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Press release October 14, 2021

Scandinavian Enviro Systems AB (publ) completes a directed new share issue, raising approximately SEK 125 million

The Board of Directors of Scandinavian Enviro Systems AB (publ) ("Scandinavian Enviro Systems" or the "Company") has, in accordance with the Company's press release earlier today, resolved on and completed a new share issue of 65,789,474 shares, corresponding to approximately SEK 125 million (the "Directed New Share Issue"). The subscription price in the Directed New Share Issue was set to SEK 1.90 per share. The Directed New Share Issue is primarily carried out to finance the Company's expansion plans and growth.

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.

The Board of Directors of Scandinavian Enviro Systems has, based on the authorization given by the Annual General Meeting on May 20, 2021, and as communicated in the Company's press release earlier today, resolved on and carried out a directed new share issue of 65,789,474 shares to institutional investors. The Company's largest shareholder Michelin has subscribed for its pro-rata share corresponding to 20.0 percent of the Directed New Share Issue.

The subscription price in the Directed New Share Issue was set to SEK 1.90 and has been determined through a so-called accelerated bookbuilding procedure carried out by the Company's financial advisor Pareto Securities AB ("**Pareto Securities**"), why it is the Board of Directors' assessment that the subscription price is in accordance with market conditions. The subscription price corresponds to a discount of approximately 9.9 percent to the last 20 days' volume weighted average share price. Through the Directed New Share Issue, Scandinavian Enviro Systems will receive approximately SEK 125 million before deduction of transaction costs.

The rationale for carrying out the Directed New Share Issue and for the deviation from the shareholders' preferential rights is to secure financing of the Company's strategy and progress, including preparation for the previously communicated expansion plan. product development, in a time- and cost-effective manner.

The Directed New Share Issue entails a dilution of approximately 10.0 percent of the number of shares and votes in the Company. Through the Directed New Share Issue, the number of outstanding shares and votes will increase by 65,789,474, from 590,826,115 to 656,615,589. The share capital will increase by SEK 2,631,578.96, from SEK 23,633,044.60 to SEK 26,264,623.56.

In connection with the Directed New Share Issue, the Company has undertaken, with customary exceptions, not to issue additional shares for a period of 6 months after the announcement of the outcome of the Directed New Share Issue. Board members and senior executives, including the CEO and the CFO, have undertaken not to sell any shares in Scandinavian Enviro Systems for a period of 180 calendar days after the announcement of the outcome of the Directed New Share Issue, with customary exceptions.

Advisers

Pareto Securities AB is acting as Sole Manager and Bookrunner. Wigge & Partners Advokat KB is legal adviser to Scandinavian Enviro Systems AB and Baker McKenzie Advokatbyrå KB is legal adviser to Pareto Securities in connection with the Directed New Share Issue.

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About Scandinavian Enviro Systems

Scandinavian Enviro Systems AB offers efficient tyre recycling using patented technology. Recovering valuable resources and limiting the need for fossil exploitation. Scandinavian Enviro Systems is listed on the Nasdaq First North Growth Market Stockholm. Mangold Fondkommission AB, +46 8 503 01 550, ca@mangold.se, is the Company's Certified Adviser. For more information, please visit the Company's website, www.envirosystems.se.

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 October 14, 2021 at 22:25 CEST.

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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 new shares. Any investment decision in connection with the Directed New 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 Pareto Securities. Pareto Securities is acting 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 an invitation to warrant, subscribe, or otherwise acquire or transfer any securities in any jurisdiction. This press release does not constitute a recommendation for any investors' decisions regarding the Directed New 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.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, assessments, 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 nor does it accept any responsibility for the future accuracy of the opinions expressed in this press release. 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 undertakes to review, update, confirm or to 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 it is required by law or Nasdaq First North Growth Market's rule book 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 Scandinavian Enviro Systems 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 Scandinavian Enviro Systems may decline and investors could lose all or part of their investment; the shares in Scandinavian Enviro Systems offer no guaranteed income and no capital protection; and an investment in the shares in Scandinavian Enviro Systems 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 New Share Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Pareto Securities will only procure investors who meet the criteria of 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 Scandinavian Enviro Systems.

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