claims for compensation. Further information is set out in the press releases published on 15 April 2026, 23 April 2026 and 12 May 2026, available on Enviro's website, www.envirosystems.se.
- Entered into a letter of intent regarding the establishment of a pilot plant and several full-scale pyrolysis plants for tyre recycling in Brazil. Further information on the letter of intent is set out in the press release published on 26 May 2026, available on Enviro's website, www.envirosystems.se.
- Commenced the work of preparing the documents and supporting materials required for a forthcoming application for plan negotiations within the framework of the reorganisation.

Enviro assesses that the secured financing, together with the measures taken as set out above and the ongoing cash flow from the business, creates the conditions for a successful completion of the reorganisation and the achievement of a long-term sustainable capital structure. Based on the ongoing licensing negotiations and the letters of intent entered into, Enviro assesses that revenues from the sale of services, such as technical services, regulatory services and licence revenues, may begin to be generated as early as autumn 2026.

Approximate timeline for the continued reorganisation and expected debt write-down

Subject to the district court granting an extension of the reorganisation, Enviro is preliminarily expected to be able to present a reorganisation plan during July or August 2026. Together with the reorganisation plan, financing for the implementation of the plan will be presented. The reorganisation plan will contain a proposal for debt write-down. Enviro's preliminary assessment is that the Company may offer unsecured creditors payment corresponding to at least 25 per cent of such claims, to be paid three months after a reorganisation plan has become final and non-appealable. This estimate is preliminary and may be subject to change in the final reorganisation plan.

For further information, please contact:

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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