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## Scandinavian Enviro Systems AB (publ) explores the conditions for carrying out a directed share issue

The Board of Directors of Scandinavian Enviro Systems AB (publ) ("Enviro" or the "Company") intends to, based on the authorisation from the general meeting, carry out a directed share issue of approximately SEK 250 million to Swedish and international institutional, and other qualified, investors through an accelerated bookbuilding procedure (the "Directed Share Issue"). Enviro has engaged Pareto Securities AB as Sole Manager and Bookrunner (the "Manager") to explore the conditions for carrying out the issue.

### Background to the transaction

The Board of Directors of Enviro intends to carry out the Directed Share Issue based on the authorisation resolved at the Company's annual general meeting in 2022. The Directed Share Issue is primarily directed to Swedish and international institutional, and other qualified, investors.

The background to the Directed Share Issue is the Company's previously announced joint venture with Antin Infrastructure Partners, supported by Michelin, to create the world's first large-scale tire recycling group, and the Company's option to acquire up to 30 percent of the capital and the votes in the JV-company during a certain period and at certain terms. Enviro has the ambition to own 30 percent of shares in the JV-company, providing financing pro rata for any equity needed in the JV-company. The Board of Directors has deemed it crucial that the Company can secure its financing in the short and medium term to enable long-term value creation through its ownership in the JV-company. Thus, Enviro intends to use the net proceeds from the Directed Share Issue to (i) acquire shares in the JV-company and thereby, together with Antin Infrastructure Partners, finance the first plant at Uddevalla (approximately 75 percent of the net proceeds), and (ii) finance the Company's operations for at least 24 months (approximately 25 percent of the net proceeds).

The Board of Directors has against the background described above considered various financing alternatives and concludes that the alternative which allows the Company to meet its financing needs is a new issue of shares with deviation from the shareholders' preferential rights. The Board of Directors further concludes that it is beneficial for the Company to increase its institutional shareholder base and that an increased liquidity in the Company's share is desirable. The Board of Directors' overall assessment is that the reasons for issuing shares with deviation from the shareholders' preferential rights outweighs the reasons for the main rule that new issues shall be conducted with preferential rights for the shareholders. A new issue of shares with deviation from the shareholders' preferential rights is thus in line with the Company's and all shareholders' interests.

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 per cent compared with the use of virgin carbon black. Enviro has its head office in Gothenburg and a plant for the recycling of end-of-life tires in Åsensbruk. The largest owner is the French tire manufacturer Michelin. Enviro was founded in 2001 and is listed on Nasdaq First North Growth Market.

The subscription price and allotment of shares in the Directed Share Issue will be determined through an accelerated bookbuilding procedure, which will commence immediately after publication of this press release and is expected to end prior to the commencement of trading on Nasdaq First North Growth Market Stockholm on 5 May 2023. The total number of shares issued, the subscription price and allotment in the Directed Share Issue will be determined by Enviro in consultation with the Manager. The Company will inform about the outcome of the Directed Share Issue in a press release when the bookbuilding procedure has been completed. The bookbuilding procedure can, if the Company or the Manager so resolves, end earlier or later and can at any time be cancelled, thus the Company can, in whole or in part, refrain from executing the Directed Share Issue. As the subscription price in the Directed Share Issue is determined through the book building procedure, it is the board of directors' assessment that it is ensured that the subscription price corresponds to market terms.

A new company presentation has been made available on the Company's website [envirosystems.se](http://envirosystems.se).

### **Undertakings**

In connection with the Directed Share Issue, the Company has undertaken, with customary exceptions, not to issue additional shares for a period of six months after the announcement of the outcome in the Directed Share Issue. All of the Company's board members and senior executives have undertaken, with customary exceptions, not to sell or in other ways dispose their shares (and other securities) in the Company for a period of 90 calendar days after the announcement of the outcome of the Directed Share Issue.

### **Advisors**

Pareto Securities AB acts as Sole Manager and Bookrunner, Wigge & Partners Advokat KB acts as legal adviser to the Company and Baker McKenzie Advokatbyrå KB is legal adviser to Pareto Securities AB in connection with the Directed Share Issue.

### **For further information, please contact:**

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Mangold Fondkommission AB is Enviro's Certified Adviser on Nasdaq First North Growth Market Stockholm.

*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.*

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*This information is such that Scandinavian Enviro Systems AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, on May 4, 2023 at 17:31 CEST.*

### **Important information**

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*This press release is not a prospectus as set forth in Regulation (EU) 2017/1129 (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. The Company has not approved any securities offering to the public in any member state of the EEA and no prospectus has been published or will be published in connection with the Directed Share Issue. In each member state of the EEA, this message is only directed towards "qualified investors" in that member state in accordance with the definition in the Prospectus Regulation.*

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*This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the shares. Any investment decision in connection with the Directed Share Issue must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by the Manager. The Manager acts for the Company in connection with the transaction and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.*

*This press release does not constitute a recommendation for any investors' decisions regarding the Directed Share Issue. Each investor or potential investor should conduct a self-examination, analysis and evaluation of the business and information described in this press release and any publicly available information. The price and value of the securities can decrease as well as increase. Achieved results do not provide guidance for future results. Neither the contents of the Company's website nor any other website accessible through hyperlinks on the Company's website are incorporated into or form part of this press release.*

*Failure to follow these instructions may result in a breach of the Securities Act or applicable laws in other jurisdictions.*

#### *Forward-looking statements*

*This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to*

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*release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless this is required under law or Nasdaq Stockholm's rulebook for issuers.*

#### *Information to distributors*

*Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Enviro have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in Enviro may decline and investors could lose all or part of their investment; the shares in Enviro offer no guaranteed income and no capital protection; and an investment in the shares in Enviro is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Directed Share Issue. Thereto, notwithstanding the Target Market Assessment, it shall be noted that the Manager will only provide investors who meet the criteria for professional clients and eligible counterparties.*

*For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Enviro.*

*Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Enviro and determining appropriate distribution channels.*

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