



Invitation to acquire shares in Cinis Fertilizer AB

Validity of the Prospectus

This Prospectus was approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) on 13 October 2022. The Prospectus is valid for a period of maximum 12 months after the approval, provided that Cinis Fertilizer AB fulfils the obligation, if applicable, to provide supplements to the Prospectus in the event of significant new factors, material mistakes or material inaccuracies, which may affect the assessment of the shares in the Company. The obligation to prepare a supplement to the Prospectus is valid from the time of approval date until the end of the notification period. The Company is under no obligation to prepare supplements to the Prospectus after the application period has ended.

Nasdaq First North Growth Market

Nasdaq First North Growth Market is a registered growth market for small and medium enterprises in accordance with Directive 2014/65/EU on Markets in Financial Instruments, as implemented in the national legislation of Denmark, Finland and Sweden, and operated by an exchange within the Nasdaq group. Issuers on the Nasdaq First North Growth Market are not subject to the same rules as issuers on a regulated main market, as defined in EU legislation and implemented in national law. Instead, they are subject to less extensive set of rules and regulations tailored to small growth companies. The risks in investing in an issuer on Nasdaq First North Growth Market may therefore be higher than investing in an issuer on the main market. All issuers with shares admitted for trading on the Nasdaq First North Growth Market have a Certified Adviser who monitors compliance with the rules. Nasdaq Stockholm AB approves applications for admission to trading.

SOLE GLOBAL COORDINATOR AND JOINT BOOKRUNNER



JOINT BOOKRUNNERS

Nordea

Pareto
Securities

IMPORTANT INFORMATION FOR INVESTORS

This prospectus (the “**Prospectus**”) has been prepared in connection with the offering to the public in Sweden of shares in Cinis Fertilizer AB (a Swedish public limited liability company) and the admission to trading in the shares on Nasdaq First North Growth Market (the “**Offering**”). In the Prospectus “**Cinis Fertilizer**”, the “**Company**” or the “**Group**” refers to, depending on the context, Cinis Fertilizer AB, the Group in which Cinis Fertilizer is the parent company or a subsidiary of the Group. “**Sole Global Coordinator**” refers to ABG Sundal Collier AB (“**ABGSC**”). “**Managers**” and “**Joint Bookrunners**” refers to ABGSC, Nordea Bank Abp, a branch in Sweden (“**Nordea**”) and Pareto Securities AB (“**Pareto**”). See section “**Definitions**” for the definitions of these and other terms in this Prospectus. All financial figures are in Swedish kronor (“**SEK**”) unless otherwise stated. “**SEK m**” refers to SEK million and “**SEK bn**” refers to SEK billion.

The Offering is not directed to the general public in any country other than Sweden. Nor is the Offering directed to such persons whose participation requires additional prospectuses, registration or measures other than those prescribed by Swedish law. No measures have been or will be taken in any other jurisdiction than Sweden, that would allow any offer of the shares to the public, or allow this Prospectus, or any other documents pertaining to the Company or the shares, to be held or distributed in such jurisdictions. Applications to acquire shares that violate such rules may be deemed invalid. Persons receiving a copy of this Prospectus are required by the Company and the Managers to inform themselves about, and comply with, any such restrictions. Neither the Company nor any of the Managers takes any legal responsibility for any violations of any such restrictions, whether the violation is committed by a potential investor or someone else. The shares in the Offering have not been and will not be registered under the US Securities Act of 1933 (the “**Securities Act**”) or with any other securities regulatory authority of any state and may not be offered or sold within the United States unless the shares are registered under the Securities Act or an exemption from the Securities Act registration obligation applies. Any offers and sales of shares will be made in accordance with Regulation S of the Securities Act. The shares may not be sold, pledged or otherwise transferred in the United States except in accordance with an exemption from, or a transaction outside the scope of, the registration requirements in the Securities Act and the applicable state securities legislation. Any reproduction or distribution of this Prospectus in the United States, in whole or in part, and any disclosure of its contents is prohibited. The shares in the Offering have not been approved by any US federal or state securities commission or any other US authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the reliability of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

This Prospectus has been approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*), as the competent authority in accordance with regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the Prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”). The Swedish Financial Supervisory Authority approves this Prospectus only to the extent that it meets the requirements of completeness, comprehensibility and consistency as specified in the Prospectus Regulation. This approval should not be regarded as any kind of support for the issuer referred to in this Prospectus. Nor should this approval be considered as in any way confirming the quality of the securities referred to in the Prospectus, and investors should make their own assessment of whether it is appropriate to invest in these securities. The Prospectus was approved by the Swedish Financial Supervisory Authority on 13 October 2022. The Prospectus is valid for up to 12 months after the approval of the Prospectus, provided that it is supplemented by additional information as required under Article 23 of Regulation (EU) 2017/1129. Any supplements will be published on the Company’s website. The obligation to provide supplements to the Prospectus in the event of new and significant circumstances, factual errors or material inaccuracies will cease to apply when the Prospectus is no longer valid. The Offering and this Prospectus are governed by Swedish law. The courts of Sweden have exclusive jurisdiction to settle any dispute arising in connection with the Offering or this Prospectus. In the event of any discrepancies between the English and Swedish Prospectus, the Swedish Prospectus shall prevail.

Notice to investors in the United Kingdom

This Prospectus has been prepared on the basis that any offer of shares in the United Kingdom will be made in accordance with an exemption from the requirements to publish a prospectus under the Financial Services and Markets Act 2000 (“**FSMA**”). This Prospectus is only distributed to (i) persons with professional experience in matters relating to investments covered by Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended “**Financial Promotion Order**”), (ii) persons covered by Article 49 (2) (a) to (d) (“**high net worth companies, unincorporated associations, etc.**”) of the Financial Promotion Order, (iii) persons who are outside of the United Kingdom or (iv) persons who, by invitation or inducement to engage in an investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of securities, can or are permitted to be informed (all such persons are collectively referred to as “**relevant persons**”). This Prospectus is only directed at relevant persons and must not be acted on or relied upon by persons who are not relevant persons. All investments or investment activities to which this Prospectus relates are only available to and will only be directed at relevant persons. Managers will not act, in connection with the Offering, on behalf of any party other than the Company and are not responsible to offer, to any party other than the Company, the protection provided to their clients or to provide advice in relation to the Offering.

Notice to potential investors in the European economic area

This Prospectus has been prepared on the basis that any offer of shares within a member state of the EEA (each a “**Relevant State**”), with the exception of Sweden, will be made in accordance with an exemption from the requirements to publish a prospectus under the Prospectus Regulation. The shares are not intended to be offered or sold and should not be offered or sold to non-professional investors within the EEA. For this reason, “**non-professional investors**” means one (or more) persons who are: (i) a client as defined in paragraph (11) of Article 4 (1) of Directive 2014/65/EU (“**MIFID II**”); or (ii) a customer as defined in Directive 2016/97/EU (the “**Insurance Distribution Directive**”) in the event that such a customer would not qualify as a professional customer as defined in paragraph (10) of Article 4 (1) of MIFID II. As such, no fact sheets, as required by Regulation (EU) No. 1286/2014 (the “**PRIIPs Regulation**”), when offering or selling the instruments involved or otherwise making such instruments available to non-professional investors in the EEA, are to be prepared. Offering, selling or otherwise making shares available to non-professional investors within the EEA may be prohibited under the PRIIPs Regulation.

Presentation of financial information

Certain financial information in the Prospectus has in some cases been rounded and consequently some columns do not necessarily add up to the total amounts indicated. Moreover, certain percentages stated in the Prospectus have been calculated based on underlying figures that were not rounded, and consequently they may deviate somewhat from percentages that follow from calculations based on rounded figures. Except as expressly stated herein, no financial information in this Prospectus has been audited or reviewed by the Company’s auditor. Financial information relating to the Company in this

Prospectus and which is not part of the information that has been audited or reviewed by the Company’s auditor in accordance with what is stated herein, is taken from the Company’s internal accounting and reporting system unless otherwise stated.

Stabilisation

In connection with the Offering, ABGSC may carry out transactions aimed at supporting the market price of the shares at levels above those which might otherwise prevail in the market. Such stabilisation transactions may be effected on Nasdaq First North Growth Market, the OTC Market or otherwise, and may be effected at any time throughout the period beginning on the first day of trading in the shares on Nasdaq First North Growth Market and ending no later than 30 calendar days thereafter. However, ABGSC is not required to undertake any stabilisation and there is no assurance that stabilisation will be undertaken.

Stabilisation, if undertaken, may be discontinued at any time without prior notice. In no event will transactions be effected at levels above the price in the Offering. No later than by the end of the seventh trading day after stabilisation transactions have been undertaken, ABGSC shall disclose that stabilisation transactions have been undertaken, in accordance with Article 5 (4) of EU Market Abuse Regulation 596/2014. Within one week of the end of the stabilisation period, ABGSC will make public whether or not stabilisation was undertaken, the date at which stabilisation started, the date at which stabilisation last occurred and the price range within which stabilisation was carried out, for each of the dates during which stabilisation transactions were carried out.

Important information about the selling of shares

Please note that notification of allotment to the public in Sweden will be made through distribution of a contract note, which is expected to be distributed on 21 October 2022. Institutional investors are expected to receive notification of allotment in a particular order on or about 21 October 2022, whereupon contract notes will be sent out. After payment for the allotted shares has been processed by ABGSC, Nordea and Pareto, paid shares will be transferred to the specified securities depository account or the securities account designated by the acquirer. Due to the time required for the transfer of payment and the transfer of paid shares to the acquirers of the shares in Cinis Fertilizer, the acquirers will not have the acquired shares available in the designated specified securities depository or securities account until at the earliest 25 October 2022. Trading in Cinis Fertilizer’s shares on Nasdaq First North Growth Market is expected to begin around 21 October 2022. The fact that the shares are not available in the acquirer’s specified securities depository or ISK until at the earliest 25 October 2022 may mean that the acquirer is not able to sell these shares on the stock exchange from the date trading in the shares begins, but only when the shares are available in the securities depository account or ISK.

Forward-looking statements

This Prospectus contains certain forward-looking statements and opinions. Forward-looking statements are all statements that do not relate to historical facts and events, as well as statements and opinions that are attributable to the future and that contain, for example, expressions such as “considers”, “estimates”, “expects”, “anticipates”, “assumes”, “predicts”, “intends”, “can”, “will”, “is to”, “should”, “according to estimates”, “in the opinion”, “may”, “plans”, “potential”, “projects”, “forecasts”, “as far as is known” or similar expressions which are suitable for identifying a statement as forward-looking. This applies, in particular, to statements and opinions in the Prospectus concerning the future financial returns, plans and expectations of the Company’s business and management, its future growth and profitability, general economic and regulatory circumstances, and other matters affecting the Company.

Forward-looking statements are based on current estimates and assumptions made according to the best of the Company’s knowledge. Such forward-looking statements are subject to risks, uncertainties and other factors that could cause the actual results, including the Company’s cash flow, financial position and results, to differ materially from the results expressly or implicitly used as a basis for or described in those statements, or fail to meet expectations expressly or implicitly assumed or described in those statements, or turn out to be less favourable than the results expressly or implicitly assumed or described in those statements. As such, prospective investors should not place undue reliance on the forward-looking statements herein, and are strongly advised to read the Prospectus, including the following sections: “*Summary*”, “*Risk factors*”, “*Business overview*” and “*Operational and financial overview*”, which include more detailed descriptions of factors that could have an impact on the Company’s operations and the market in which the Company operates. Neither the Company nor the Managers provide any guarantees with respect to the future accuracy of the statements made herein or with respect to the actual occurrence of anticipated developments.

In light of the risks, uncertainties and assumptions associated with forward-looking statements, it is possible that the future events mentioned in this Prospectus may not occur. Moreover, the forward-looking estimates and forecasts derived from third-party studies referred to in this Prospectus may prove to be inaccurate. Actual results, performance or events may differ materially from such statements, for example as a result of the factors described in the “*Risk factors*” section.

From the date of this Prospectus, neither the Company nor the Managers take any responsibility for updating any forward-looking statements or for adapting these statements to actual events or developments, except for those provided for by law or in the Rule Book for Issuers issued by Nasdaq First North Growth Market.

Business and market data

This Prospectus includes industry and market data pertaining to Cinis Fertilizer’s business and the market in which Cinis Fertilizer operates. This data is based on the Company’s analysis of several different sources, including Argus Media Group and Bloomberg LP.

Industry publications or reports generally state that the information they contain has been obtained from sources deemed to be reliable, but that the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of the industry and market data contained in this Prospectus that were extracted or derived from such industry publications or reports. Business and market data are inherently forward-looking, subject to uncertainty and not necessarily reflective of actual market conditions. Such data is based on market research, which itself is based on sampling and subjective judgements by both researchers and respondents, including judgements about what types of products and transactions should be included in the relevant market.

The information provided by third parties has been accurately reproduced and, as far as the Company is aware and has been able to ascertain through comparison with other information published by the third parties concerned, no details have been omitted in a way that could render the information reproduced inaccurate or misleading.

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Summary of the Offering etc.

Offering Price:	SEK 29
Application period for the general public:	14 – 20 October 2022
Application period for institutional investors:	14 – 20 October 2022
First day of trading in Cinis Fertilizer’s shares:	21 October 2022
Settlement date:	25 October 2022
ISIN code:	SE0018040784
Ticker:	CINIS

Financial calendar

Interim report for the period 1 January – 30 September 2022	30 November 2022
Year-end report 2022	16 February 2023
Interim report for the period 1 January – 31 March 2023	9 May 2023

Summary



Introduction and warnings

Introduction and warnings	<p>This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on an assessment of the Prospectus in its entirety.</p> <p>The investor may lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under Swedish law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Under civil law, only those individuals who have produced the summary, including translations thereof, may be enjoined, but only if the summary is misleading, incorrect or inconsistent with the other parts of the Prospectus or if it does not, together with the other parts of the Prospectus, provide key information to assist investors when considering whether to invest in such securities.</p>
About the Company	<p>Cinis Fertilizer AB is a Swedish public limited liability company with corporate registration number 559154-0322. The Company's registered address is Cinis Fertilizer AB, Bytaregatan 4D, 222 21 Lund, Sweden. The Company's LEI code is 6488R5365P1TL3DK2R87. All shares in the Offering have the ISIN code SE0018040784. The Company's ticker is CINIS.</p>
Competent authority	<p>Finansinspektionen is the Swedish Financial Supervisory Authority (the "SFSA") and the competent authority responsible for approving the Prospectus. The Prospectus was approved by the SFSA on 13 October 2022. Contact information to the SFSA:</p> <p>Visiting address: Brunnsgratan 3, 111 38 Stockholm Postal address: Box 7821, 103 97 Stockholm. Email: finansinspektionen@fi.se Phone: +46 (0)8 408 980 00 Website: www.fi.se</p>

Key information about the issuer

Who is the issuer of the securities?

The Company's registered office and corporate structure	<p>The issuer of the securities is Cinis Fertilizer AB, reg. no. 559154-0322. The Company's registered office is in Örnsköldsvik. The Company is a Swedish public limited liability company, founded and incorporated in Sweden in accordance with Swedish law. The Company's operations are governed by Swedish law. The Company's form of association is regulated by the Swedish Companies Act (2005:551). The Company's LEI code is 6488R5365P1TL3DK2R87.</p>
The Company's principal activities	<p>Cinis Fertilizer was founded with the mission to produce the world's most sustainable mineral fertilizer and thus contribute to a more sustainable, circular and fossil-free agriculture. To realise its ambition and vision, Cinis Fertilizer will produce a potassium-based mineral fertilizer using the Company's own patented and patent-pending process that upcycles waste from the pulp industry and the production of electric car batteries.</p>

Major shareholders	The table below shows the shareholders who hold at least five percent of the shares and votes in Cinis Fertilizer immediately prior to the Offering and immediately after the execution of the Offering. As indicated in the table below, after the completion of the Offering there will be no, direct or indirect, controlling shareholders.						
		Shareholding before the Offering		After the Offering (if the Overallotment Option is not exercised)		After the Offering (if the Overallotment Option is fully exercised)	
		Number of shares and votes	Percent	Number of shares and votes	Percent	Number of shares and votes	Percent
	Shareholder						
	<i>Shareholders with holdings exceeding 5 percent of the shares</i>						
	Jakob Liedberg	26,400,000	46.6	26,400,000	37.5	26,400,000	36.4
	Roger Johansson	13,600,000	24.0	13,944,827	19.8	13,944,827	19.2
	Thomas Ranje ¹⁾	10,000,000	17.6	11,206,896	15.9	11,206,896	15.5
	Other existing shareholders	6,664,400	11.8	8,836,811	12.5	8,836,811	12.2
	Total	56,664,400	100	60,388,534	85.7	60,388,534	83.3
New shareholders	–	–	10,068,969	14.3	12,137,934	16.7	
Total	56,664,400	100	70,457,503	100	72,526,468	100	
	1) Holds shares privately and through endowment insurance.						
Senior executives	The Company's board of directors consists of Roger Johansson (chairman), Viktoria Bergman, Sten Hedbäck, Anna Kinberg Batra, Åsa Källenius and Morgan Sadarangani.						
	The Company's senior executives consists of Jakob Liedberg (CEO), Henrik Andersson (CFO) and Charlotte Becker (IR, Communication & Marketing Director).						
Auditor	Mazars AB is the Company's auditor. Michael Olsson is the responsible auditor of Cinis Fertilizer and is an authorised public accountant and a member of FAR (institute for the accountancy profession in Sweden).						

Key financial information regarding the issuer

Summary of key financial information	Selected income statement items for the Group					
		23 – 31 December 2021¹⁾			January – June 2022²⁾	
	SEK thousand					
	Other operating income			–		14
	Operating profit/loss			–47		–12,299
	Net profit for the period			–47		–12,303
	Selected income statement items for the Company					
		January – December			January – June	
	SEK thousand	2021³⁾	2020³⁾	2019³⁾	2022⁴⁾	2021⁴⁾
	Other operating income	–	–	–	14	–
Operating profit/loss	–3,388	–58	–40	–12,299	–398	
Net profit for the period	–3,389	–58	–40	–12,303	–399	
	1) Retrieved from the Group's audited consolidated financial statement as of and for the nine-day period ended 31 December 2021 prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and IFRS.					
	2) Retrieved from the Group's unaudited but reviewed interim report as of and for the six-month period ended 30 June 2022 prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and IAS 34 Interim Financial Reporting.					
	3) Retrieved from the parent company's audited financial statements as of and for the financial years ended 31 December 2021, 2020 and 2019 prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and RFR2.					
	4) Retrieved from the parent company's unaudited but reviewed interim report as of and for the six-month period ended 30 June 2022 prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and RFR 2.					

Summary of key financial information cont.	Selected balance sheet items for the Group					
	SEK thousand					
		31 December 2021¹⁾			30 June 2022²⁾	
	Total assets	38,591			39,653	
	Total equity	37,749			25,503	
	Selected balance sheet items for the Company					
	SEK thousand					
		31 December			30 June	
		2021³⁾	2020³⁾	2019³⁾	2022⁴⁾	2021⁴⁾
	Total assets	38,591	79	114	39,653	1,097
Total equity	37,749	52	110	25,503	902	
Selected cash flow items for the Group						
SEK thousand						
	23 – 31 December 2021¹⁾			January – June 2022²⁾		
Cash flow from operating activities	-49			-21,471		
Cash flow from investing activities	-			-32		
Cash flow from financing activities	-			53		
Selected cash flow items for the Company						
SEK thousand						
	January – December			January – June		
	2021³⁾	2020³⁾	2019³⁾	2022⁴⁾	2021⁴⁾	
Cash flow from operating activities	-3,071	-25	-39	-21,471	-301	
Cash flow from investing activities	-25	-	-	-132	-	
Cash flow from financing activities	41,085	-	-	53	1,249	
<p>1) Retrieved from the Group's audited consolidated financial statement as of and for the nine-day period ended 31 December 2021 prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and IFRS.</p> <p>2) Retrieved from the Group's unaudited but reviewed interim report as of and for the six-month period ended 30 June 2022 prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and IAS 34 Interim Financial Reporting.</p> <p>3) Retrieved from the parent company's audited financial statements as of and for the financial years ended 31 December 2021, 2020 and 2019 prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and RFR2.</p> <p>4) Retrieved from the parent company's unaudited but reviewed interim report as of and for the six-month period ended 30 June 2022 prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and RFR 2.</p>						

Specific key risks for the issuer

Material risk factors specific to the Company's operations	<p>Material risk factors attributable to the Company's operations:</p> <ul style="list-style-type: none"> In order for Cinis Fertilizer to be able to successfully start commercial production, it is necessary for the Company's facilities in Örnsköldsvik, Skellefteå and the rest of Sweden to be completed according to plan. There is a risk that establishing the production plants will take longer and become more costly than expected, which could lead to the Company's ongoing commercialisation and production of potassium sulphate being delayed or completely interrupted. In order for the Company to conduct its operations it is necessary for Cinis Fertilizer to succeed in obtaining and maintaining certain required permits on terms favourable to the Company, such as environmental permits in accordance with the Swedish Environmental Code and permits for chemical handling. The Company has not yet been granted environmental permits for its first production plants in Örnsköldsvik and Skellefteå but these are under processing and a decision will be made by the Swedish Land and Environment Court. Cinis Fertilizer is expected to receive an environmental permit for the production plant in Örnsköldsvik during the fourth quarter of 2022. According to the current production plan, the total cost related to the production plant in Örnsköldsvik will amount to approximately SEK 30 million before the Company has received an environmental permit (based on the assumption that an environmental permit will be obtained at the end of November 2022). There is a risk that the Company will not be granted the permits required to establish production plants in Örnsköldsvik, Skellefteå or on other desired properties. The Company's wholly-owned subsidiary Cinis Sweden AB has entered into a Credit Facility Agreement regarding the use of a facility for an amount up to SEK 300 million with Nordea and the Swedish Export Credit Corporation (Sw. <i>Svensk Exportkredit</i>). The Company's right to payment under the Credit Facility Agreement is conditional upon, inter alia, the completion of the Offering and that Cinis Fertilizer obtains all necessary permits. If Cinis Fertilizer fails to meet these conditions, there is a risk that the payments under the Credit Facility Agreement are delayed or not provided at all. Cinis Fertilizer has also undertaken to ensure, inter alia, that certain financial performance indicators do not differ from the agreed levels. In the event that agreed levels are not achieved, there is a risk that any amount outstanding under the Credit Facility Agreement, in whole or in part, will fall due
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<p>Material risk factors specific to the Company's operations, cont.</p>	<p>immediately. As security for its obligations and liabilities under the Credit Facility Agreement, Cinis Fertilizer will provide extensive securities. Consequently, if the Company is unable to meet its obligations and liabilities, Lenders may be entitled to claim the relevant securities in accordance with the terms and conditions in separately entered security agreements.</p> <ul style="list-style-type: none"> • Cinis Fertilizer's cash flow is mainly expected to remain negative until early 2024. If the Company fails to raise sufficient capital on favourable terms for the Company or at all, Cinis Fertilizer's prospects may be adversely affected. • Cinis Fertilizer's production is also dependent on agreements being reached with suppliers of, among other things, residues from the industry processing equipment, cooling water and electricity solutions. However, some of Cinis Fertilizer's contractual relationships with suppliers, customers and industrial partners have not yet been formalised in commercial contracts. There is a risk that the Company will not succeed in formalising existing and future contractual relationships with suppliers and customers in commercial contracts, which could have an adverse effect on Cinis Fertilizer's operations, profitability and results. • The Company is dependent on suppliers and other partners. There is a risk that the Company's suppliers and partners will suffer financial, legal or operational problems, raise prices, be unable to deliver on contracts, or deliver products of lower quality than expected, which could lead to the Company being forced to compensate customers for missed or incorrect deliveries, damaged customer relationships and lower sales for the Company. • Cinis Fertilizer is in a growth phase that sets high demands on both senior executives and the Company's operational and financial infrastructure. There is a risk that the Company will not be able to handle growth in connection with Cinis Fertilizer's future expansion, which could lead to significantly increased operating costs for the Company. • Cinis Fertilizer's operations are subject to market competition. There is a risk that the Company's competitors will have time to develop alternative, competing products, which may mean that Cinis Fertilizer's produced potassium sulphate is replaced by a new product or that the Company fails to implement and adapt to new technology and legislation in time and at a reasonable cost, which could lead to Cinis Fertilizer's competitive position in the market deteriorating and demand for the Company's products falling sharply. • There is a risk that Cinis Fertilizer may in the future be involved in disputes, such as those involving alleged intellectual property infringements, environmental disputes, partnership agreements, customer and supplier disputes and other commercial disputes, which could lead to costs and financial losses for the Company or cause significant damages to Cinis Fertilizer's brand and reputation.
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Key information regarding the securities

The main features of the securities

<p>Offered securities</p>	<p>The Offering covers shares in Cinis Fertilizer AB, reg. no. 559154-0322, with ISIN code SE0018040784. The shares are denominated in SEK.</p>
<p>Total number of shares in the Company</p>	<p>As of the date of this Prospectus, there are 56,664,400 shares in the Company. Each share has a quota value of SEK 0.01.</p> <p>Provided that the Offering is fully subscribed and the Overallotment Option is fully exercised the Company's share capital will amount to SEK 725,264.68 distributed over 72,526,468 shares.</p>
<p>Rights associated with the securities</p>	<p>Each share in the Company entitles the holder to one vote at shareholders' meetings and each shareholder is entitled to cast votes equal in number to the number of shares held by the shareholder in the Company. If the Company issues new shares, warrants or convertibles in a cash issue or a set-off issue, shareholders will, as a general rule, have preferential rights to subscribe for such securities proportionally to the number of shares held prior to the issue. The shares carry the right to payment of dividend for the first time on the record day for distribution which falls immediately after the listing. All shares in the Company confer equal rights to dividends and the Company's assets and any possible surpluses in the event of liquidation.</p> <p>The rights associated with the shares issued by the Company, including those set out in the articles of association, can only be changed in accordance with what appears in the Swedish Companies Act (2005:551).</p>
<p>Restrictions on transferability</p>	<p>The shares are not subject to any restrictions on transferability.</p>

Dividend and dividend policy	Cinis Fertilizer is in an expansive growth phase and has not yet provided any dividends. According to the Company's dividend policy the board of directors intends to allow the Company to carry forward any profits to invest in the business and therefore does not anticipate that any dividends will be paid in the near future. Future dividends, may however, be provided as Cinis Fertilizer's results and financial position allow this.
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Where will the securities be traded?

Admission to trading on Nasdaq First North Growth Market	Nasdaq Stockholm has decided that the Company meets the current listing criteria for the Nasdaq First North Growth Market. Nasdaq Stockholm will approve an application for admission to trading in the Company's shares on Nasdaq First North Growth Market provided that certain conditions are met, including that the Company submits this application and that the distribution requirement for its shares is met.
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Which key risks are specific to the securities?

Significant risk factors specific to the securities	<p>Significant risk factors specific to the securities consist of the following:</p> <ul style="list-style-type: none"> • There is a risk that the liquidity of the Company's shares may be limited, for example because an active and liquid market will not develop or, if one does, it will not last after the Offering has been completed. There is also a risk that the Company's share price may be volatile or fall and that the price will not reflect the price at which investors are willing to buy and sell the shares after the Offering. • There is a risk that the sale of shares by the Principal Owners as well as board members and senior executives may cause the Company's share price to decline. • There is a risk that new shareholders will have a limited opportunity to influence corporate matters as the Principal Owners will continue to have significant influence over Cinis Fertilizer after the Offering. • Cinis Fertilizer's ability to distribute dividends to its shareholders depends on the Company's future earnings, financial position, cash flows, need for working capital, investment costs and other factors. There is a risk that the Company will not have sufficient distributable funds and that Cinis Fertilizer's shareholders may resolve to not pay dividends in the future.
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Key information on the offer of securities to the public

Under which conditions and timetable can I invest in this security?

Terms and Conditions	<p>General The Offering comprises up to 13,793,103 newly issued shares in the Company. The Offering is divided into two parts (i) the offer to the public in Sweden and (ii) the offer to institutional investors in Sweden and abroad.</p> <p>Overallotment Option To cover a possible overallotment in the Offering, the Company has issued an option to the Managers to acquire a further maximum of 2,068,965 newly issued shares in the Company, corresponding to a maximum of 15 percent of the number of shares in the Offering (the "Overallotment Option"). The Overallotment Option may be exercised, in whole or in part, for a period of 30 days from the first day of trading in the Company's shares on Nasdaq First North Growth Market.</p> <p>Offering Price The Offering Price has been set to SEK 29 per share. The fixed price has been determined by the Company's board of directors in consultation with the Joint Bookrunners, based on the expected investment interest from institutional investors.</p> <p>Allotment Decisions on the allotment of shares as part of the Offering are made by the Company's board of directors in consultation with the Joint Bookrunners, where the goal is to achieve a good institutional ownership base and a wide distribution of the shares among the public to enable regular and liquid trading of the shares on Nasdaq First North Growth Market.</p>
Timetable for the Offering	<p>Application period for the general public: 14 – 20 October 2022 Application period for institutional investors: 14 – 20 October 2022 First day of trading in the Company's shares: 21 October 2022 Settlement day: 25 October 2022</p>

Dilution as a result of the Offering	The new share issue of maximum 13,793,103 shares may result in the number of shares in the Company increasing from 56,664,400 to a maximum of 70,457,503, which corresponds to a dilution of 19.6 percent for existing shareholders in the Company (approximately 21.9 percent if the Overallotment Option is fully exercised).
Issue costs	The Company's costs for the admission of the shares for trading on Nasdaq First North Growth Market and the Offering, are estimated to amount to approximately SEK 39 million (provided that the Offering is fully subscribed and the Overallotment Option is fully exercised).
Costs imposed on investors	No brokerage fees are paid in connection with the Offering.

Why has this Prospectus been prepared?

Background and reasons	<p>The purpose of the Offering and listing on the Nasdaq First North Growth Market is to finance the construction of the Company's first production plant (production plant 1). The net proceeds from the Offering are not sufficient to finance the entire cost of production plant 1 and Cinis Fertilizer has therefore entered into a Credit Facility Agreement with Nordea and Swedish Export Credit Corporation of SEK 300 million which will be used in all material respects to finance production plant 1. The board of directors and the senior executives of Cinis Fertilizer believe that the Offering and the listing will give the Company a broader shareholder base and access to the Swedish and international capital markets. Furthermore, a listing of the shares on Nasdaq First North Growth Market is expected to increase awareness of the Company and its operations and strengthen the Company's brand among customers, partners, employees, investors and other important stakeholders.</p> <p>Cinis Fertilizer's assessment is that the existing working capital (i.e. excluding proceeds from the new share issue in the Offering) is not sufficient for the Company's needs over the coming 12-month period. Cinis Fertilizer intends to remedy the estimated working capital deficit by issuing new shares in the Offering, which is expected to raise approximately SEK 363 million for the Company after transaction costs (provided that the Overallotment Option is not exercised). The board of directors' assessment is that this amount, combined with new loans and the Company's current cash, will be sufficient to meet the Company's operating capital needs over the upcoming 12-month period.</p>
Issue proceeds and purpose	<p>The new share issue in the Offering is expected to provide Cinis Fertilizer with approximately SEK 400 million before deductions for costs related to the Offering, which are expected to amount to approximately SEK 37 million. The Company is thus expected to receive approximately SEK 363 million after deductions for costs related to the Offering (provided that the Overallotment Option is not exercised).</p> <p>The Company intends to use the net proceeds from the Offering with the following order of priority: (i) SEK 300 million to finance production plant 1 and (ii) SEK 63 million to strengthen the Company's balance sheet.</p> <p>If the Overallotment Option is fully exercised Cinis Fertilizer is expected to receive additional proceeds of approximately SEK 60 million, before deductions for costs related to the Overallotment Option, which are expected to amount to approximately SEK 2 million. The net proceeds from the issue of additional shares, amounting to up to approximately SEK 58 million, are intended to be used in the following order of priority: (i) SEK 35 million for the construction of office premises next to production plant 1 and (ii) remaining net proceeds to strengthen the Company's balance sheet.</p>
Conflicts of interest	<p>In connection with the Offering, Managers will provide financial advice and other services to the Company, services for which Managers will receive compensation. From time to time, Managers may provide various banking-, financial-, investment-, commercial- and other services to the Company, within the ordinary course of business and in connection with other transactions, for which they may receive compensation. Nordea is also lender to the Company as of the date of the Prospectus.</p> <p>Advokatfirman Schjødt is legal advisor in connection with the Offering and the listing and may provide additional legal advice to the Company.</p>

Risk factors



*This section describes the risk factors and significant circumstances considered to be material to the Group's business and future development. The risk factors pertain to the Group's operations, industry and market, and further include the following categories of risk factors: business and industry-specific risks, legal risks, financial risks and risks related to the shares. The materiality assessment for each risk factor is based on the probability of its occurrence and the expected magnitude of its adverse effects. In accordance with the European Parliament and Council Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"), the risk factors listed below are limited to risks which are specific to the Company and/or the securities and which are material for making an informed investment decision.*

The description below is based on information available at the time of publication for this Prospectus. The risk factors that are currently considered to be most material are presented first in each category while the subsequent risk factors are presented in no particular order.

The following risks and uncertainties could have a material adverse effect on the Group's business, financial position and/or earnings. They could also cause the shares in the Company to decrease in value, which could lead to shareholders in the Company losing all or part of their invested capital.

Risks attributable to the Group's operations, industry and markets

Cinis Fertilizer has not yet started production and establishing the production plants may take longer or be more expensive than planned

As of the date of the Prospectus, the Company's commercial production of potassium sulphate has not yet begun, and Cinis Fertilizer has therefore not delivered any potassium sulphate to commercial customers. The Company intends to start production in early 2024 at the Company's first production plant in Örnsköldsvik. Subsequently, Cinis Fertilizer intends to put its second production plant into operation by mid-2025, and its third and fourth production plants into operation by mid-2026. In order for Cinis Fertilizer to be able to successfully start commercial production, the Company's production plants, must be able to be completed according to plan.

Establishing new production plants is a time-consuming and costly process which, in addition

to access to the necessary financing, may, among other things, require the approval of any detailed development plan changes, obtaining a building permit as well as ensuring that technical solutions work according to plan. The Company will also need to apply for and receive the relevant permits and registrations from authorities, such as environmental permits. There is a risk that it will not be possible to obtain such permits or registrations on terms that are favourable to the Company or at all (see the under the risk factor "*Risks attributable to laws, regulations and litigation – Cinis Fertilizer's success depends on compliance and obtaining and maintaining necessary permits*" below).

Cinis Fertilizer has entered into two land allocation agreements with Örnsköldsvik municipality and Skellefteå municipality for the land where the first two production plants are planned to be built. The agreements include an exclusive right to negotiate with the municipality for a limited period of time and under specific conditions for the transfer of certain land owned by the municipality for development. There is a

risk that the terms will change to the detriment of Cinis Fertilizer, whereby the Company may need to find other land on which to establish its production plants.

Overall, there is a risk that establishing production plants will take longer and become more costly than expected, which in turn could lead to the Company's ongoing commercialisation and production of potassium sulphate being delayed or completely interrupted. In the event that any or all of the risks relating to the establishment of production plants are realised, there is a risk that the Company will not be able to start production and will not be able to meet its obligations to customers (for example, unable to deliver the agreed amount of potassium sulphate) nor requests from potential, future customers. This in turn would have a significant adverse impact on the Company's revenue, operations, and growth.

Cinis Fertilizer is dependent on entering into and maintaining commercial agreements with relevant stakeholders

Cinis Fertilizer has entered into an agreement with Van Iperen International, which has undertaken to purchase all of the Company's potassium sulphate product from production plant 1 and 2 at a value of approximately SEK 3.3 billion annually. The valuation is based on the spot price according to Argus Index NW Europe as of 4 August 2022. In order for the Company to produce potassium sulphate and the by-product sodium chloride, Cinis Fertilizer will require a supply of residues from the industry in line with agreements with stakeholders such as Northvolt. Cinis Fertilizer's production is also dependent on agreements being made with suppliers of input goods, process equipment, cooling water and electricity solutions. However, some of Cinis Fertilizer's contractual relationships with suppliers, customers and industrial partners have not yet been formalised in commercial contracts, but are in the form of letters of intent. The Company's intention is to convert these letters of intent into formal agreements with each counterparty, but there is a risk that the negotiations for such agreements cannot be completed. Furthermore, the letters of intent that the Company has entered into seldom contain any binding commitments from the counterparties, but are instead of a non-binding nature. There is therefore a risk that the final agreements – in cases where these can be entered into – will generate lower volumes or revenue than the Company initially expected. In

addition to the fact that such lower volumes may result in lower revenues than expected, lower volumes may also mean that resources set aside to manage the expected volumes cannot be utilised to the extent intended.

A key factor for the success of Cinis Fertilizer's expansion and commercialisation phase is consequently that the Company succeeds in formalising existing and future letters of intent with suppliers, customers and other partners in commercial agreements, and successfully manages to maintain these formalised contractual relationships. In the event that such agreements cannot be entered into, renegotiated or maintained on terms favourable to Cinis Fertilizer, or at all, this may have a material adverse effect on Cinis Fertilizer's operations, profitability and results.

Cinis Fertilizer is dependent on suppliers and partners, whose actions the Company cannot always control or have insight into

The Company is dependent on suppliers and other partners, for example production at all of the Company's future plants will be dependent on Northvolt's or other industrial partners' delivery of residues from the industry for Cinis Fertilizer's potassium sulphate production line. Northvolt's battery factory in Skellefteå and the planned establishment in Borlänge have not yet been completed and the production of car batteries is not in full operation. Furthermore, Northvolt is dependent on its own suppliers and Cinis Fertilizer may have difficulty predicting and controlling possible delays by various stakeholders. There is thus a risk that the development of Northvolt's operations may face delays, partly due to the number of stakeholders that are part of the process, which down the line may affect Cinis Fertilizer's production of potassium sulphate. Such an impact caused by delays would result in the Company not being able to produce the expected volume of potassium sulphate required to meet customer demand. If Cinis Fertilizer is obliged to sell a certain volume of potassium sulphate, or the by-product sodium chloride, to the Company's customers, but is unable to meet its obligations, this could impair Cinis Fertilizer's reputation and result in the Company being liable for damages or other penalties for a possible breach of contract.

Cinis Fertilizer could also be adversely affected by suppliers and partners suffering from financial, legal, or operational problems, raising prices, not being able to deliver on contracts or

delivering products of lower quality than expected. Such factors may affect the Company's ability to purchase raw materials on time, at a reasonable price and to deliver its product to its customers, which may lead to a general dissatisfaction among customers, the Company being forced to compensate customers for missed or incorrect deliveries, damaged customer relationships and lower sales for the Company.

The Company lacks full transparency and cannot control the operations of its potential customers and suppliers. There is a risk of suppliers acting in a way that harms the Company, for example through non-compliance with regulations applying to their operations, including compliance with applicable environmental law provisions. In the event that Cinis Fertilizer's suppliers, either knowingly or unknowingly, violate the applicable and relevant laws and regulations, this may lead to negative publicity for the Company and could adversely affect Cinis Fertilizer's reputation. A deteriorating reputation as a result of such negative publicity may lead to customer losses and lower revenues for the Company.

Cinis Fertilizer's ability to manage growth

Cinis Fertilizer is in a growth phase that sets high demands on both senior executives and the Company's operational and financial infrastructure. Cinis Fertilizer is currently in a development phase, but with the commercialisation of the Company's production, the Company is undergoing a transition to become an industrially driven company. Cinis Fertilizer intends to grow significantly which, in connection with the transition to becoming an industrial company, places additional demands on the design and implementation of planning and management processes within the business.

As of the date of the Prospectus, the Company conducts operational activities in Sweden, where the first production plants are intended to be built. In the future, the Company may, as part of its future growth plans, expand operations to markets that the Company has not previously been in contact with or has experience of. The Company intends, for an example, to build one additional production plant in the Nordic region (in addition to production plant 1, 2 and 3). Expansion to, and operations in, new countries are always associated with uncertainty factors and risks, such as stricter environmental responsibility and/or more stringent requirements from authorities and other public

bodies. The Company must take these risks into consideration particularly when designing planning and management processes, and there is a risk that the Company will not be able to take into account every relevant risk associated with expansion to existing and new markets and jurisdictions.

If the above processes are not designed in a complete and adequate way, are not in place in good time before Cinis Fertilizer chooses to expand the business, or if control, planning and management processes cannot be adapted to market growth, this could result in significantly increased operating costs, which in turn would have an adverse impact on the Company's earnings.

Cinis Fertilizer's operations are subject to market competition

As of the date of the Prospectus, there are a number of known competitors to Cinis Fertilizer producing chemically identical products or similar products that the Company intends to produce. The largest producers of potassium sulphate are primarily SDIC (China) which holds 13 percent of the market as well as K+S (Germany) and Bindi Potash (China) who each holds seven percent of the market. In addition, there may be other competitors or development projects that aim to solve the same needs that the Company meets and which, as of the date of the Prospectus, are not known to the Company. There is a risk that the Company's current or future competitors, with potentially higher production capacity and greater resources than the Company, will have time to develop alternative, competing products, which could lead to Cinis Fertilizer's environmentally produced potassium sulphate being replaced by a new product and demand for the Company's products decreasing sharply or, in the worst case, ceasing altogether.

In order for the Company to successfully compete with suppliers who produce potassium sulphate through the Mannheim process, and with other, new producers of potassium sulphate and other environmentally friendly mineral fertilizers, the Company must continuously evaluate its needs regarding equipment at future production plants and upgrade these facilities in line with any technical developments in the field. In addition, upgrades may be required as a result of stricter requirements in applicable legislation in the future. Investments in new and upgraded equipment will bring high levels of cost for Cinis Fertilizer and rapid technical development could,

from time to time, lead to the Company's existing equipment becoming outdated earlier than planned. There is a risk that Cinis Fertilizer, which has historically had no revenue, will not have the financial resources required to carry out the necessary upgrades to its production capacity. If the Company fails to implement and adapt to new technology and legislation in a timely manner and at a reasonable cost, Cinis Fertilizer may lose existing and future customers to competitors with potentially greater resources than the Company.

It is uncertain whether any of the above risks will be realised, but to the extent that this could occur, the Company's assessment is that its market position risks being weakened, which, depending on the extent of this, could have a significant impact on the Company's future ability to generate revenue, or result in the Company not generating any income in the future.

Cinis Fertilizer's operations are sensitive to interruptions and disruptions

The Company's first production plant is planned to be in operation from the beginning of 2024. The Company's operations will depend on reliable and efficient production from production plant 1 to ensure that Cinis Fertilizer's products are delivered on time and that they meet the quality expected by the Company's customers. There is a risk that the Company's operations will be affected by interruptions and disruptions in production, for example as a result of machine breakdowns, delayed, incorrect or contaminated deliveries of input materials, technical errors, labour-related legal action, accidents, suppliers violating agreements or other disruptions. An interruption or disruption, such as a machine breakdown in part or all of Cinis Fertilizer's production line, could result in significant costs and delays for Cinis Fertilizer.

Delayed or incorrect deliveries of residues from pulp mills and car battery production could have a material adverse effect on Cinis Fertilizer's production, both directly and indirectly, partly because the deliveries are necessary in order for production to be conducted according to plan, and partly because any contaminated materials delivered could prevent Cinis Fertilizer from obtaining or maintaining required environmental permits (see also the risk factor "*– Risks attributable to laws, regulations and litigation – Cinis Fertilizer's success depends on compliance with regulations and the receipt and maintenance of the required permits*" below).

Interruptions or disruptions may also result in the Company failing to meet its obligations to current or future customers, which in turn could impair Cinis Fertilizer's reputation and result in the Company being forced to pay damages or fines due to delayed delivery or non-delivery. If these risks related to the Company's production and operations are realised, in whole or in part, this could result in a material adverse effect on the Company's profitability and future growth.

Cinis Fertilizer's organisational structure and operations are limited and dependent on a few key individuals

As of the date of the Prospectus, the Company has approximately nine permanent employees who work operationally. The Company's organisational structure is thus limited, which makes the Company dependent on a few key personnel's individual and collective efforts for the continued development of Cinis Fertilizer's operations. Should any one or more of these persons choose to leave the Company, it could delay or cause interruptions in Cinis Fertilizer's operations.

As the Company's existing structure is limited, an important factor for the Company to be able to successfully expand its operations and commercialise its product is for Cinis Fertilizer to succeed in recruiting and retaining additional key personnel in the future. Cinis Fertilizer's ability to hire and retain key individuals depends on a number of factors, including competition in the labour market. A loss of or an inability to recruit key individuals could lead to the loss of important knowledge, the non-fulfilment of goals set and an adverse impact on the implementation of Cinis Fertilizer's business strategy, commercialisation, and expansion phase.

Furthermore, there is a risk that the Company's key personnel will start working at or will found companies whose operations compete with Cinis Fertilizer or recruit other employees to also start working at competing companies. If Cinis Fertilizer's ability to recruit and retain staff deteriorates, it could jeopardise the Company's commercialisation phase, expansion, corporate culture, and relationships with key stakeholders, such as customers and suppliers. The loss of such key personnel could have material adverse consequences for Cinis Fertilizer and affect the Company's operations and profitability.

Cinis Fertilizer's insurance coverage proves to be insufficient to protect the Group against losses and/or liabilities in its operations and any damage occurring could lead to increased insurance premiums

Cinis Fertilizer has insurance coverage in the form of, among other things, property insurance, liability insurance for claims against the Company and liability insurance for the board of directors and senior executives, which were obtained during the period January to June 2022 at an annual cost of SEK 288,467. The Company's liability insurance for claims is limited to SEK 20 million per year. There is a risk that the Company will be subjected to claims that exceed or are not covered by Cinis Fertilizer's existing insurance coverage, for example as a result of damage to persons or the environment that arises at the Company's planned production plants or as a result of damage to plants and machinery. Furthermore, damage suffered by the Company, even if at the time of the claim it is covered by Cinis Fertilizer's existing insurance coverage, may lead to increased insurance premiums for Cinis Fertilizer. If the Company's assessments of the need for insurance coverage prove to be incorrect or if Cinis Fertilizer's insurance premiums are significantly increased as a result of damages that the Company had not anticipated, this could lead to financial losses or increased operating costs for the Company.

Russia's ongoing military invasion of Ukraine has had a negative impact on the global economy and could have a negative impact on Cinis Fertilizer

Russia's ongoing military invasion of Ukraine has had a negative impact on the global economy. In response to Russia's invasion of Ukraine, the EU, the US and other countries have imposed extensive economic sanctions on Russia and Belarus, and on some Russian and Belarusian individuals, banks and companies. These sanctions and any additional sanctions may affect the price of potassium chloride (MOP), which is the most important input in the Company's production of potassium sulphate. Russia and Belarus are two of the major potassium chloride producers. Furthermore, the ongoing invasion of Ukraine has led to higher oil, gas, and electricity prices. Cinis Fertilizer intends to use energy only from fossil-free sources in its production operations. If the prices of energy from fossil-free sources increase further, it can lead to increased costs for Cinis Fertilizer, which

would have an adverse impact on Cinis Fertilizer's results.

The ongoing invasion of Ukraine and the sanctions against Russia and Belarus may lead to a longer period of uncertainty and volatility in the financial markets, which could make it difficult for the Company to change or renew existing credit arrangements, including but not limited to the Company's existing Credit Facility Agreement with Nordea and the Swedish Export Credit Corporation (Sw. *Svensk Exportkredit*), and affect the Group's ability to finance new investments and expansions. A tightening in lending or disruptions to financial markets could also disrupt or delay deliveries from the Company's suppliers and lead to an increase in suppliers' prices, which could have an adverse impact on the Group's costs and earnings. There is also a risk that Cinis Fertilizer's share price, following the planned listing on the Nasdaq First North Growth Market, will follow general market development regardless of whether Cinis Fertilizer performs in line with or better than market expectations, which could have an adverse effect on Cinis Fertilizer's future price.

The effects of the ongoing invasion on the global economy are difficult to fully grasp. A possible future escalation of the situation in Ukraine, spreading to more countries, could ultimately result in Cinis Fertilizer not being able to conduct operations as planned, which could have a material adverse effect on the Company's growth, operations, and results.

The Covid-19 outbreak has had a negative impact on the global economy and may delay the implementation of Cinis Fertilizer's commercialisation phase

The global spread of Covid-19 could have a significant impact on Cinis Fertilizer's operations by, for example, lowering production efficiency and causing delays, both for the Company and the Company's customers and suppliers. Contracting parties may, to a large extent, be forced to invest time and resources in managing and trying to limit the adverse effects of Covid-19 and thus have less time and resources to deliver products and services under contracts with the Company and to communicate with the Company. Covid-19 may also affect the global capital market, which carries a risk that Cinis Fertilizer's share price, following the planned listing on Nasdaq First North Growth Market, will follow general market development regardless of

whether Cinis Fertilizer performs in line with or better than market expectations. Furthermore, there is a risk that the outbreak of Covid-19 will affect the availability of capital, which may affect Cinis Fertilizer's ability to obtain the necessary financing in the future, for example to finance the establishment of additional production plants. Cinis Fertilizer has historically had no income and a lack of access to the necessary financing on terms acceptable to the Company could therefore have material adverse effects for Cinis Fertilizer.

The global outbreak of Covid-19 and its impact on the markets in which Cinis Fertilizer operates could have negative consequences for Cinis Fertilizer and the Company's commercialisation phase, which in the long run could lead to a decline in the value of Cinis Fertilizer's shares and decrease revenue potential for the Company.

Risks attributable to legislation, regulations, and litigation

Disputes, claims and other legal proceedings can be financially burdensome and damage Cinis Fertilizer's reputation

There is a risk that Cinis Fertilizer may in the future be involved in disputes, such as alleged intellectual property infringements, environmental disputes related to the Company's production plants, cooperation agreements entered into, customer and supplier disputes and other commercial disputes. If claims were to be made against the Company, regardless of whether this would lead to legal liability being established or not, the claims could lead to costs and financial loss for the Company or cause significant damage to Cinis Fertilizer's brand and reputation, which could adversely affect Cinis Fertilizer's ability to conduct its business. Furthermore, allegations of misconduct, whether true or not, may damage Cinis Fertilizer's brand and reputation.

The extent of the adverse effects for the Company in the event that any of the above risks are realised depends primarily on the extent to which a possible claim is covered by the Company's insurance policies and the area to which the claims made relate. Disputes and other legal proceedings related to intellectual property infringement and environmental liability are, for example, considered to be particularly critical. Cinis Fertilizer's competitors may claim, in

unsubstantiated claims, that the Company is infringing on another's intellectual property rights. Potential disputes could involve high litigation costs and have an adverse impact on the Company's reputation. A claim regarding the Company's environmental liability would also be critical as the liability is unlimited in time, often associated with significant costs (see also the risk factor "*Risks attributable to laws, regulations and litigation - Cinis Fertilizer's operations are exposed to environmental risks below*") and could be considered as having a material adverse effect impact on Cinis Fertilizer's brand and reputation, which has had a clean sustainability profile since the Company's founding.

Cinis Fertilizer's success is dependent on compliance with regulations and obtaining and maintaining the necessary permits

The Company's operations are regulated by and must meet the requirements of several laws and regulations, including the Swedish Environmental Code (1998:808) and the Swedish Planning and Building Act (2010:900). The ability to comply with applicable laws and regulations depends in some cases on the establishment of facts and interpretations of complex provisions for which no previous guiding decision is available. In such cases, it may not always be possible for Cinis Fertilizer to properly assess the import of such laws and regulations. If Cinis Fertilizer's interpretation of applicable regulations proves to be incorrect, or if the Company were to violate applicable regulations due to changes thereof or operational deficiencies, there is a risk that Cinis Fertilizer could be subject to fines and other administrative sanctions. If the Company, its subcontractors, contractors or partners, do not comply with rules and practices, Cinis Fertilizer may be forced to allocate considerable time and financial resources to dealing with these regulatory deviations, defend itself against accusations, be subject to sanctions such as high fees, fines, seizures of products, operating restrictions or lawsuits or, in the worst case, being forced to cease all or part of its operations. Damages, fines or high fees would have a material adverse effect on Cinis Fertilizer's financial position and would significantly affect the Company's opportunities to develop its production operations without raising additional capital and, even in the event that an investigation or legal proceeding does not lead to a sanction or if the sanction were for a small amount, it could have a material adverse effect on the Company's reputation.

In order for the Company to conduct its operations it is necessary for Cinis Fertilizer to succeed in obtaining and maintaining certain required permits on terms favourable to the Company, such as environmental permits in accordance with the Swedish Environmental Code and permits for chemical handling. The Company has not yet been granted environmental permits for its first production plants in Örnköldsvik and Skellefteå but these are under processing and a decision will be made by the Swedish Land and Environment Court. The Company has also not applied for an environmental permit for its third planned production plant. Cinis Fertilizer is expected to receive an environmental permit for the production plant in Örnköldsvik during the fourth quarter of 2022. According to the current production plan, the total cost related to the production plant in Örnköldsvik will amount to approximately SEK 30 million before the Company has received an environmental permit. There is a risk that the Company will not be granted the permits required to establish production plants in Örnköldsvik, Skellefteå, or on other desired properties. The permit process is associated with certain risks, such as the risk that permits contain conditions that require the Company to make costly investments in order to meet the requirements set out in the conditions. Failure to obtain permits without unreasonable costs and delays, or at all, or if such decisions are appealed or otherwise combined with strict conditions, may result in delays and financial losses for Cinis Fertilizer. There is also a risk that future allocated permits will be withdrawn as a result of the Company's failure to comply with the terms of the licences, which may have negative consequences for Cinis Fertilizer's financial position and future prospects.

Cinis Fertilizer is dependent on its intellectual property and trade secrets being protected

Cinis Fertilizer intends to produce a potassium-based mineral fertilizer by using the Company's own patented and patent-pending process using residual products from the electric car battery industry and the pulp industry. Cinis Fertilizer's success is therefore largely dependent on patents and the protection of internal expertise. The Company holds a patent family with a patent in Sweden, Finland and Canada which is intended to protect the application process for fertilizers containing potassium sulphate from residues from the paper and pulp industry. Cinis

Fertilizer's patent portfolio also consists of four additional patent applications that have not yet been granted. The three first patent applications relate to the treatment of residual products containing sodium sulphate from battery manufacturing plants, battery recycling plants and steel production plants. The fourth patent application relate to the treatment of residual products containing sodium sulphate from sodium ion battery manufacturing. The Company has also submitted an international PCT application which corresponds to the first three pending patent applications. The Company also intends to apply for additional patents in the future. There is a risk that the Company's protection for the patents and other intellectual property rights used in the business will prove to be insufficient, or that the Company's patent applications will not be granted. The Company has entered into an agreement with Northvolt regarding the delivery of residual products from Northvolt's battery factories. If the patent applications regarding treatment of residual products from the electric car battery industry are not approved, the Company would not have any patent protection for that treatment process. This could lead to increased costs for Cinis Fertilizer and a worsened competitive position. If the patent application is not approved because someone else has already filed a patent application for the same or a similar invention, Cinis Fertilizer would probably need a license from the person holding the patent to be able to carry out the current treatment process. In the event that such a license cannot be obtained on favourable terms, or at all, it could have a material adverse effect on Cinis Fertilizer's profitability and results, and ultimately mean that Cinis Fertilizer will not be able to operate as planned. If the Company fails to protect and uphold its intellectual property rights or if the Company is accused of violating the intellectual property rights of others, this could lead to financial losses for Cinis Fertilizer, and have an adverse impact on the Company's brand and reputation. The Company's application process, which is protected primarily by a patent and know-how license already granted, in combination with patents that the Company has applied for or intends to apply for, is particularly exposed to these risks. In the event that a required intellectual property protection for the Company's application process cannot be obtained or maintained, for example through rejection of the Company's pending and future patent applications, or if the Company's strategy

in the form of a combination of registrable intellectual property protection and expertise proves insufficient, this could have a material adverse impact on the Company's competitive position, earning capacity and commercialisation.

Cinis Fertilizer's business is exposed to environmental risks

For the planned operations at the Company's production plants the Company must apply for environmental permits in accordance with the Swedish Environmental Code (1998:808). Even after a permit has been granted, the Company has an obligation to continue to comply with the requirements of the Swedish Environmental Code in accordance with the proceeding set in the permit application. In the event of non-compliance, claims can be made against the Company. According to current Swedish regulations, as a general rule, whoever has carried out operations that have contributed to the pollution of a property are responsible for the remediation of the property (so-called remedial responsibility). Furthermore, the property owner has a so-called subsidiary remedial responsibility in certain cases, for example in the event that the polluter goes bankrupt. The remedial responsibility also applies regardless of any contractual connections between the property owner and the polluter. There is therefore a risk that Cinis Fertilizer will be obliged to restore a property in a condition that meets the requirements of the relevant environmental legislation, regardless of whether it is the Company that caused the damage, which may include potentially costly remediation of suspected and actual land, water, or groundwater pollution. There is also a risk that the Company's costs for investigating and taking measures, such as removing or restoring land, could be significant.

Obligations related to environmental responsibility could thus have a material adverse effect on Cinis Fertilizer's sales, financial position, and earnings. There is also a risk that environmental laws, regulations and regulatory requirements could change in the future and that this could lead to increased costs for the Company such as remediation costs caused by operations that Cinis Fertilizer conducts or may conduct in the future.

Risks related to financing

Cinis Fertilizer's debt financing is associated with far-reaching conditions and Cinis Fertilizer will grant extensive securities which could be realised if the conditions are not met

The Company's wholly-owned subsidiary Cinis Sweden AB entered into a credit facility agreement, regarding the use of a facility for an amount up to SEK 300 million, in September 2022 with Nordea and the Swedish Export Credit Corporation (Sw. *Svensk Exportkredit*) as original lenders (together the "**Lenders**"), for the purpose of financing the Company's production plant in Örnsköldsvik (the "**Credit Facility Agreement**"). The loan is to 80 percent guaranteed by the Swedish Export Credit Agency (Sw. *Exportkreditnämnden*).

Cinis Fertilizer's right to payment under the Credit Facility Agreement is conditional upon, inter alia, that the Offering is completed, and that Cinis Fertilizer obtains all necessary permits (including environmental permits). There is a risk that Cinis Fertilizer fails to fulfil these conditions, for example as a result of the Offering not being completed. Furthermore, there is a risk that Cinis Fertilizer fails to obtain the required environmental permits according to plan, if for example the application process takes longer than estimated, whereby payments under the Credit Facility Agreement could be delayed or not provided at all. In case any of these risks would materialise there is a risk that the required financing for the construction of the new plant in Örnsköldsvik is delayed or not provided at all.

Furthermore, even if the conditions above are fulfilled and Cinis Fertilizer receives the intended financing, Cinis Fertilizer has undertaken to, inter alia, ensure that certain financial performance indicators do not differ from the levels specified in the Credit Facility Agreement (so-called financial covenants), and that the project to construct the production plant is not delayed or becomes significantly more expensive. In the event that agreed levels are not achieved, there is a risk that any amount outstanding under the Credit Facility Agreement, in whole or in part, will fall due immediately. Furthermore, the Credit Facility Agreement stipulates additional restrictive covenants, customary for project financing.

As security for its obligations and liabilities under the Credit Facility Agreement, Cinis Fertilizer will provide extensive security including, inter alia,

pledging of cash, insurances, intellectual property, real estate, guarantees and agreements, as well as granting of security over certain moveable assets (Sw. *lös egendom*) relating to Cinis Fertilizer's production plants, such as certain machinery, buildings and other key assets. Consequently, in the event that the Company fails to meet its obligations and liabilities, the Lenders may be entitled to claim the relevant securities in accordance with the terms and conditions in separately entered security agreements. Such realisation of granted securities could be substantial and entail that Cinis Fertilizer's operations and assets, in whole or in part, are deprived from the Company. This could entail that Cinis fertilizer is forced to change its operations or, in worst case, cease all or part of its operations. In summary, Cinis Fertilizer's debt financing is subject to several uncertainties and risks and, in the event that such risks are materialised, in whole or in part, it could have significant negative impact on Cinis Fertilizer's financial position and future prospects.

Cinis Fertilizer currently has no revenue and the Company may have additional financing requirements

Cinis Fertilizer has reported a negative operating profit since the Company was formed. Furthermore, cash flow is expected to remain mainly negative until early 2024. Cinis Fertilizer's ongoing commercialisation and expansion phase, as well as the planned establishment of several production plants, entails significant costs and there is a risk that this phase will be more time consuming and costly than planned. The availability of and conditions for any additional financing are affected by a number of factors, such as the ability to enter into relevant cooperation agreements and the general availability of risk capital and loans.

In the event that the Company does not succeed in obtaining new financing on terms favourable to Cinis Fertilizer, this may lead to increased costs for Cinis Fertilizer. There is also a risk that changes in the general interest rate situation will have an adverse effect on the Company by leading to increased interest costs for existing and future financing. To meet future capital requirements, Cinis Fertilizer may also issue shares or other securities for both current shareholders and new investors, and there is a risk that such capital acquisitions could cause dilution of existing shareholders' holdings and affect the price of shareholders' holdings. If these

risks were to be realised, it could have a material adverse effect on investors' invested capital and the Company's share price.

If the Company fails to raise sufficient capital on terms favourable to the Company, or at all, Cinis Fertilizer's future prospects may be adversely affected. From a shorter timeframe perspective, the lack of capital could lead to the Company not having sufficient liquidity to meet its payment obligations, which could mean that Cinis Fertilizer is faced with a bankruptcy situation. In a longer timeframe, such lack of capital could mean that the Company is forced to change its operations through cost cutting and slowing down its commercialisation phase or that Cinis Fertilizer, in the worst case scenario, is forced to cease operations.

Risks related to the Offering and the shares

An active, liquid and functioning market for trading in Cinis Fertilizer shares may not develop, the share price may become volatile and potential investors may lose part or all of their investment

Prior to the Offering, there has been no organised market for Cinis Fertilizer's shares. There is a risk that an active and liquid market will not develop or, if such a market does develop, that it will not continue after the Offering has been completed. The price per share in the Offering is SEK 29 and has been determined by the Company's board of directors in consultation with the Managers based on the discussions that preceded the commitments made by the Cornerstone Investors, contacts with certain other institutional investors, prevailing market conditions and estimates of the Company's business opportunities and profit prospects. This price will not necessarily reflect the price at which investors in the market will be willing to buy and sell the shares after the Offering. Investors may thus not be able to resell the shares at a price corresponding to or exceeding the Offering Price.

Sales of shares by existing shareholders could cause the share price to decline

The market price of the Company's shares could drop if there are substantial sales of the Company's shares, particularly sales by the Company's board of directors, senior executives and major shareholders, or otherwise in connection with the sale of a large number of shares.

All shareholders in the Company before the Offering will, in accordance with the Placing Agreement, undertake, with certain exceptions and for a certain period, not to sell their shares or otherwise enter into transactions with a similar effect without prior the written consent of Managers. When the applicable Lock-Up Period has expired, the shareholders affected by the Lock-Up Period will be free to sell their shares in Cinis Fertilizer. The sale of large quantities of Cinis Fertilizer's shares following the end of a Lock-Up Period, or the perception that such a sale will take place, may cause the price of Cinis Fertilizer's shares to fall.

The Principal Owners will continue to have significant influence over Cinis Fertilizer after the Offering and this may limit new shareholders' ability to influence corporate matters

After the Offering has been completed, and under the assumption that the Overallotment Option will be fully exercised, the Principal Owners will own in total approximately 55.6 percent of the shares in the Company. The Principal Owners will continue to have significant influence over the outcome of matters that are referred to Cinis Fertilizer's shareholders for approval, including the election of board of directors and any mergers, consolidations or sales of all, or almost all, of Cinis Fertilizer's assets. In addition, the Principal Owners may have a significant influence over the Company's senior executives and Cinis Fertilizer's operations.

The interests of the main shareholders may deviate significantly from or compete with the interests of Cinis Fertilizer or the interests of other shareholders, and the Principal Owners may exercise their influence over Cinis Fertilizer in a manner that is not in the interest of other shareholders. For example, there may be a conflict between the interests of the Principal Owners on the one hand and the interests of the Company or its other shareholders on the other with regard to profit-sharing decisions.

Shareholders in the US or other countries outside of Sweden may not be able to participate in any future cash issues

If the Company issues new shares in a cash issue, shareholders will, as a general rule, have preferential rights to subscribe for new shares proportionally to the number of shares held prior to the issue. Shareholders in certain other countries may, however, be subject to restrictions that prevent them from participating in these rights issues or otherwise make it difficult or

restrict their participation. For example, shareholders in the United States may be prevented from subscribing for new shares if the shares and subscription rights are not registered under the Securities Act, or if no exemption from the registration requirements in the Securities Act applies. Shareholders in other jurisdictions outside of Sweden can be affected in a similar way if the subscription rights and the new shares offered have not been registered with or approved by the competent authorities in such jurisdictions. Cinis Fertilizer is under no obligation to submit any registration documents under the Securities Act or seek similar approvals under the laws of any other jurisdiction outside of Sweden in respect to subscription rights and shares, and doing so in the future may be impractical and costly. To the extent that Cinis Fertilizer shareholders in jurisdictions outside of Sweden are unable to exercise their rights to subscribe for new shares in future rights issues, their ownership in the Company could be diluted or reduced.

Undertakings from the Cornerstone Investors are not secured and may therefore not be fulfilled

Livförsäkringsbolaget Skandia, Ömsesidigt, Molindo Energy AB, Thomas Ranje (private and through Ranje Kapital AB), GADD & Cie S.A., Strand Kapitalförvaltning AB, Cicero Fonder AB, Poularde AB, SEB Investment Management AB, certain board members and existing shareholders have undertaken to acquire shares in the Offering corresponding to a total of approximately SEK 291 million. These commitments from the Cornerstone Investors represent a total of approximately 13.8 percent of the number of shares and votes in the Company following the completion of the Offering (provided that the Offering is fully subscribed and the Overallotment Option is fully exercised). However, the Cornerstone Investors' undertakings are not secured by a bank guarantee, blocked funds, pledges or similar arrangements, for which reason there is a risk that the Cornerstone Investors' undertakings, in whole or in part, will not be able to be fulfilled. The Cornerstone Investors' undertakings are further associated with certain conditions such as achieving a certain distribution of the Company's shares in connection with the Offering and that the Offering is carried out within a certain period of time. In the event that any of these conditions are not met, there is a risk that the Cornerstone Investors will not fulfil their commitments, which could have an adverse impact on the completion of the Offering.

Invitation to acquire shares in Cinis Fertilizer



Cinis Fertilizer has decided to diversify Cinis Fertilizer's ownership base to promote the Company's continued growth and development. Therefore, Cinis Fertilizer's board of directors has applied for a listing of the Company's shares on Nasdaq First North Growth Market.

Nasdaq Stockholm AB has decided to list the Company's shares on Nasdaq First North Growth Market, provided that, among other things, the usual offering requirements are met no later than the listing date, which is expected to fall on 21 October 2022.

Investors are hereby offered, in accordance with the terms of the Prospectus, to acquire shares in Cinis Fertilizer.

The Offering comprises a maximum of 13,793,103 newly issued shares in Cinis Fertilizer, which will be issued with the support of an issue authorisation from the annual general meeting held on 25 May 2022 (the "**Offering**"). The price per share in the Offering is SEK 29 (the "**Offering Price**") and has been determined by the Company's board of directors in consultation with the Managers based on the discussions that preceded the commitments made by the Cornerstone Investors (see below), contacts with certain other institutional investors, prevailing market conditions and estimates of the Company's business opportunities and profit prospects.

If the Offering reaches full subscription, the total number of outstanding shares in the Company will increase by 13,793,103, from 56,664,400 to 70,457,503, corresponding to a dilution of 19.6 percent of the total number of outstanding shares in the Company on completion of the Offering.

The new share issue under the Offering will, upon full subscription, raise proceeds for the Company of approximately SEK 400 million before issue costs, which are expected to amount to approximately SEK 37 million. The net proceeds from the Offering are thus expected to amount to approximately SEK 363 million.

In order to cover a possible overallotment in the Offering, the Company has undertaken to, at the request of the Managers, offer a total of a further maximum of 2,068,965 newly issued shares, corresponding to a maximum of 15 percent of the number of shares covered by the Offering ("**Overallotment Option**"). The new share issue under the Overallotment Option, if fully exercised, will raise proceeds for the Company of approximately SEK 60 million before issue costs, which are expected to amount to approximately SEK 2 million. The Overallotment Option may be exercised, in whole or in part, for 30 calendar days from the first day of trading in the Company's shares on Nasdaq First North Growth Market.

Provided that the Offering is fully subscribed and that the Overallotment Option is fully exercised, the Company will raise proceeds amounting to SEK 460 million before issue costs, which are expected to amount to approximately SEK 39 million. Under the same conditions, the Company's share capital (after the Offering) will amount to SEK 725,264.68 divided by 72,526,468 shares.

Livförsäkringsbolaget Skandia, Ömsesidigt, Molindo Energy AB, Thomas Ranje (private and through Ranje Kapital AB), GADD & Cie S.A., Strand Kapitalförvaltning AB, Cicero Fonder AB, Poularde AB, SEB Investment Management AB as well as certain board members and existing shareholders have undertaken to subscribe for 10,034,474 shares to a total of approximately SEK 291 million corresponding to 63.3 percent of the Offering, assuming that the Offering is fully subscribed and that the Overallotment Option is exercised in its entirety. These undertakings from the Cornerstone Investors correspond to a total of approximately 13.8 percent of the number of shares and votes in the Company after completion of the Offering (provided that the Offer is fully subscribed and the Overallotment Option is fully exercised). For more information regarding the Cornerstone Investors' undertakings, see the section "*Legal considerations and supplementary information – Cornerstone investors*".

Örnsköldsvik, 13 October 2022

Cinis Fertilizer AB

Board of directors

Background and reasons



Cinis Fertilizer was founded with the mission to produce the world's most sustainable mineral fertilizer and thus contribute to a more sustainable, circular and fossil-free agriculture. To realise its mission and vision, Cinis Fertilizer will produce a potassium-based mineral fertilizer by using the Company's own patented and patent-pending process that upcycles waste from the pulp industry and the production of electric car batteries.

Using a proven production technology that has existed since the mid-1950s, Cinis Fertilizer will produce the potassium-based mineral fertilizer type potassium sulphate (SOP). The application process that Cinis Fertilizer will use is protected by a patent family (with patents in Sweden, Finland and Canada) and four additional ongoing patent applications. The Company has also filed an international PCT application, which corresponds to three of the pending patent applications. The Company's product will be circular by using residues from other growing industries and sustainable since the production will not contribute to global carbon emissions and will not use any hazardous chemical substances that could have a negative impact on the environment. In addition, all energy used in production will be fossil-free.

By early 2024, Cinis Fertilizer plans to put its first production plant in Örnsköldsvik into operation, with an annual production capacity of 100,000 metric tonnes of SOP¹⁾. By mid-2025, the Company plans to put its second production plant in Skellefteå into operation with an annual production capacity of 200,000 metric tonnes of SOP. Production plant 2 will be located in close proximity to Northvolt's factory, which will facilitate the supply of sodium sulphate. By mid-2026, the Company plans to put its third production plant into operation with an annual production capacity of 300,000 metric tonnes of SOP. The intention for production plant 3 is to be strategically located in relation to Northvolt's new battery manufacturing facility in Borlänge, which will simplify the supply of sodium sulphate. In mid-2026, the Company is planning to put its fourth production plant in the Nordic region into operation with an initial annual production capacity of 100,000 metric tonnes of SOP. The production volume for production plant 4 will gradually increase from 100,000 metric tonnes of SOP per year by mid-2026 and reach a full annual production capacity of 300,000 metric tonnes of SOP by 2028.

Cinis Fertilizer has entered into long-term agreements exceeding ten years with key players in the supply chain. The Company has entered into agreements with Northvolt AB ("**Northvolt**") for the delivery of residues from electric-car battery manufacturing, both from Northvolt's facility in Skellefteå and its planned facility in Borlänge. The Company has also entered an agreement with the customer Van Iperen International BV ("**Van Iperen International**") for the purchase of the Company's product SOP. As such, both the delivery of residue materials for production plants 1, 2, and the majority of production plant 3, as well as the sale of SOP produced at production plant 1 and production plant 2 (at a value of approximately SEK 3.3 billion²⁾ annually) have been secured. The Company has entered into a letter of intent with a company within the BASF-group regarding the intent to obtain sodium sulphate for production plant 4 from one of BASF's facilities for electric car batteries in Finland. The Company has also entered into a letter of intent with K+S Minerals Agriculture GmbH ("**K+S**") regarding (i) that Cinis Fertilizer shall buy all its need of potassium chloride (MOP) from K+S, (ii) that K+S shall buy all produced sodium chloride from Cinis Fertilizer's production plants 1 and 2, and potentially also from production plants 3 and 4, and

1) Completion of the production plant 1 is dependent on approved environmental permit

2) The value is based on the spot price according to Argus Index NW Europe as of 4 August 2022

(iii) that K+S shall buy all Cinis Fertilizer's produced sodium sulphate (SOP) from production plants 3 and 4 (based on the spot price for SOP, an eventual sale of SOP to K+S gives an indicative value of approximately SEK 6.5 billion¹⁾ annually).

The purpose of the Offering and listing on Nasdaq First North Growth Market is to finance the Company's construction of production plant 1. The board of directors and senior executives of Cinis Fertilizer believe that the Offering and the listing will give the Company a broader shareholder base and access to the Swedish and international capital markets. Furthermore, a listing of the shares on Nasdaq First North Growth Market is expected to increase awareness of the Company and its operations and strengthen the Company's brand among customers, partners, employees, investors, and other important stakeholders. The Company estimates that the total cost for production plant 1 is approximately SEK 600 million, including a buffer for capital investments, installation and operation until the Company reaches a positive cash flow. The share issue in the Offering is expected to provide Cinis Fertilizer with approximately SEK 400 million before deductions of costs related to the Offering, which are expected to amount to approximately SEK 37 million (provided that the Overallotment Option is not exercised). The Company is thus expected to receive proceeds of approximately SEK 363 million after deductions for costs related to the Offering. The net proceeds from the Offering are not sufficient to finance the full cost of production plant 1 and Cinis Fertilizer has therefore entered into a SEK 300 million Credit Facility Agreement with Nordea and the Swedish Export Credit Corporation, which in all material respects will be used to finance production plant 1. Thus, Cinis Fertilizer has a financing plan for the total cost of production plant 1. The Company intends to use the net proceeds from the Offering with the following order of priority: (i) SEK 300 million to finance production plant 1 and (ii) SEK 63 million to strengthen the Company's balance sheet. The Company intends to finance production plant 2, 3 and 4 through internally generated cash flows and additional loans. If the Overallotment Option is fully exercised Cinis Fertilizer is expected to receive additional proceeds of approximately SEK 60 million before deductions for costs related to the Overallotment Option, which are expected to amount to approximately SEK 2 million. The net proceeds from the issue of additional shares, amounting to a maximum of approximately SEK 58 million, are intended to be used in the following order of priority: (i) SEK 35 million for the construction of office premises next to production plant 1 and (ii) remaining net proceeds to strengthen the Company's balance sheet.

Cinis Fertilizer has concluded that the Company's existing working capital as of the date of the Prospectus is not sufficient to meet the Company's needs for the coming 12-month period. In the event that the Offering is not completed, the Company will need to seek alternative financing in the form of, for example, loan financing, a rights issue, or a directed issue. For complete information regarding the Company's working capital, see the section "*Capital structure, indebtedness and other financial information – Working capital and capital requirements*".

In other respects, reference is made to the statement made in this Prospectus, which has been prepared by the Cinis Fertilizer board of directors for the purpose of the application for admission to trading in the Company's shares on Nasdaq First North Growth Market and the Offering submitted in connection therewith.

The Cinis Fertilizer board of directors is responsible for the content of this Prospectus. To the best of the board of directors' knowledge, the information provided in the Prospectus is factually accurate and no information likely to affect its meaning has been omitted in this Prospectus.

Örnsköldsvik, 13 October 2022

Cinis Fertilizer AB
Board of directors

1) Spot price according to Argus Index NW Europe as of 4 August 2022

Terms and conditions



The Offering

The Offering comprises up to 13,793,103 newly issued shares in the Company. The Offering is divided into two parts:

- the offer to the public in Sweden
- the offer to institutional investors in Sweden and abroad¹⁾

The outcome of the Offering is expected to be published in a press release that will be available on the Company's website (www.cinis-fertilizer.com) around 20 October 2022. The ISIN code for the Company's shares is SE0018040784.

Overallotment Option

To cover a possible overallotment in the Offering, the Company has undertaken to, at the request of the Managers, issue a maximum of 2,068,965 additional shares in the Company, corresponding to a maximum of 15 percent of the number of shares in the Offering (the "**Overallotment Option**"). The Overallotment Option may be exercised, in whole or in part, for a period of 30 days from the first day of trading in the Company's shares on Nasdaq First North Growth Market.

Distribution of shares

The distribution of shares between each part of the Offering will be based on the demand. The distribution will be determined by the Company's board of directors in consultation with the Joint Bookrunners.

Offering Price

The Offering Price has been set to SEK 29 per share. The fixed price has been determined by the Company's board of directors in consultation with the Joint Bookrunners, based on the

expected investment interest from institutional investors. No brokerage fee will be paid.

Application

The Offering to the Swedish general public

Applications from the general public for share acquisitions will take place over the period 14 – 20 October 2022²⁾ and refer to a minimum of 250 shares and a maximum of 34,000 shares³⁾ in even blocks of 50 shares. The Company's board of directors reserves the right to shorten or extend the application period. Notice of such shortening or extension is to be given by press release. Only one application per investor is permitted. If several applications are made, the right is reserved to only consider the first one received. Applications are binding.

Application via Avanza

Persons applying to acquire shares through Avanza must hold a securities depository account or investment savings account at Avanza. Persons who do not hold a securities depository account at Avanza must open such account prior to submission of the application form. Opening a securities depository account or investment savings account at Avanza is free of charge and takes around three minutes.

Customers with a securities depository account or investment savings account at Avanza can apply to acquire shares via Avanza's internet service from 14 October to 20 October 2022 at 15:00. To ensure that they do not lose their right to any allotments, Avanza depository accounts customers must have a sufficient cash balance available in their depository account or investment savings account from the last date of application up until the settlement date, which is estimated to be the period from 20 October at 15:00 to 25 October 2022. More information on

1) "Institutional investors" includes private individuals and legal entities applying to acquire more than 34,000 shares

2) If the application period is shortened or extended, notification of the outcome of the Offering, the first day of trading as well as the date of allotment and payment may be adjusted accordingly

3) Anyone wishing to acquire more than 34,000 shares should contact the Joint Bookrunners in accordance with what is stated in "Terms and Conditions – The Offering to institutional investors"

the application procedure through Avanza is available on Avanza's website (www.avanza.se).

For customers at Avanza that apply to acquire shares through an investment savings account and if the application results in an allotment, Avanza will acquire the corresponding number of shares in the Offering and resell the shares to each customer at the Offering price.

Application via Nordnet

Individuals in Sweden who are depositing customers of Nordnet can apply via Nordnet's website. Applications for share acquisition are made via Nordnet's web service and can be made from 14 October 2022 until 15:00 on 20 October 2022. In order not to lose the right to any allotments, customers of Nordnet must have a sufficient cash balance available in the account from 20 October 2022 at 14:59 through to the settlement date, which is estimated to be on 25 October 2022. More information on how to become a customer of Nordnet and on the application procedure through Nordnet is available at www.nordnet.se. For customers with an investment savings account with Nordnet, Nordnet will, if the application results in an allotment, acquire the corresponding number of shares in the Offering and resell the shares to the customer at the price applicable in accordance with the Offering.

Application via Pareto

Custody account holders at Pareto can apply for the acquisition of shares via Pareto's online services during the period 14 October 2022 up to and including 20 October 2022 at 15:00. In order not to risk losing the right to any allotment, custody account holders at Pareto must have cash available in the depository at the latest on the settlement date which is expected to be on 25 October 2022. More information on the application procedure via Pareto can be found at www.paretosec.se/aktuellt/cinis2022.

The Offering to institutional investors

Institutional investors in Sweden and abroad are invited to participate in a book building process which will take place during the period 14 October – 20 October 2022. Expressions of interest from institutional investors in Sweden and from abroad must be made to the Joint Bookrunners (in accordance with the special instructions).

Important information about LEI and NPID

According to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments ("MiFID II"), since 2018 all investors need a global identification code to be able to conduct securities transactions. These requirements mean that all legal persons need to apply for registration of an LEI code (Legal Entity Identifier), and all natural persons need to find out their NPID number (National Personal ID or National Client Identifier), in order to be able to subscribe for shares in the Offering. Please note that it is the shareholder's legal status that determines whether an LEI code or NPID number is required and that the Joint Bookrunners may be prevented from completing the transaction for the person in question if no LEI code or NPID number (where applicable) is provided. Legal entities that need an LEI code can contact one of the providers available on the market. Instructions regarding the global LEI system can be found at www.gleif.org/en/about-lei/how-to-get-an-lei-find-lei-issuing-organizations. For natural persons who only have Swedish citizenship, the NPID consists of "SE" followed by the person's personal identity number. If the person in question has several or something other than Swedish citizenship, the NPID number may be another type of number.

Those who intend to register an interest in subscribing for shares as part of the Offering are encouraged to apply for LEI code registration (legal persons) or to find out their NPID number (natural persons) where this information is required in the application.

Allotment

Decisions on the allotment of shares as part of the Offering are made by the Company's board of directors in consultation with the Joint Bookrunners, where the goal is to achieve a good institutional ownership base and a wide distribution of the shares among the public to enable regular and liquid trading of the shares on Nasdaq First North Growth Market.

Allocation to the general public in Sweden

In the event of an oversubscription, there may be no allotment or a smaller number of shares may be allotted than applied for, whereby allotment may take place, in whole or in part, through

random selection. Allotment to the persons who receive shares as part of the Offering will primarily take place so that a certain number of shares are allotted per application. In addition, an allotment is made with a certain, equal part of the excess number of shares to which the application relates and will only take place in blocks of 50 shares.

In addition, customers of the Joint Bookrunners, may be considered separately in the allotment process.

Allotment to institutional investors

Decisions on the allotment of shares as part of the Offering to institutional investors in Sweden and abroad will, as mentioned above, be made based on achieving a good and strong institutional ownership base. Allotment to institutions that submit an expression of interest is entirely discretionary.

Cornerstone Investors, who have undertaken to acquire shares as part of the Offering, will, however, be given preferential rights in relation to other investors up to the total number of shares in the Offering that they have undertaken to acquire.

Allocation and payment information

The Offering to the Swedish general public

Notice of allotment is expected to take place around 21 October 2022. Shortly thereafter, contract notes will be sent to those who have received an allotment as part of the Offering. Those who have not been allotted shares will not be notified.

Notice of allotment is expected to be available around 09.00 on 21 October 2022 on Avanza's and Nordnet's online portals.

Payment for allotted shares will be deducted from the specified securities depository or ISK (investment savings account) on the 25 October 2022. If sufficient funds are not available at the specified securities depository or ISK on the settlement date, the 25 October 2022, or if full payment is not made on time, the allotted shares can be transferred and sold to someone else. Should the sale price in such a transfer be less than the Offering Price, the

person who initially received an allotment of shares in the Offering may be responsible for the difference.

The following applies to ISK at Avanza: If the application results in an allotment, Avanza will acquire the corresponding number of shares in the Offering for resale to the ISK holder for the Offering Price.

The following applies to ISK at Nordnet: If the application results in an allotment, Nordnet will acquire the corresponding number of shares in the Offering for resale to the ISK holder for the Offering Price.

Applications received by Avanza

Those who applied via Avanza's internet service will be notified of the allotment by the allotted number of shares being booked against payment of funds on the specified account, which is expected to take place around 21 October 2022. For those who applied via Avanza's internet service, payment for allotted shares will be deducted no later than the settlement date on 25 October 2022. Please note that cash balances to cover the payment of the allotted shares must be available from 20 October 2022 at 14:59 up to and including 25 October 2022.

Applications received by Nordnet

Those who register via Nordnet's web service will be notified of the allotment by booking the allotted number of shares against a charge on the specified account, which is expected to take place around 21 October 2022. Please note that cash balances to cover the payment of the allotted shares must be available from 20 October 2022 at 14:59 up to and including the settlement date, which is estimated to be 25 October 2022.

Applications received by Pareto

For those who are custody account holders at Pareto, allotted shares will be booked against debiting of cash at the specified depository on or around 21 October 2022, when notification of allotment is sent, and at the latest on the settlement date of 25 October 2022. Note that funds for the payment of allotted shares must be available in the depository at the latest on the settlement date of 25 October 2022.

The Offering to institutional investors

Institutional investors are expected to receive information on allocations around the 21 October 2022 in a special order, after which contract notes will be sent out. Full payment for the allotted shares must be settled in cash no later than the 25 October 2022 in accordance with the instructions on the contract note. Note that if full payment is not made on time, the allotted shares may be transferred to someone else. Should the price in such a transfer be less than the Offering Price, the institutional investor who initially received an allotment of shares in the Offering may be responsible for the difference.

Registration and accounting of allotted shares

Registration of the allotted shares with Euroclear Sweden is expected, for both institutional investors and the general public, to take place around the 25 October 2022, after which Euroclear Sweden will send out a securities notice stating the number of shares that have been registered in the recipient's account. Notification to shareholders whose holdings are nominee-registered will take place in accordance with the practices of the respective nominee.

Listing on Nasdaq First North Growth Market

The board of directors of Cinis Fertilizer intends to make a final application for listing of the Company's shares on Nasdaq First North Growth Market. Nasdaq Stockholm has decided that the Company meets the current listing requirements for the Nasdaq First North Growth Market. Nasdaq Stockholm will approve an application for admission to trading the Company's shares on the Nasdaq First North Growth Market provided that customary conditions are met, including that the Company submits this application and that the distribution requirement for the Company's shares is met no later than the first day of trading in the Company's shares. The estimated first day for trading in the Company's shares on Nasdaq First North Growth Market is the 21 October 2022. The Company's shares will be traded under the ticker CINIS. Trading is expected to begin on the 21 October 2022. This means that trading will begin before the conditions for the Offering completion have been met, see further under the section "*Terms and conditions – Terms for Offering completion*". Trading will be conditional upon the fulfilment of conditions, and the

Offering may thus not be completed until this has taken place. If the Offering is not completed, any delivered shares will be returned, and any payments refunded.

Registration of new share issue with the Swedish Companies Registration Office

The board of directors of Cinis Fertilizer intends, with the support of an authorisation given at the annual general meeting of the Company on 25 May 2022, to resolve on share issue of the number of shares required in connection with the Offering in accordance with the Prospectus. The share issue is expected to be registered with the Swedish Companies Registration Office by around the 24 October 2022.

Important information about the sale of allotted shares

After payment for the allotted shares has been processed by the Joint Bookrunners, paid shares will be transferred to the securities depository account or other account specified by the acquirer. Due to the time required for the transfer of payment and the transfer of paid shares to the acquirers of the shares in Cinis Fertilizer, the acquirers will not have the acquired shares available in the designated specified securities depository or account until at the earliest 25 October 2022. The estimated first day for trading in the Company's shares on Nasdaq First North Growth Market is the 21 October 2022. Accordingly, if the shares are not available on the acquirer's account or securities depository until 25 October 2022 at the earliest, the acquirer may not be able to sell these shares on the stock exchange as from the date when trading in the share commences, but only when the shares are available in the account or securities depository.

Stabilisation measures

In connection with the Offering, the Sole Global Coordinator may, to the extent permitted by Swedish law, carry out transactions for the purpose of stabilising, maintaining or otherwise supporting the market price of the Company's shares, for a period of up to 30 days from when trading in the Company's shares commence on Nasdaq First North Growth Market. For more information on stabilisation, see the section "*Legal considerations and supplementary information – Stabilisation*".

Publication of the Offering Outcome

The final outcome of the Offering will be published in a press release that will be available on the Cinis Fertilizer website (www.cinis-fertilizer.com) around the 20 October 2022.

Right to dividends

The newly issued shares in the Offering confer the right to a dividend for the first time on the record date for dividends that falls immediately after registration of the shares and the completion of the Offering. Decisions on dividends are proposed by the board of directors and made by the annual general meeting. Payment of dividends is arranged by Euroclear Sweden or, for nominee-registered shareholdings, in accordance with the respective nominee's routines. See also the section "*Business overview – Operational targets, financial targets and dividend policy*".

Terms for Offering completion

The Offering is conditional on the conclusion of a placing agreement between the Company and Joint Bookrunners (the "**Placing Agreement**"), which is expected to take place around the 20 October 2022, and that certain conditions in the Placing Agreement are met, that the agreement is not terminated and that the Joint Bookrunner deem there to be sufficient interest in the Offering to enable adequate trading in the share. The Joint Bookrunner's commitments to find investors under the Placing Agreement, are conditional, among other things, on certain force majeure events not occurring, that there is no significant negative change in the Company's operations and that certain other customary conditions are met. The Joint Bookrunners may terminate the Placing Agreement until the 25 October 2022 if, for example, any significant adverse events should occur or if any other condition in the Placing Agreement is not met, which would cause the Offering to be terminated and neither delivery nor payment of shares will be carried out in accordance with the Offering. This means that trading in the Company's shares will be conditional for the first two trading days. For further information, see the section "*Legal considerations and supplementary information – Placing agreement*".

Other information

Information to investors

The fact that the Sole Global Coordinator is an issuing agent does not necessary imply that the Sole Global Coordinator considers that those applying to participate in the Offering (the "**Investor**") are customers of the bank. The Investor is considered a customer regarding the Offering of each respective bank only if the bank has advised the Investor about the Offering or has otherwise contacted the Investor individually regarding the Offering, or if the Investor has registered at a branch of the respective bank or through its online banking service. The consequence of the Sole Global Coordinator not considering the Investor as a customer of the Offering is that the rules regarding protection for investors in the Securities Market Act (2007:528) will not be applied to the investment. This means, among other things, that neither so-called customer categorisation nor suitability assessments are applicable to the investment. The Investor is thus solely responsible for having sufficient experience and knowledge to understand the risks associated with the investment.

Information for 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) national 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 the Company have been subject to a product approval process, who have established that these shares are: (i) suitable for a target marked consisting of non-professional investors and investors who fulfil the criteria for professional clients and eligible counterparties, each as defined in MiFID II (the "**Positive Target Market**"), and (ii) suitable for distribution through all distribution channels that has been approved in MiFID II. Distributors should note that: the price

of the shares in the Company may decline and investors could lose all or part of their investment, the shares in the Company offer no guaranteed income and no capital protection and an investment in the shares in the Company is only compatible with investors 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. Conversely, an investment in the shares in the Company is not compatible with investors who need full capital protection or full repayment of the amount invested, have no risk tolerance or require a fully guaranteed income or fully predictable return profile (the “**Negative Target Market**”, and together with the Positive Target Market, the “**Target Market**”).

The Target Market assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering.

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 the Company.

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

Information about personal data processing

Those who acquire shares in the Offering will provide personal information to the Joint Bookrunners, Avanza and Nordnet. Personal data provided to the Joint Bookrunners, Avanza and Nordnet will be processed by computer systems to the extent required to provide services and administer customer arrangements. Personal data that is obtained from sources other than the customer whom the process relates may also be

processed. There may also be personal data which is processed in the computer system at companies or organisations with which the Joint Bookrunners, Avanza and Nordnet collaborate. Information regarding the processing of personal data is provided by the Joint Bookrunner’s or Avanza’s office, who also receive requests for corrections of personal data. Address information may be obtained from the Joint Bookrunners or Avanza through an automated process provided by Euroclear Sweden.

Avanza – Information about personal data processing

Avanza processes its customers’ personal data in accordance with current personal data legislations. Personal data submitted to Avanza will be processed in data systems to the extent required to provide services and administer customer arrangements. Personal data obtained from sources other than the applicant may also be processed. The personal data may also be processed in the data systems of companies or organizations with whom Avanza cooperates. More information can be found on Avanza’s website.

Nordnet – Information about personal data processing

In connection with acquiring shares in the Offering through Nordnet’s online service personal data may be submitted to Nordnet. Personal data submitted to Nordnet will be processed and stored in data systems to the extent required to provide services and administer customer arrangements. Personal data obtained from other than the customer in question may also be processed. The personal data may also be processed in the data systems of companies or organizations with which Nordnet cooperates. All relevant personal data will be deleted when the customer relationship ends, in accordance with applicable law. Information on processing of personal data is provided by Nordnet, which also accepts requests for correction of personal data. For further information on how Nordnet processes and stores personal data, please contact Nordnet’s customer service, email: info@nordnet.se.

Market overview



*This section contains information about the Company's addressable market, market growth and the Company's market position in relation to competitors. Unless otherwise stated, the information in this section is based on the Company's overall analysis and knowledge of the Company's markets. Internal market research has been conducted primarily based on market data from the Argus Media Group ("**Argus Potash Analytics**") and Bloomberg L.P. ("**Bloomberg**"). The industry and market data from Argus Media Group and Bloomberg L.P. was obtained by the Company for a fee. The Company's assessment is that the assumptions that are considered to form the basis of the internal market research are reasonable and that the market data is reasonable in its entirety.*

The data obtained from third parties has been reproduced correctly and as far as the Company knows and can ascertain from data published by these third parties, no facts have been omitted that would make the reproduced data incorrect or misleading. However, the Company has not independently verified the accuracy or completeness of any data from the third parties and cannot guarantee that any data from the third parties is correct or complete.

Market and industry information contains estimates regarding future market development and other forward-looking information. Forward-looking information does not constitute a guarantee of future results or development and actual outcomes may deviate significantly from the statements made in the forward-looking information. For a detailed discussion on the risks associated with forward-looking information, see the section "Important information for investors – Forward-looking statements".

Introduction

Plants need carbon dioxide, oxygen, water, and minerals to grow. Carbon dioxide and oxygen are absorbed by the leaves, while water and minerals are absorbed from the soil via the plant's roots. During active agriculture, however, a significant amount of nutrients disappears from the soil. Some nutrients are returned naturally and organically as plants die and decay. However, this is often not enough for optimal mineral composition when the soil is actively cultivated. Thus, mineral fertilizers, which provide crops with the right nutrients for the soil and type of crop, are a necessary part of agriculture¹⁾. There are three main types of mineral fertilizers, which are

based on the elements nitrogen, phosphorus, and potassium. Of these, nitrogen fertilizer holds the largest market share²⁾. Some mineral fertilizers are found naturally and do not require a chemical process. Other mineral fertilizers do not exist naturally and must be chemically produced by adding sub-minerals to the elements³⁾.

The agricultural industry is today under severe pressure as a result of an increased global population, reduced arable land per capita and increased global GDP⁴⁾, which has led to changed and improved eating habits and diets. Currently, the agricultural industry accounts for approximately 25 percent of the world's total

1) <https://www.nature.com/>

2) Green Markets – A Bloomberg Company: Global Nitrogen Supply & Demand Model

3) Argus Potash Analytics – Annual Long-term Outlook 2021

4) The World Bank – GDP: <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD>

carbon dioxide emissions¹⁾, which has increased the demand for alternative, more efficient and sustainable agricultural methods. This has also increased the demand for mineral fertilizers. Today, there are several different mineral fertilizers and mineral fertilizer production methods, which to varying extent have negative impacts on the environment²⁾.

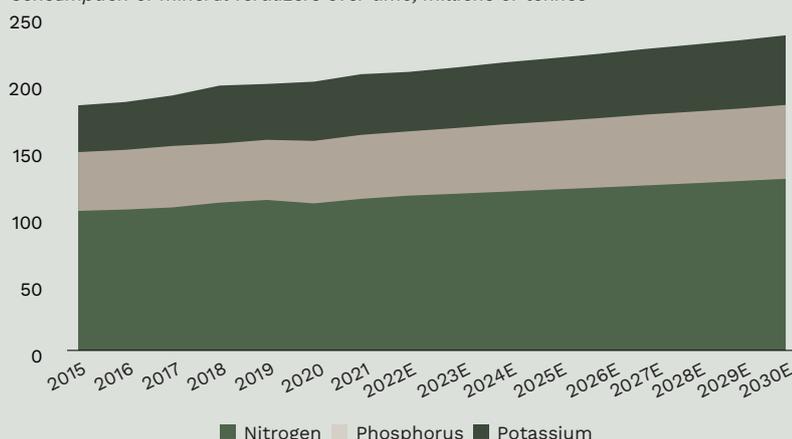
The mineral fertilizer market

The mineral fertilizer market consists of three main types of mineral fertilizers, which are based on the elements nitrogen, phosphorus, and potassium. The three main types differ in market share and composition as well as in their main advantages and application methods. The main advantage of nitrogen-based mineral fertilizers is that it increases the size of the plants. Nitrogen is the most essential nutrient that usually is lacking in plants. Examples of nitrogen-based mineral fertilizers are urea and ammonium nitrate. The industry for the production of nitrogen-based mineral fertilizers is fragmented and under consolidation. Prices for nitrogen-based mineral fertilizers are dynamic, but with a stable demand volume. The majority of the capacity to produce nitrogen-based mineral fertilizers is located in China³⁾. The main

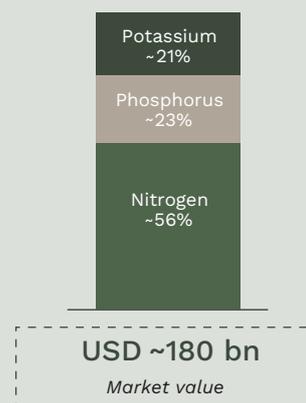
advantage of phosphorus-based mineral fertilizers is that it increases the quality of the plants. Examples of phosphorus-based mineral fertilizers are ammonium phosphate and super single phosphate. The industry for the production of phosphorus-based mineral fertilizers is consolidated to a smaller number of suppliers and production methods. The majority of the capacity to produce phosphorus-based mineral fertilizers is located in China⁴⁾. The main advantage of a potassium-based mineral fertilizer is that it ensures a healthy plant and optimal yield, and that it improves the plant's ability to assimilate nitrogen and optimises the plant's water use. Potassium-based mineral fertilizer also increases the quality of the plants, the yield of the harvest and the plants' resistance to weather and wind. Examples of potassium-based mineral fertilizers are potassium chloride ("**muriate of potash**" or "**MOP**") and potassium sulphate ("**sulphate of potash**" or "**SOP**")⁵⁾. The industry for the production of potassium-based mineral fertilizers is consolidated to a smaller number of suppliers and production methods where the five largest producers hold approximately 50 percent of the market. The potassium-based mineral fertilizer market is dominated by MOP and SOP producers⁶⁾.

The mineral fertilizer market in terms of the number of metric tonnes of nutrients and the distribution of element bases⁷⁾

Consumption of mineral fertilizers over time, millions of tonnes



~210m
tonnes of nutrients
2022E



1) Food and Agriculture Organization of the United Nations - <https://www.fao.org/home/en>
 2) Argus Potash Analytics – Annual Long-term Outlook 2021
 3) Argus Potash Analytics – Annual Long-term Outlook 2021
 4) Argus Potash Analytics – Annual Long-term Outlook 2021
 5) Argus Potash Analytics – Annual Long-term Outlook 2021
 6) Bloomberg Green Markets – A Bloomberg Company: Global Potash Supply & Demand Model, International Fertilizer Association – Public Summary: Medium-Term Fertilizer Outlook 2021–2025
 7) Green Markets – A Bloomberg Company: Global Nitrogen Supply & Demand Model, Green Markets – A Bloomberg Company: Global Phosphate Supply & Demand Model, Green Markets – A Bloomberg Company: Global Potash Supply & Demand Model, International Fertilizer Association – Public Summary: Medium-Term Fertilizer Outlook 2021–2025

The mineral fertilizer market is large and non-cyclical, and driven by global megatrends, among others an increased global population. The mineral fertilizer market is estimated to have a future compounded annual growth rate (“**CAGR**”) of approximately two percent between the years 2022 and 2030, in terms of the number of metric tonnes of nutrients¹⁾. The distribution between the elements on the mineral fertilizer market (seen to number of metric tonnes elements) is 56 percent nitrogen, 23 percent phosphorous, and 21 percent potassium. The total mineral fertilizer market in 2022 has been estimated at approximately 210 million metric tonnes of nutrients with a market value of approximately USD 180 billion²⁾.

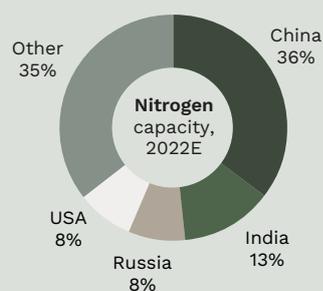
Some of the largest companies in the nitrogen market (excluding Chinese companies) are K+S (Germany), Uralchem (Russia), Yara (Norway), CF (USA) and Agrium (Canada)³⁾.

Some of the largest companies in the phosphorus market (excluding Chinese companies) are Mosaic (USA), Phosagro (Russia), Vale (Brazil) and OCP (Morocco)⁴⁾.

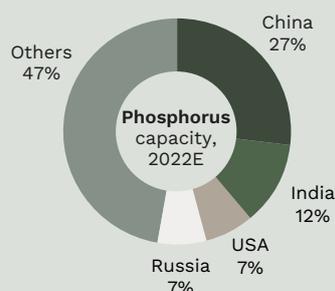
Some of the largest companies in the potassium market (excluding Chinese companies) are Nutrien (Canada), Mosaic (USA), OCP (Morocco), CF (USA), K+S (Germany), Phosagro (Russia), Uralkali (Russia), ICL (Israel), Yara (Norway) and Eurochem (Russia)⁵⁾.

When nitrogen, phosphorus and potassium fertilizers have been produced, these are usually resold to another company active on the mineral fertilizer market. The buyer of the product then mixes the different types of mineral fertilizers to create so-called NPK mixes, which are mixtures of nitrogen, phosphorus, and potassium fertilizers. The companies in the NPK market buy and sell to each other because they usually have a deficit capacity of a certain type of mineral fertilizer at the same time as they have a surplus capacity of another type of mineral fertilizer⁶⁾. Thus, they have to buy the type they have a deficit of. The companies on the NPK market, are thus dependent on each other in order to create NPK mixes. Major companies in the NPK market are Yara (Norway), Nutrien (Canada), Uralkali (Russia), SQM (Chile), Van Iperen International (Netherlands), K+S (Germany) and ICL (Israel)⁷⁾.

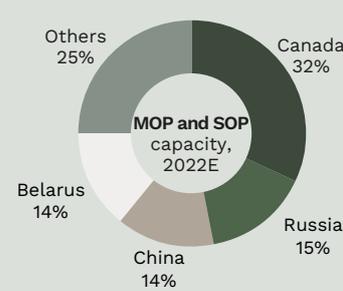
Overview of the production capacity of nitrogen fertilizers per region, 2022⁸⁾



Overview of the production capacity of phosphorus fertilizers by region, 2022⁹⁾



Overview of the production capacity of potassium fertilizer by region, 2022¹⁰⁾



- 1) Green Markets – A Bloomberg Company: Global Nitrogen Supply & Demand Model, Green Markets – A Bloomberg Company: Global Phosphate Supply & Demand Model, Green Markets – A Bloomberg Company: Global Potash Supply & Demand Model, International Fertilizer Association – Public Summary: Medium-Term Fertilizer Outlook 2021–2025
- 2) Green Markets – A Bloomberg Company: Global Nitrogen Supply & Demand Model, Green Markets – A Bloomberg Company: Global Phosphate Supply & Demand Model, Green Markets – A Bloomberg Company: Global Potash Supply & Demand Model, International Fertilizer Association – Public Summary: Medium-Term Fertilizer Outlook 2021–2025
- 3) Argus Potash Analytics – Annual Long-term Outlook 2021
- 4) Argus Potash Analytics – Annual Long-term Outlook 2021
- 5) Argus Potash Analytics – Annual Long-term Outlook 2021
- 6) Argus Potash Analytics – Annual Long-term Outlook 2021
- 7) Green Markets – A Bloomberg Company: Global Nitrogen Supply & Demand Model, Green Markets – A Bloomberg Company: Global Phosphate Supply & Demand Model, Green Markets – A Bloomberg Company: Global Potash Supply & Demand Model, Argus Potash Analytics – Annual Long-term Outlook 2021, International Fertilizer Association – Public Summary: Medium-Term Fertilizer Outlook 2021–2025
- 8) Green Markets – A Bloomberg Company: Global Nitrogen Supply & Demand Model, Argus Potash Analytics – Annual Long-term Outlook 2021, International Fertilizer Association – Public Summary: Medium-Term Fertilizer Outlook 2021–2025
- 9) Green Markets – A Bloomberg Company: Global Phosphate Supply & Demand Model, Argus Potash Analytics – Annual Long-term Outlook 2021, International Fertilizer Association – Public Summary: Medium-Term Fertilizer Outlook 2021–2025
- 10) Green Markets – A Bloomberg Company: Global Potash Supply & Demand Model, Argus Potash Analytics – Annual Long-term Outlook 2021, International Fertilizer Association – Public Summary: Medium-Term Fertilizer Outlook 2021–2025

Many companies in the mineral fertilizer market are part of larger chemical groups, which usually have fossil fuel dependencies. In addition to mineral fertilizers, these chemical complexes also provide other chemical products. The value chains for the various production processes within these chemical groups are largely interdependent to the extent that products and by-products from one process are used as inputs in other processes¹⁾. This has created lines of dependency within and between the chemical groups, which has led to difficulties in changing and replacing specific production methods. Consequently, some companies active on the mineral fertilizer market are stagnant due to the lock-ins created in the production chains. This also entails difficulties breaking the cemented fossil fuel dependency of certain processes²⁾.

The potassium fertilizer market

Potassium-based mineral fertilizers have several benefits, such as strengthening the crops' resistance to diseases, increasing the harvest volume and quality of the crop, protecting plants against adverse, cold weather conditions, strengthening root systems, and preventing

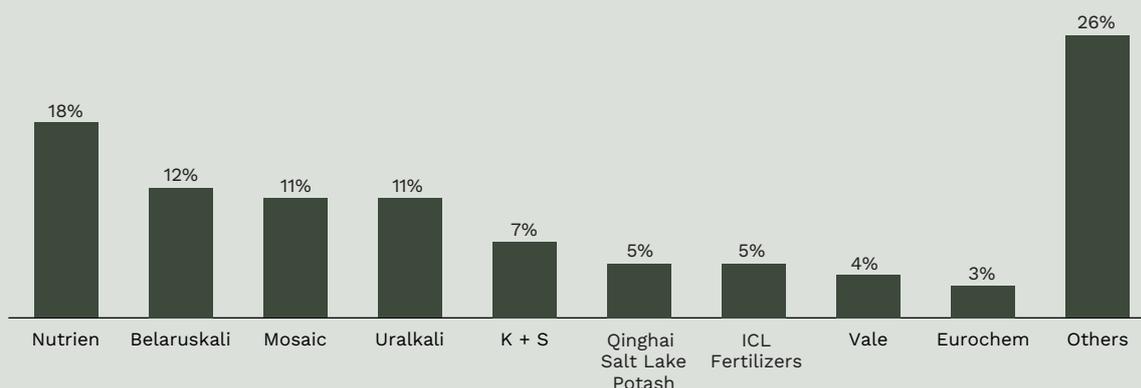
wilting. Potassium fertilizer can be applied to a wide variety of crops, such as potatoes, melons, grass, onions and chillies³⁾.

Potash is a collective name for extracted and manufactured salts that contain potassium in water-soluble form and comprise the basis for potassium-based mineral fertilizers. Potash occurs naturally and does not require any chemical production to be produced (see section "Potassium fertilizer market – MOP market – MOP production" for more information on the extraction of Potash)⁴⁾.

The market for the production of potassium-based mineral fertilizers is relatively consolidated, with the three largest companies being Nutrien (Canada), Belaruskali (Belarus) and Mosaic (USA), which together account for about 40 percent of total global production⁵⁾.

The market for potassium-based mineral fertilizers is large, non-cyclical and stable, and insensitive to economical fluctuations. In 2021, 79.0 million metric tonnes of potassium fertilizer

Estimation of companies' share of the total global production of potassium fertilizers, 2022⁶⁾

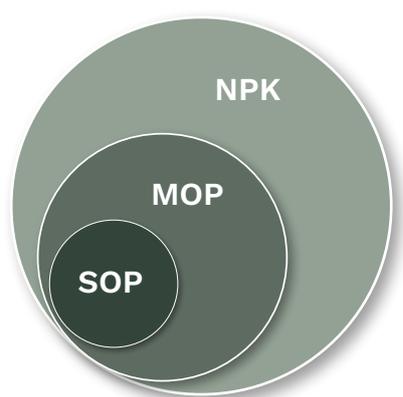


1) Information from the Company's management from several years of experience in the industry
 2) Information from the Company's management from several years of experience in the industry
 3) Argus Potash Analytics – Annual Long-term Outlook 2021
 4) Argus Potash Analytics – Annual Long-term Outlook 2021
 5) Argus Potash Analytics – Annual Long-term Outlook 2021
 6) Argus Potash Analytics – Annual Long-term Outlook 2021

were consumed. The potassium fertilizer market is expected to grow with a CAGR of approximately two percent between the years 2019 and 2030, in terms of the number of metric tonnes of potassium fertilizer consumed¹⁾.

The market for potassium-based mineral fertilizers consists of the mineral fertilizers MOP and SOP, where MOP is the most common. The market for MOP is about 10 times larger than the market for SOP, in terms of the number of metric tonnes consumed per year²⁾.

NPK, MOP and SOP market sizes³⁾



2022E tonnes of nutrients

NPK~210 million tonnes of nutrients
(USD ~180 bn market)

MOP~38 million tonnes of nutrients
(USD ~48 bn market)

SOP~4 million tonnes of nutrients
(USD ~6 bn market)

Historical and expected consumption of potassium fertilizer, millions of metric tonnes⁴⁾

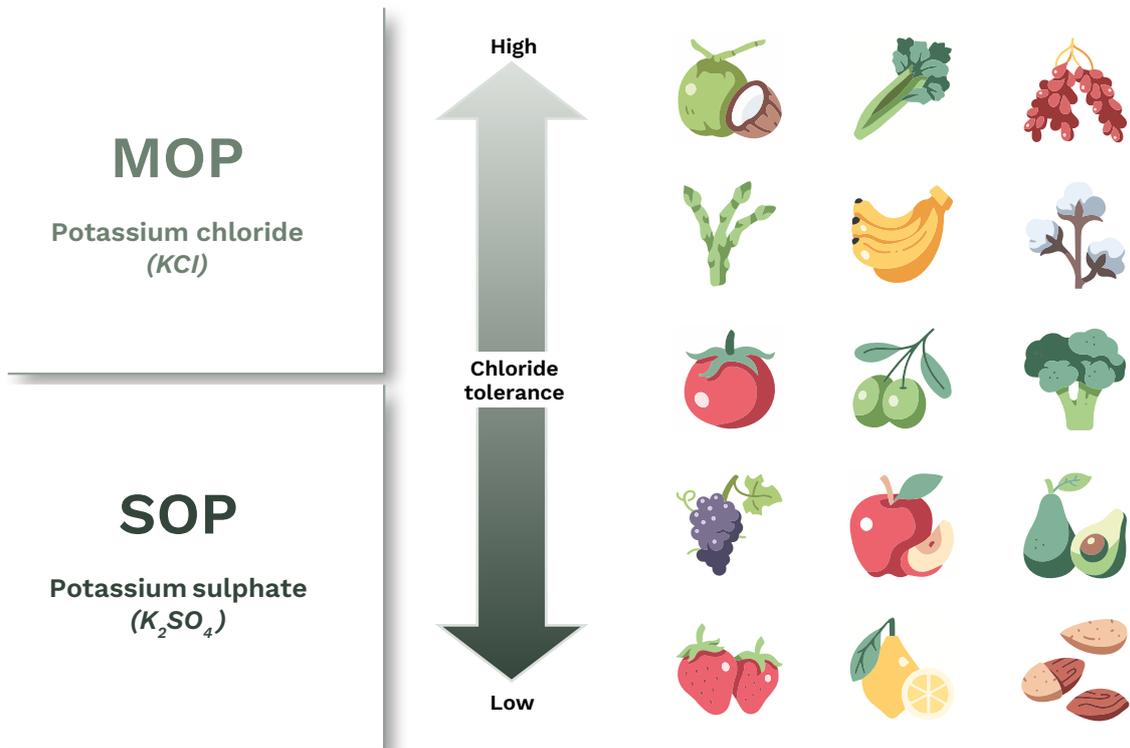


1) Argus Potash Analytics – Annual Long-term Outlook 2021, Green Markets – A Bloomberg Company: Global Potash Supply & Demand Model
 2) Green Markets – A Bloomberg Company: Global Nitrogen Supply & Demand Model, Green Markets – A Bloomberg Company: Global Phosphate Supply & Demand Model, Green Markets – A Bloomberg Company: Global Potash Supply & Demand Model, Argus Potash Analytics – Annual Long-term Outlook 2021
 3) Green Markets – A Bloomberg Company: Global Nitrogen Supply & Demand Model, Green Markets – A Bloomberg Company: Global Phosphate Supply & Demand Model, Green Markets – A Bloomberg Company: Global Potash Supply & Demand Model, Argus Potash Analytics – Annual Long-term Outlook 2021
 4) Argus Potash Analytics – Annual Long-term Outlook 2021

MOP has a higher chloride content and salinity than SOP, which means that the mineral fertilizer types are suitable for different crops, soils, and areas. Considering the low chloride content, SOP,

unlike MOP, is also suitable for more sensitive crops. However, some crops thrive better on mineral fertilizers with higher chloride content and for these, MOP is a better alternative¹⁾.

Illustrative overview of MOP and SOP applications based on crop chloride tolerance²⁾



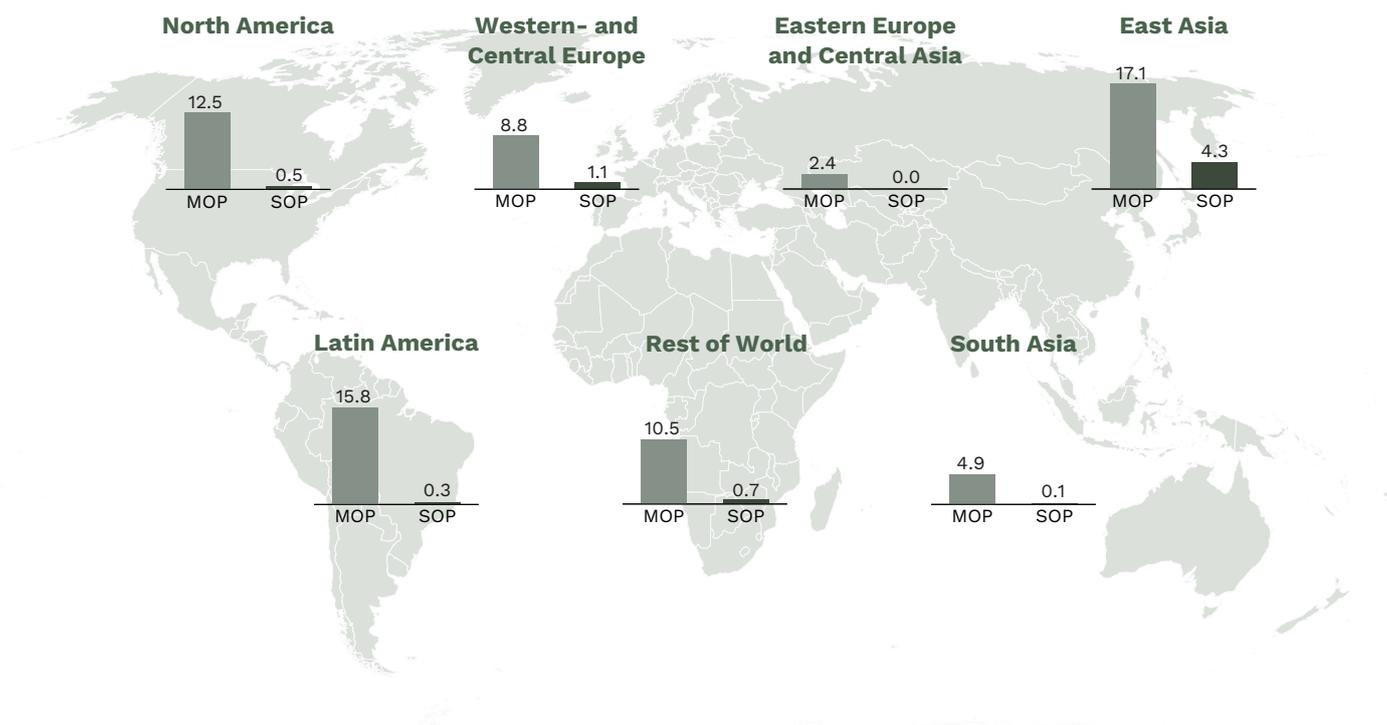
1) Argus Potash Analytics – Annual Long-term Outlook 2021

2) Argus Potash Analytics – Annual Long-term Outlook 2021

MOP is used to a greater extent all over the world, primarily due to that MOP is a cheaper mineral fertilizer than SOP as it is naturally occurring, while SOP must be produced. MOP is also used as an input in the production of SOP and as part

of NPK mixes. China is the market that consumes the most MOP and SOP. After China, Latin America and North America consume the most MOP and Europe consumes the most SOP¹⁾.

Geographical consumption breakdown of MOP and SOP, million metric tonnes 2021²⁾



MOP market

MOP, or potassium chloride, is a naturally occurring mineral fertilizer consisting of the elements potassium and chloride. Thus, MOP does not require a chemical process, but only packaging for further distribution and use (see section “Potassium fertilizer market – MOP market – MOP production” for more information on the production of MOP). MOP has several attractive properties, such as strengthening the

plants’ quality, resilience, and root systems. MOP protects plants against cold climates, diseases and prevents them from wilting. In addition, MOP increases harvest volumes. However, MOP contains high levels of chloride and salt. Thus, MOP is not suitable for plants that are sensitive to chloride and salt. Chloride also has drying attributes, which means that MOP is not suitable for dry soils or in areas where there is a risk of drought³⁾.

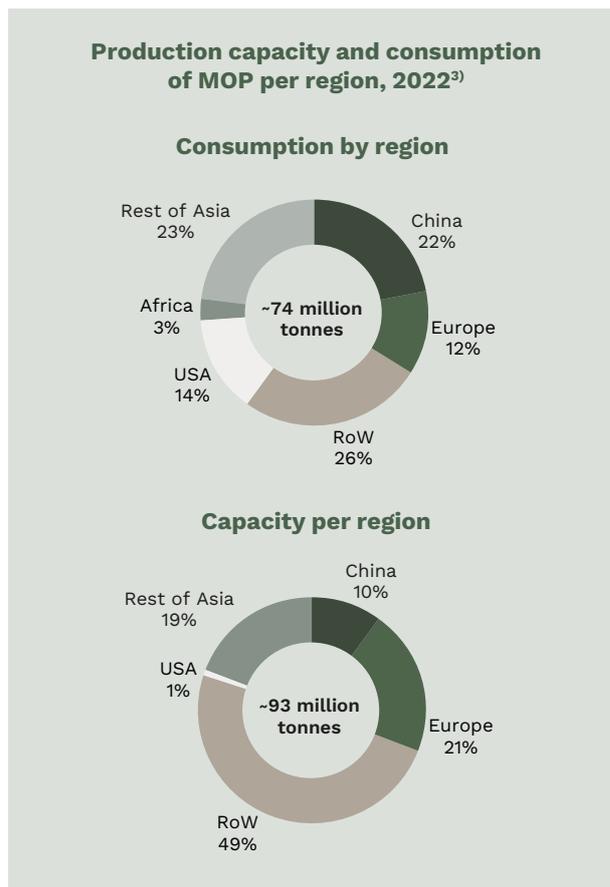
1) Argus Potash Analytics – Annual Long-term Outlook 2021

2) Argus Potash Analytics – Annual Long-term Outlook 2021

3) Argus Potash Analytics – Annual Long-term Outlook 2021

Like the overall market for potassium-based mineral fertilizers, the MOP market is large and non-cyclical. The MOP market has expected stable growth driven by global megatrends and increased demand for SOP mineral fertilizers. In 2021, 72.0 million metric tonnes of MOP were consumed globally. Between 2019 and 2030, the market is expected to grow with a CAGR of approximately two percent. Geographically, MOP is consumed across all continents, with China being the largest market. Canada is the largest producer of MOP, as there are large mines in Saskatchewan and New Brunswick that are rich in Potas¹⁾.

Canada is the largest producer of MOP, with a market share of 38 percent, followed by Russia, Belarus, and China with market shares of 16 percent, 15 percent and 10 percent, respectively. Other large MOP producers are Germany, Chile, and the USA. The largest companies in the market are Nutrien (Canada), Belaruskali (Belarus) and Mosaic (USA), which together account for a market share of approximately 45 percent²⁾.



Historical and expected consumption of MOP, millions of metric tonnes⁴⁾



1) Argus Potash Analytics – Annual Long-term Outlook 2021
 2) Argus Potash Analytics – Annual Long-term Outlook 2021
 3) Argus Potash Analytics – Annual Long-term Outlook 2021
 4) Argus Potash Analytics – Annual Long-term Outlook 2021

MOP production

MOP is naturally occurring and is extracted by mining in so-called Potash mines. The largest Potash mines are located in Canada, Russia, and Belarus, followed by China, Germany, and the USA¹⁾.

MOP is extracted by either underground or solution mining. Underground MOP comes from evaporated lake bottoms. Machines drill out the ore and transports it to the surface. On the surface, the raw ore is crushed and refined in process plants to extract the potassium salts. Solution mining is used if the MOP deposits are located far underground. In solution mining, water or saline solutions are used to dissolve the potassium minerals. Wells are drilled to reach the salt deposits and the solution is injected to dissolve the salts. The dissolved salts are then pumped up to the surface, together with the solution, and the minerals are recovered by recrystallisation²⁾.

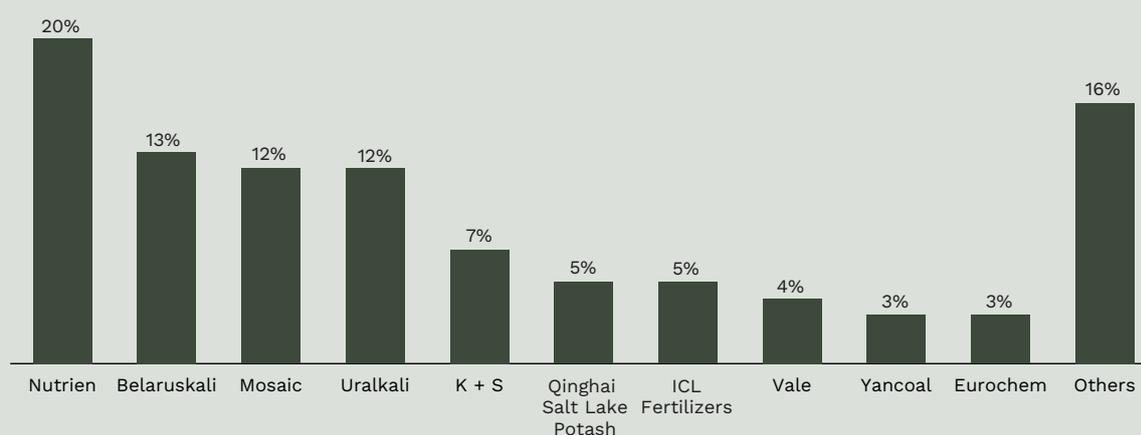
About 90 percent of the total MOP production is used for the production of NPK mixes. About 10 percent of the total MOP consumption is used for the production of SOP. Less than 1 percent of the total MOP consumption is used as a pure mineral fertilizer³⁾.

SOP market

SOP, or potassium sulphate, is a mineral fertilizer consisting of the elements potassium, and sulphur and oxygen (sulphate). Unlike MOP, SOP does not contain chloride, which makes it applicable to crops that are sensitive to chloride. Considering the drying properties of chloride, SOP is also a suitable alternative for dry soils and areas with a risk of drought. Furthermore, SOP has similar beneficial attributes as MOP, as SOP strengthen the plants' quality, resilience and root systems. It protects plants against diseases, cold and dry climates, and reduces the risk of wilting. SOP also increases harvest volumes. When comparing SOP and MOP, SOP increases the yield of crops by 20 percent⁴⁾.

Historically, the SOP market has had strong, non-cyclical growth with resilience through economic cycles. The market has grown by a CAGR of approximately four percent between the years 2005 and 2020. The growth between 2014 and 2018 is primarily attributable to the increase in capacity of SOP production in China. Going forward, the SOP market is expected to have a continued growth trajectory, with a CAGR of approximately two percent between the years 2020 and 2030⁵⁾. The growth is to some extent

Share of total MOP production volume, 2022⁶⁾



1) Argus Potash Analytics – Annual Long-term Outlook 2021

2) Bureau of land management – Potash: <https://www.blm.gov/programs/energy-and-minerals/mining-and-minerals/nonenergy-leasable-materials/potash>

3) Argus Potash Analytics – Annual Long-term Outlook 2021

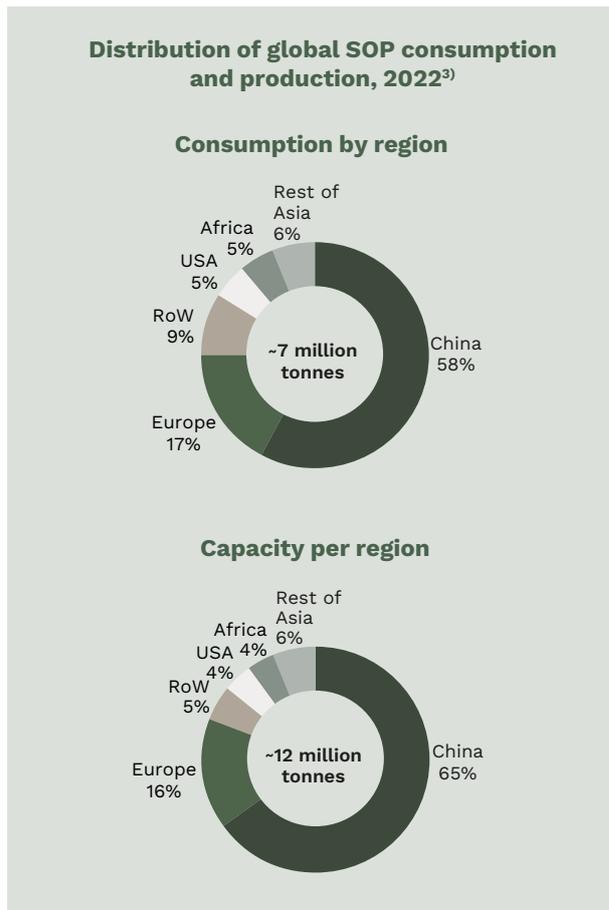
4) Argus Potash Analytics – Annual Long-term Outlook 2021

5) Argus Potash Analytics – Annual Long-term Outlook 2021

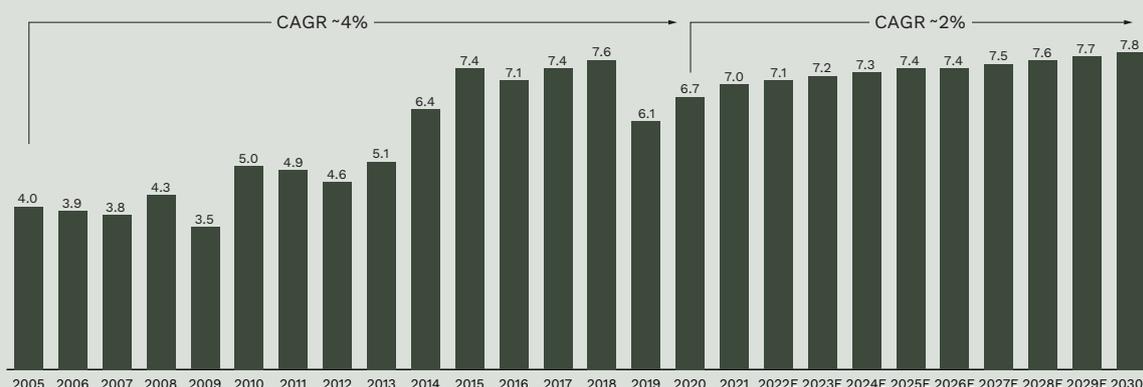
6) Argus Potash Analytics – Annual Long-term Outlook 2021

driven by climate change that induces increased drought, which has increased the demand for mineral fertilizers that are applicable in dry climates. Climate change is also driving the SOP market's increased share of the potassium fertilizer market due to the drying properties of MOP. The market for water-soluble SOP is experiencing higher growth due to increased use of fertigation and hydroponic agriculture. This entails an expected CAGR of approximately 10 percent by 2026 for the market for water-soluble SOP¹⁾.

The majority of all SOP production takes place in China, where the consumption of SOP is also high. However, China does not consume all the SOP that the country produces. Thus, surpluses are exported to other regions. After China, Europe is the second largest region for SOP in terms of both production capacity and consumption²⁾.



Historical and expected consumption of SOP, millions of metric tonnes⁴⁾



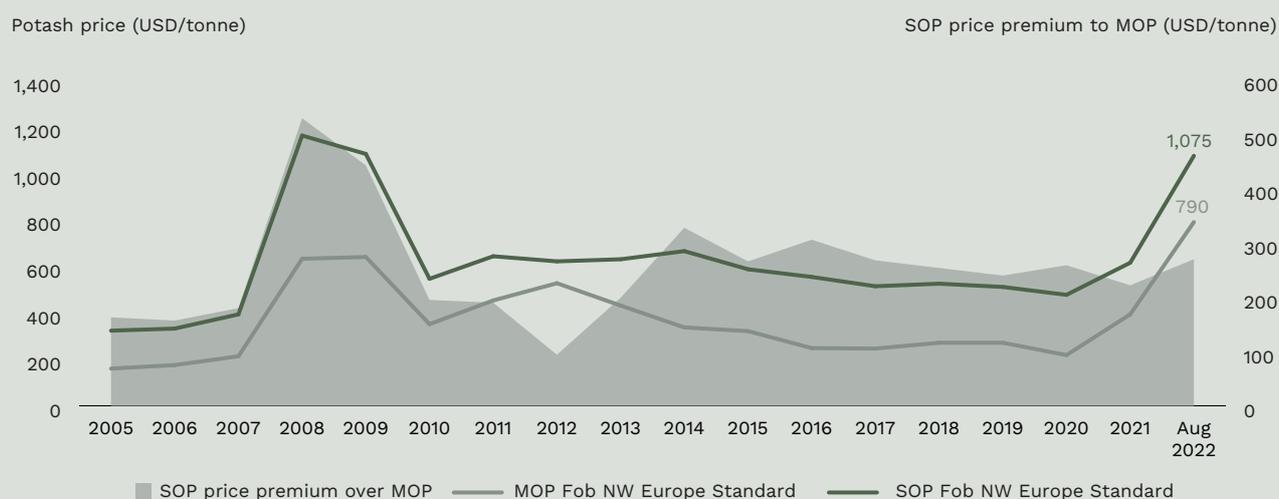
1) Fertilizer International – 497
 2) Argus Potash Analytics – Annual Long-term Outlook 2021
 3) Argus Potash Analytics – Annual Long-term Outlook 2021
 4) Argus Potash Analytics – Annual Long-term Outlook 2021

SOP is usually produced via a chemical process where MOP is used as an input. Since SOP generally requires additional production processes and a refinement of the MOP, SOP is considered a premium product and is thus sold at a price premium compared to MOP, as shown in the price graph below. Due to this, the SOP prices slightly lag compared to MOP price fluctuations. Historically, prices for MOP and SOP have varied, with large highs and lows in 2008, 2009, and 2021 and 2022. However, the price premium between MOP and SOP has been maintained over time, with a historical average premium for SOP of approximately USD 250 per metric tonne¹⁾. The price increase in 2008 is mainly attributable to increased demand for both types of mineral fertilizers and a global increased concern regarding long-term supplies of raw materials. The price decrease in 2009 is primarily due to the financial crisis. The price increase in

2021 and 2022 is primarily due to sanctions imposed on Belarus (Belarus holds about 12 percent of global MOP and SOP production), export restrictions imposed on China and higher gas prices²⁾. Further price spikes are expected due to the ongoing war in Ukraine, primarily due to the fact that Russian authorities have issued forthcoming recommendations for domestic fertilizer producers to stop exports. Furthermore, Phosagro's CEO Andrey Guryav, and Uralchem's and Uralkali's owner Dimitry Mazepin³⁾ (Uralkali holds about 11 percent of global MOP and SOP production⁴⁾) are subject to EU sanctions⁵⁾, which could lead to further price spikes.

Furthermore, water-soluble SOP has an additional price premium of approximately 20 percent compared to regular SOP (see the section "SOP value chain – Types of SOP" for more information about the different types of SOP)⁶⁾.

Historical and forecast prices for MOP and SOP⁷⁾



1) Argus Potash Analytics – Annual Long-term Outlook 2021

2) Argus Potash Analytics – Annual Long-term Outlook 2021

3) Financial times – EU adds 14 more Russian business chiefs to its sanctions list

4) Argus Potash Analytics – Annual Long-term Outlook 2021

5) Financial times – EU adds 14 more Russian business chiefs to its sanctions list

6) The Company's price premium estimate after discussions with current and potential customers of the Company's SOP

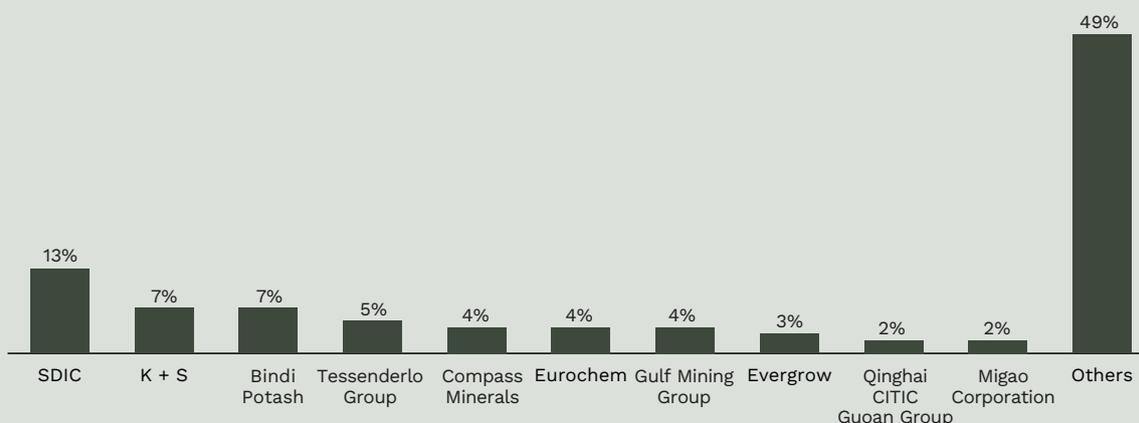
7) Argus Potash Analytics – Annual Long-term Outlook 2021

There are four methods for the production of SOP, out of which two occur through natural extraction and two are produced chemically. The natural extraction processes are the natural brine process (saline solution leaching) with a market share of approximately 35 percent and natural ore (mining) with a market share of approximately two percent. The chemical production processes are the Mannheim process with a market share of approximately 50 percent and sulphate salt reaction with a market share of approximately 13 percent¹⁾. See section “SOP value chain” for more information on the different production methods.

Smaller companies comprise approximately 50 percent of the SOP market. However, there are a number of major players in the market that together comprise approximately 30 percent of the market. These are primarily SDIC (China), K+S (Germany) and Bindi Potash (China)²⁾.



Share of total SOP production volume, 2022³⁾



1) Argus Potash Analytics – Annual Long-term Outlook 2021

2) Argus Potash Analytics – Annual Long-term Outlook 2021

3) Argus Potash Analytics – Annual Long-term Outlook 2021

Below follows a description of a number of major companies in the SOP market. The majority of the companies within the SOP market use production methods that are not sustainable as they have

vast amounts of carbon emissions, are dependent on fossil fuels and the production uses dangerous chemical substances as well as consumes large amounts of energy and clean water¹⁾.

Overview of a number of major companies in the SOP market²⁾

Company	Location	Product	Process	Production of potassium-based mineral fertilizer (million metric tonnes)	Comment
SDIC	China	SOP	Natural brine process	~1.6	Largest state-owned company in China, invests in mineral fertilizer production and other raw material areas
K+S	Germany	SOP	Sulphate salt reaction	~0.9	One of the world's largest salt producers who also produces mineral fertilizers
Bindi Potash	China	SOP	n/a	~0.9	Active in organic and microbial mineral fertilizers and chemical raw material production
Tessenderlo Group	Belgium	SOP	Mannheim	~0.6	International company with production throughout Europe and additional related offers
Compass Minerals	USA	SOP	Natural brine process	~0.5	Producer of salt, plant nutrients and magnesium chloride for distribution, primarily in North America
Eurochem	Russia	SOP	n/a	~0.5	Global producer of raw materials and NPK mineral fertilizers
Yara	Norway	SOP	Mannheim	~0,2	Global plant nutrition company with 28 production facilities and operations in over 60 countries

SOP value chain

There are four different production methods for SOP, of which two are primary and two secondary. The primary production methods extract SOP from areas where SOP occurs naturally. These methods are the natural brine process (saline solution leaching) with a market share of approximately 35 percent and natural ore (mining) with a market share of approximately

two percent. The secondary production methods produce SOP through chemical processes. These methods are the Mannheim process with a market share of approximately 50 percent and the sulphate salt reaction process with a market share of approximately 13 percent³⁾.

SOP is used, like MOP, as an input component in the production of NPK mixes⁴⁾.

1) Argus Potash Analytics – Annual Long-term Outlook 2021

2) Argus Potash Analytics – Annual Long-term Outlook 2021

3) Argus Potash Analytics – Annual Long-term Outlook 2021

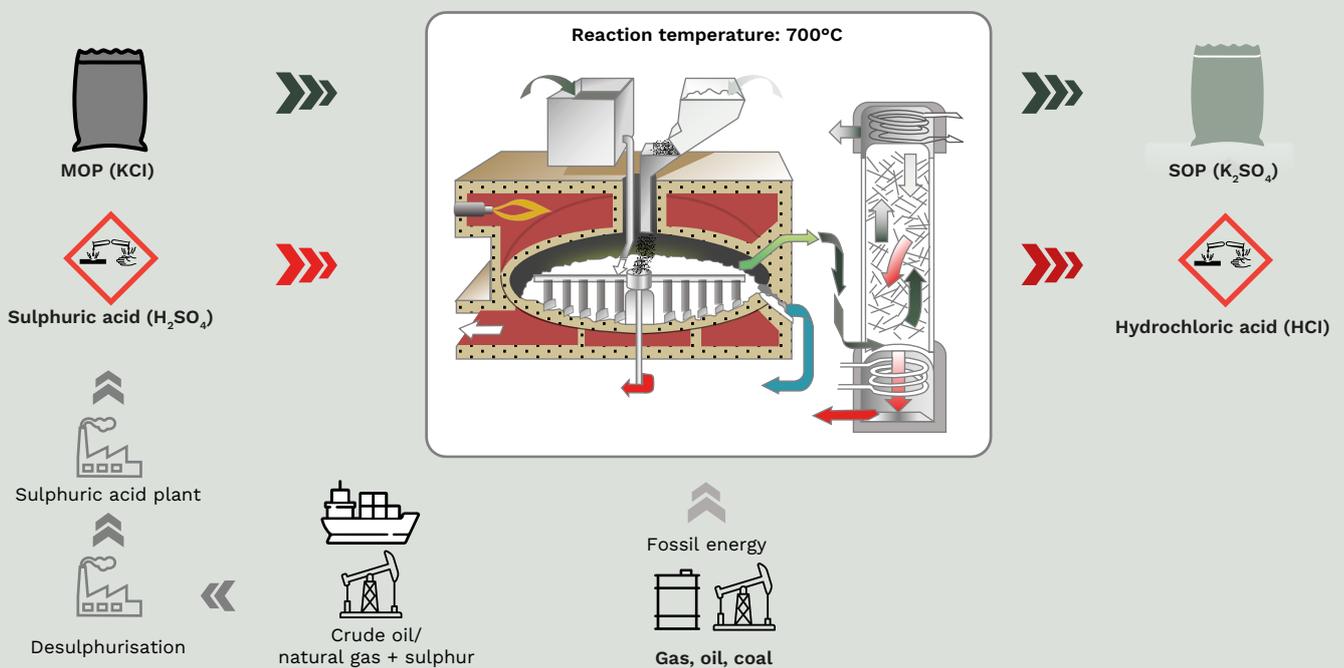
4) Argus Potash Analytics – Annual Long-term Outlook 2021

The Mannheim process

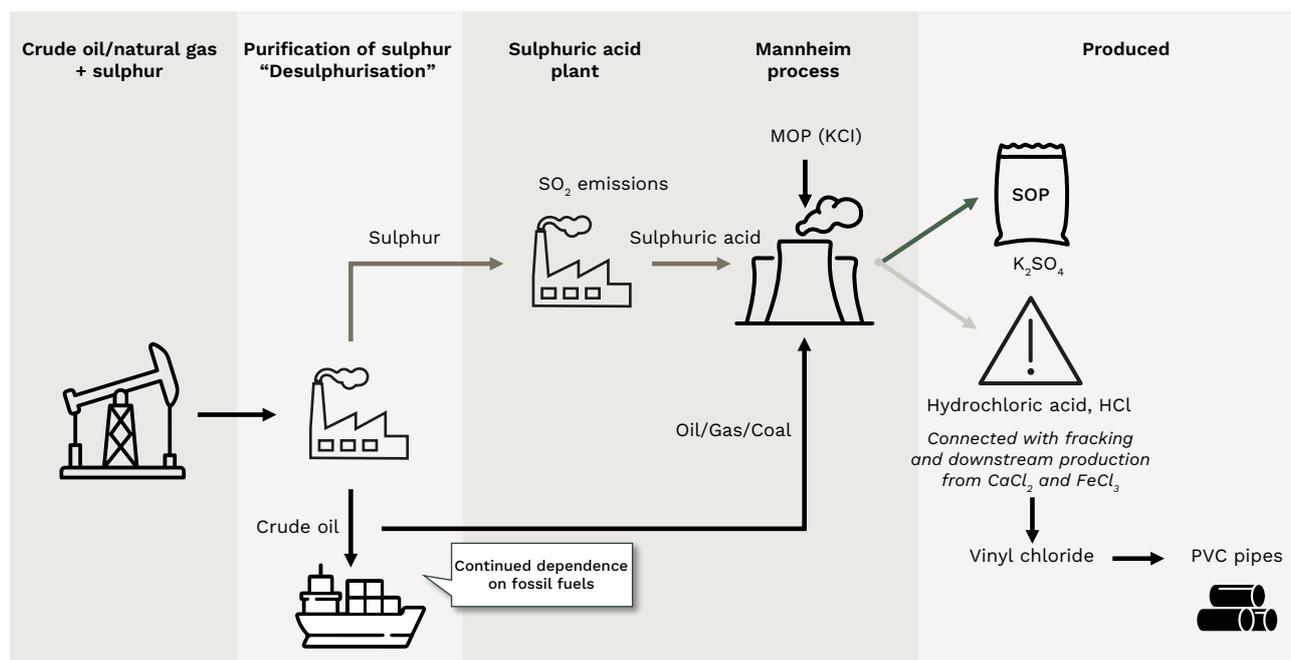
The dominant production method for SOP is the Mannheim process. In the Mannheim process, MOP and sulphuric acid are used as input materials and heated to a reaction temperature of 700°C in a process which, in addition to SOP, generates hydrochloric acid as a by-product. The process requires large amounts of fossil energy for heating to the reaction temperature. The

sulphuric acid used as an input is extracted from fossil fuels. Both the input sulphuric acid and the by-product hydrochloric acid are dangerous and harmful to the environment, ecosystems, and humans. SOP produced through the Mannheim process consumes more than 280 million barrels of oil and 375 billion litres¹⁾ of water each year. In addition, it accounts for over 120 million metric tonnes of carbon emissions per year²⁾

Overview of the Mannheim process³⁾



1) 100 billion gallons
 2) The Company's estimate
 3) The Company's estimate

Overview of the Mannheim process supply chain¹⁾

Companies that use the Mannheim process to produce SOP include Yara, Tessengerlo Group, Uralkali, MC, Kemira and Kingsun²⁾.

Sulphate salt reaction

This process takes place by dissolving salts in water where new precipitates of these saline solutions are mixed. Inputs in this process are sodium sulphate and potassium chloride (MOP). The inputs are dissolved in water, allowed to react, and form a precipitate of potassium sulphate which has a lower solubility than sodium sulphate and potassium chloride. The potassium sulphate is mechanically separated in a centrifuge, the salt is dewatered and then dried in a fluidised bed dryer. The potassium sulphate is then packaged for delivery to the customer³⁾.

Companies that use the sulphate reaction process to produce SOP include Alkim, K+S, Pycaji and Salinen⁴⁾.

The natural brine process

This method of producing SOP can be compared to mining. Minerals containing potassium and sulphates are mined, crushed, and dissolved in water, or with the help of large amounts of water within the bedrock, and then pumped up to the surface. The sun is often used as an energy source for water evaporation. However, the energy used in the processing plants are almost always fossil fuel based. The remaining concentrated and precipitated salts are collected by trucks and wheel loaders and taken to the production plant where the salts are redissolved in water, leached, and separated⁵⁾.

Companies who use the natural brine process to produce SOP include CITIC Group Corporation, Compass Minerals, Mosaic and SDIC, and the process is used primarily in the USA, China, and Australia⁶⁾.

1) The Company's estimate

2) Argus Potash Analytics – Annual Long-term Outlook 2021

3) The Company's explanation

4) Argus Potash Analytics – Annual Long-term Outlook 2021

5) The Company's explanation

6) Argus Potash Analytics – Annual Long-term Outlook 2021

Natural ore

This method is very unusual as SOP does not usually occur naturally. The method is similar to conventional mining¹⁾.

Types of SOP

There are three different types of SOP that differ in terms of purity, particle size, areas of use, composition, and price. These three types of SOP are referred to as standard, granular, and water-soluble SOP. Below are more detailed descriptions of each type²⁾.

- **Standard SOP:** Standard SOP is used in direct application on hardy crops and is used in the production of various types of fertilizer compositions. The product has the form of small crystals and is a mixture of 50 percent potassium oxide, 17.5 percent sulphur and a maximum of one percent chloride. The typical particle size is around 0.3–0.5 mm³⁾.
- **Granular SOP:** Granular SOP is the most important and widely used type of SOP in the USA and other parts of the world. The product is used in bulk mixtures for mechanical fertilizer application and manual application to crops that have an even distribution of nutrients. Granular SOP is a mixture of 50 percent potassium oxide, 17.5 percent sulphur and a maximum of one percent chloride. The typical particle size is around 2.0–3.0 mm⁴⁾. Granular SOP has a price premium of about 5 percent compared to standard SOP⁵⁾.
- **Water-soluble SOP:** Water-soluble SOP is used in fertigation, i.e., dissolved in water and applied through irrigation, in open fields and mixed feeding. The product is also used in greenhouses and when grown in water baths, so-called hydroponic agriculture. Water-soluble SOP is produced in the form of a fine powder that dissolves quickly in water and is a mixture of 52 percent potassium oxide, 17.5 percent sulphur and a maximum of 0.5 percent chloride. The typical particle size is around 0.1–0.3 mm⁶⁾. Water-soluble SOP has a price premium of just over 20 percent compared to standard SOP⁷⁾.

SOP customers

The SOP producers' customers are often producers of other types of mineral fertilizers and part of larger chemical groups. SOP customers generally use SOP to produce NPK fertilizer mixes. Once customers have refined the type of mineral fertilizer (which can occur in several stages), the end customers are mineral fertilizer distributors and farmers who use the refined type of fertilizer in their cultivation⁸⁾.

The by-product market

Depending on the production method used, different types of inputs are required in production, thus generating different by-products. In the Mannheim process, for example, sulphuric acid and MOP are used as inputs in production, which generates the by-product hydrochloric acid. Hydrochloric acid is harmful to the environment, ecosystems, and humans. Companies that use the Mannheim process as a production method are usually larger chemical groups who then use the by-product from one production process as an input for another product. Due to the chain of dependencies created by the products, by-products and inputs, production patterns in these organisations are stagnant and the use of an SOP production method other than the Mannheim process can be rendered impossible⁹⁾.

In the production of SOP via sulphate salt reaction, the by-product sodium chloride is generated, which we commonly call salt. This is because the inputs in the sulphate salt reaction process differ from the inputs in, for example, the Mannheim process. Sodium chloride is a completely harmless by-product and can be used by both individuals and companies, for example as table salt or road salt, and as an input in other chemical production processes¹⁰⁾.

1) The Company's explanation

2) The Company's current estimation together with its current customer Van Iperen International (active on the NPK market)

3) The Company's current estimation together with its current customer Van Iperen International (active on the NPK market)

4) The Company's current estimation together with its current customer Van Iperen International (active on the NPK market)

5) The Company's price premium estimate after discussions with current and potential customers of the Company's SOP

6) The Company's current estimation together with its current customer Van Iperen International (active on the NPK market)

7) The Company's price premium estimate after discussions with current and potential customers of the Company's SOP

8) The Company's estimation and explanation

9) The Company's estimate

10) The Company's estimate

Global market trends

The growth in the market for mineral fertilizers and its underlying markets is primarily driven by global megatrends, such as the increasing global population, globally increasing GDP and climate change. The global population is set to increase from approximately 6.1 billion people in 2000 to approximately 9.8 billion people in 2050¹⁾. The growing global population is driving an increased demand for food as well as less arable land per capita, which thus requires efficient agricultural processes. Consequently, this drives the demand for mineral fertilizers to enable more efficient agriculture. Furthermore, the absolute total arable area is gradually decreasing as a result of climate change that increasingly prevents cultivation in certain areas and through increased habitational areas²⁾. The limited arable land available means that the yield on existing land must increase to meet the increased demand for food and crops. 90 percent of the anticipated increase in food and crops is expected to come from increased yields on existing areas, rather than through new cultivation areas being created. Technical developments, including the use of mineral fertilizers, are expected to enable increased yields in these areas³⁾.

Another growth driving market trend is the increased global GDP, which increases demand for the type of quality raw materials that agriculture produces. Between 2000 and 2020, global GDP increased by 95 percent.⁴⁾ Increased prosperity enables more people to eat until satisfied. In addition, priority is given to a healthier lifestyle and better diet as the middle class grows and people have more money at their disposal.⁵⁾

Climate change, and the resulting need for climate adaptation, is also a growth driving market trend for mineral fertilizers. Global warming has led to an ever-increasing number of regions are affected by drier soils, which means that the need to use low-chloride mineral fertilizers, such as SOP, is growing. The drier soils are driving the shift from MOP to SOP, and towards water-soluble mineral fertilizer as it is desirable to reduce water consumption by dosing mineral fertilizer and water together, so-called nutrient irrigation or fertigation. Climate change is also leading to stronger shifts in weather and wind, which requires greater resilience in plants, something that can be achieved through increased use of SOP⁶⁾. The agricultural industry today accounts for approximately 25 percent of the world's carbon dioxide emissions. As global warming becomes more critical and people increasingly demand sustainable alternatives, demands from authorities for more sustainable agriculture also increases. This is driving the "green shift" – the transition to a greener approach with lower carbon dioxide emissions.⁷⁾

The demand for mineral fertilizers produced in Europe is also driven by an increased awareness of the need for national and European independence. The Covid-19 pandemic has forced companies to review their global supply chains and thus placed local production high up on the political agenda in both Sweden and Europe. Geopolitical developments as a result of Russia's invasion of Ukraine has further driven the demand for Swedish and European production of mineral fertilizers, as sanctions affect global export flows and existing supply chains in food production⁸⁾.

- 1) The World Bank – Population, total: <https://data.worldbank.org/indicator/SP.POP.TOTL>
- 2) Food and Agriculture Organization of the United Nations - <https://www.fao.org/home/en>
- 3) Argus Potash Analytics – Annual Long-term Outlook 2021
- 4) The World Bank – GDP: <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD>
- 5) The World Bank – GDP: <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD>
- 6) Argus Potash Analytics – Annual Long-term Outlook 2021
- 7) Food and Agriculture Organization of the United Nations - <https://www.fao.org/home/en>
- 8) The German Post – Europe must become more independent, yet cannot forgo its alliance with the US

The image features a field of young corn plants in rows, stretching towards the horizon. The sky is a mix of light blue and white, suggesting a bright day. Overlaid on the image are two large, stylized rainbow-like shapes. The top shape is a semi-circle with three bands: a dark green outer band, a light grey middle band, and a white inner band. The bottom shape is a larger semi-circle with the same three-band color scheme, positioned below the text. The text 'Business overview' is centered in the middle of the image, in a bold, white, sans-serif font.

Business overview

Business overview

Overview

Cinis Fertilizer was founded with the mission to produce the world's most sustainable mineral fertilizer to contribute to a more sustainable, circular, and fossil-free agriculture. To realise its mission and vision, Cinis Fertilizer will produce a potassium-based mineral fertilizer using the Company's own patented and patent pending process that upcycles waste from the pulp industry and the production of electric car batteries.

Using a proven production technology that has existed since the mid-1950s, Cinis Fertilizer will produce the potassium-based mineral fertilizer type potassium sulphate (SOP). The application process that Cinis Fertilizer will use is protected by a patent family (with patents in Sweden, Finland and Canada) and four additional ongoing patent applications. The company has also submitted an international PCT application, which corresponds to three of the pending patent applications. The Company's product will be circular by using residues from other growing industries and sustainable since the production will not contribute to global carbon emissions and will not use any hazardous chemical substances that could have a negative impact on the environment. In addition, all energy used in production will be fossil-free.

By early 2024, Cinis Fertilizer plans to put its first production plant in Örnsköldsvik into operation with an annual production capacity of 100,000 metric tonnes of SOP¹⁾. By mid-2025, the Company plans to put its second production plant in Skellefteå into operation with an annual production capacity of 200,000 metric tonnes of SOP. Production plant 2 will be located in close proximity to Northvolt's factory, which will

facilitate the supply of sodium sulphate. By mid-2026, the Company plans to put its third production plant into operation with an annual production capacity of 300,000 metric tonnes of SOP. The intention for production plant 3 is to be strategically located in relation to Northvolt's new factory in Borlänge, which will simplify the intake of sodium sulphate. In mid-2026, the Company is planning to open its fourth production plant in the Nordics with an initial annual production capacity of 100,000 metric tonnes of SOP. The production capacity of the fourth production plant will gradually increase from 100,000 metric tonnes of SOP per year by mid-2026 and reach a full annual production capacity of 300,000 metric tonnes of SOP by 2028.

Cinis Fertilizer has entered into long-term agreements exceeding 10 years with key players in the supply chain. The Company has entered into an agreement with Northvolt AB ("**Northvolt**") for the delivery of residues from electric car battery manufacturing, both from Northvolt's facility in Skellefteå and the upcoming facility in Borlänge. The Company has also entered into an agreement with the customer Van Iperen International BV ("**Van Iperen International**") for the purchase of the Company's product SOP. As such, both the entire delivery of the residues for the production plant 1, 2 and the majority of production plant 3, as well as the sale of SOP produced at production plant 1 and production plant 2 (at a value of approximately SEK 3.3 billion²⁾ annually) have been secured. The Company has also entered into letters of intent regarding the delivery of residue and input material to, as well as the sale of SOP from, production plant 3 and 4 (based on the spot price for SOP, an eventual sale of SOP to K+S gives an indicative value of approximately SEK 6.5 billion³⁾ annually).

1) Completion of the production plant 1 is dependent on approved environmental permit

2) The value is based on the spot price according to Argus Index NW Europe as of 4 August 2022

3) The value is based on the spot price according to Argus Index NW Europe as of 4 August 2022

Overview of Cinis Fertilizer's circular process



History

Cinis Fertilizer was founded in 2018 after the chemical engineers Jakob Liedberg (CEO) and Roger Johansson (chairman of the board) had been considering ways to reduce chemical emissions from large industries and how to instead use the residues generated by these industries for something better. Residues from the electric car battery industry (sodium sulphate) and from the pulp industry (ESP dust) is not being used today. For many years, the pulp industry has been releasing ESP dust into the sea and nature¹⁾. With their backgrounds in chemical engineering and many years of experience in both the processing industry and mineral fertilizer industry, the founders succeeded in identifying a potential solution to the challenges that several

industries are facing. The founders believed that, through a proven chemical process, they would be able to use sodium sulphate and ESP dust (which is almost 90 percent sodium sulphate²⁾) to manufacture the mineral fertilizer SOP. The founders patented their idea and started to develop the concept for what is now Cinis Fertilizer. Through a circular and sustainable production process fuelled by fossil-free electricity, Cinis Fertilizer will be able to produce a sustainable product with minimal negative impact on the environment. The circular process will not only push Swedish industry towards a more circular approach, but it will also promote more sustainable farming and an opportunity to break fossil dependency in the agricultural industry.

1) Europe Pulp & Paper Chemicals Market: Plant Capacity, Production, Operating Efficiency, Process, Demand & Supply, End Use, Sales Channel, Region, Competition, Trade, Customer & Price Intelligence Market Analysis, 2015-2030, Bloomberg NEF 2019 Electric Vehicle Outlook
 2) Savree – Electrostatic Precipitator (ESP): <https://savree.com/en/encyclopedia/electrostatic-precipitator-esp#:~:text=The%20main%20components%20of%20an,one%20or%20more%20electrical%20transformers>

Below is a summary of the major events in the Company's history.

– 2018

- Production quality of SOP using ESP dust as the input component approved in a study conducted by RISE Processum involving three Swedish pulp mills (2015)
- Patent application submitted and approved to recycle ESP dust

2018

- Cinis Fertilizer is founded

2021

- Land allocation agreement entered into with Örnsköldsvik municipality for land for production plant 1
- Land allocation agreement entered into with Skellefteå municipality for land for production plant 2
- Application for an environmental permit for production plant 1 submitted to the Swedish Land and Environment Court
- Sales and distribution agreement entered into with Van Iperen International regarding the sale of SOP
- Supplier agreement entered into with Northvolt to purchase sodium sulphate
- Completion of capital raise of approximately SEK 40 million ahead of the IPO process
- Board of directors recruited
- Application for an environmental permit for production plant 2 submitted to the Swedish Land and Environment Court
- Application filed for a patent for use of residues from the steel industry
- Application filed for a patent for use of residues from the battery manufacturing industry
- Application filed for a patent for the use of residues from battery recycling
- CFO and IR, Communications & Marketing Director recruited

2022

- Project team recruited
- Supplementary agreement for the supply of sodium sulphate entered into with Northvolt for the purchase of sodium sulphate from Northvolt's planned establishment in Borlänge
- Supplier agreement entered into with the Swiss distributor Evatherm regarding the delivery of detailed engineering and process technology
- Agreement signed with E.ON Energy distribution on electricity connection to production plant 1
- International PCT-application based on three of the patent applications submitted to WIPO (World Intellectual Property Organization)
- Building permit for production plant 1 granted¹⁾
- The Company receives an announcement of an environmental permit for production plant 1 and 2
- Letter of intent entered into with a company within the BASF-group regarding the intention to purchase sodium sulphate for production plant 4
- Letter of intent entered into with K+S regarding (i) that Cinis Fertilizer shall purchase its entire need of MOP from K+S, (ii) that K+S shall purchase all produced sodium chloride from Cinis Fertilizer's production plants 1 and 2 and potentially from production plants 3 and 4, and (iii) that K+S shall purchase all Cinis Fertilizer's produced SOP from production plants 3 and 4
- Application filed for a patent for the use of residues from sodium ion battery manufacturing
- Credit Facility Agreement entered into with Nordea and the Swedish Export Credit Corporation regarding loans for the Company's first production plant

Vision and mission

Cinis Fertilizer was founded with the purpose of enabling sustainable agriculture and a vision of decarbonizing plant nutrition. Cinis Fertilizer's mission is to produce the world's most sustainable mineral fertilizer through innovative upcycling.

Operational targets, financial targets and dividend policy

Ahead of the listing in the Nasdaq First North Market, the Company's board of directors has adopted the following operational targets, financial targets and dividend policy.

1) The building permit is conditional upon remediation of the current pollution before construction begins

Operational targets

Cinis Fertilizer has the following operational targets for annual installed production capacity and production volume of SOP. The Company intends to reach its targets by building four production plants, in Örnsköldsvik and Skellefteå as well as one additional production plant in Sweden, and one in another part of the Nordic region.

2024	Annual installed production capacity of 100,000 metric tonnes Annual production volume of 100,000 metric tonnes
2026	Annual installed production capacity of 700,000 metric tonnes Annual production volume of 500,000 metric tonnes
2028	Annual installed production capacity of 900,000 metric tonnes Annual production volume of 850,000 metric tonnes
2030	Annual installed production capacity of 1,500,000 metric tonnes Annual production volume of 1,500,000 metric tonnes

Financial targets

Financial targets 2024, 2026, 2028 and 2030

The Company's financial target starting the fiscal year of 2024 is to have an annual EBITDA margin exceeding 25 percent and a net debt to EBITDA ratio that is not to exceed a multiple of 2.5 times.

Dividend policy

Cinis Fertilizer is in an expansive growth phase and has not yet provided any dividends. According to the Company's dividend policy, the board of directors intends to allow the Company to carry forward any profits to invest in the business and therefore does not anticipate that any dividends will be paid in the near future. Future dividends, may however, be provided as Cinis Fertilizer's results and financial position allow this.

Strengths and competitive advantages

Cinis Fertilizer considers itself to have the following strengths and competitive advantages that are expected to help the Company realise its strategy and reach its targets:

- Large, global, and non-cyclical SOP market with significant demand for sustainable solutions
- Cinis Fertilizer's SOP production process is circular, sustainable, energy- and cost-efficient
- Long-term agreements with key actors in the value chain securing future growth

- Production plants that are located in areas with significant growth potential and have a profitable growth plan
- Experienced executive management supported by an experienced board of directors

Large, global, and non-cyclical SOP market with significant demand for sustainable solutions

The global SOP market comprised approximately 7 million metric tonnes of consumed SOP in 2021. The SOP market had a CAGR of approximately four percent between the years 2005 and 2020. There are several underlying global megatrends driving the global market for mineral fertilizers in general and SOP fertilizers in particular¹⁾. These trends include a growing global population generating increased demand for food, less arable land available per capita due to the growing global population²⁾, climate change and an expanding habitational area, as well as changed and improved eating habits and diets due to improved financial position among the global population (global GDP per capita increased by 95 percent between 2000 and 2020)³⁾. Based on the trends that are driving the market for mineral fertilizers, and thus SOP fertilizers, the SOP market is expected to grow by a CAGR of approximately two percent from 2020 to 2030. The SOP market has historically experienced stable growth and is non-cyclical as

1) Argus Potash Analytics – Annual Long-term Outlook 2021

2) The World Bank – Population, total: <https://data.worldbank.org/indicator/SP.POP.TOTL>

3) The World Bank – GDP: <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD>, Food and Agriculture Organization of the United Nations – <https://www.fao.org/home/en>

demand for agricultural products is constant¹⁾. See the section “*Market overview*” for more information about SOP market development. The market for water-soluble SOP (which Cinis Fertilizer will produce) is expected to see stronger growth than the overall SOP market. Water-soluble SOP is expected to grow by a CAGR of 10 percent, driven by nutrient irrigation, hydroponic agriculture, and climate change²⁾.

The interest for sustainable agricultural solutions has increased due to increased environmental pollution, global warming, and the fact that the agricultural industry accounts for approximately 25 percent of the global carbon dioxide emissions³⁾. The combination of global megatrends and the increased interest in sustainable solutions benefits Cinis Fertilizer as the Company will help meet an increased demand for food and support more efficient agriculture through its sustainable product. The Company is well-positioned to capitalise on market trends and the “green shift” occurring in the agricultural industry⁴⁾. As the majority of the Company’s competitors use the Mannheim process for the production of SOP⁵⁾ (a process that uses large amounts of fossil fuels and energy, have large carbon dioxide emissions, and uses large amounts of clean water), Cinis Fertilizer is more favourable positioned to capitalise on the green shift due to its sustainable process and its minimal carbon dioxide emissions⁶⁾.

Additionally, the bulk of today’s SOP production occurs in China, where the majority of production generates large volumes of carbon dioxide emissions and is dependent on fossil fuels as most of the production occurs through the Mannheim process⁷⁾. China consumes a smaller amount of SOP than it produces⁸⁾, which means that large volumes of SOP are transported to other parts of the world, thereby generating

further carbon dioxide emissions. Europe, for example, consumes more SOP than it produces⁹⁾ and therefore needs to import SOP. Cinis Fertilizer thus has an opportunity to cater Europe’s SOP import needs, and the replacement product the Company is offering will also be produced with close to zero carbon emissions in contrast to the majority of the SOP that is produced via the Mannheim process¹⁰⁾. See the section “*Market overview*” for more information about the geographical capacity and consumption volumes. The Covid-19 pandemic as well as Russia’s invasion of Ukraine has also resulted in a demand to decrease European dependence on suppliers from China, Russia and Belarus, which is a trend that favours Cinis Fertilizer further¹¹⁾.

Cinis Fertilizer’s SOP production process is circular, sustainable, energy- and cost-efficient

Cinis Fertilizer’s production of water-soluble SOP is intended to help solve the global waste problem by using residue products from, for example, the electric car battery industry and the pulp industry. These residues, consisting of sodium sulphate and ESP dust (which mainly comprise sodium sulphate¹²⁾), reacts with MOP under low temperatures, low pressure and without using any harmful chemical substances. Compared with the Mannheim process, Cinis Fertilizer’s production will have approximately 20 percent lower production cost, approximately 50 percent lower energy consumption and approximately 100 percent lower carbon dioxide emissions¹³⁾. See the section “*Market overview – SOP value chain – The Mannheim process*” for more information about the Mannheim process.

As of the date of the Prospectus, the Company has a patent family protecting the use of residues from pulp mills (ESP dust) as an input for the

1) Argus Potash Analytics – Annual Long-term Outlook 2021, International Fertilizer Association – Public Summary: Medium-Term Fertilizer Outlook 2021-2025

2) Fertilizer International – 497

3) Food and Agriculture Organization of the United Nations – <https://www.fao.org/home/en>

4) Food and Agriculture Organization of the United Nations – <https://www.fao.org/home/en>

5) Argus Potash Analytics – Annual Long-term Outlook 2021

6) The Company’s estimate

7) Argus Potash Analytics – Annual Long-term Outlook 2021

8) Argus Potash Analytics – Annual Long-term Outlook 2021

9) Argus Potash Analytics – Annual Long-term Outlook 2021

10) The Company’s estimate. This includes the assumption that Cinis Fertilizer will use 100 percent green energy from renewable sources

11) The German Post – Europe must become more independent, yet cannot forgo its alliance with the US

12) Savree – Electrostatic Precipitator (ESP): <https://savree.com/en/encyclopedia/electrostatic-precipitator-esp#:~:text=The%20main%20components%20of%20an,one%20or%20more%20electrical%20transformers>

13) The Company’s estimate. This includes the assumption that Cinis Fertilizer will use 100 percent green energy from renewable sources



production of SOP. The patent family has active patents in Sweden, Finland and Canada that will expire in 2034 in Sweden and 2035 in Finland and Canada. The Company also has four pending Swedish patent applications with expiry in 2042 and an international PCT application which corresponds to three of the Swedish patent applications to make these patents global with a choice of 150 countries. These patent applications are intended to protect the use of residues (sodium sulphate) from battery manufacturing plants, residues (sodium sulphate) from steel production plants, and residues (sodium sulphate) from battery recycling as inputs for the production of SOP. The fourth patent application intends to protect the use of residual products (sodium sulphate) from sodium ion battery manufacturing. Going forward, the Company expects its production to be well-protected by the approved patent and future approved patents. For more information about the Company's patents, see the section "*Business model – Patents*".

The electric car battery industry is expected to grow almost exponentially as the number of electric cars around the world increases. The demand for lithium-ion batteries used in the electrical car industry was during 2021 approximately 324 GWh. This demand is expected

to grow to 2,030 GWh by 2030, driven by the transformation of the automotive industry¹⁾. The production of lithium-ion batteries generates the residues of sodium sulphate, which Cinis Fertilizer will use as input in its production. In 2028 the volume of sodium sulphate residues is expected to be approximately 4.8 million metric tonnes²⁾, out of which 15 percent of the total generated volume sodium sulphate will be equivalent to Cinis Fertilizer's needs³⁾. Northvolt's factory, Northvolt Ett, will produce 60 GWh annually once the factory is fully operational, which will generate approximately 250,000 metric tonnes of sodium sulphate. Northvolt's new plant in Borlänge is estimated to generate approximately 200,000 metric tonnes of sodium sulphate⁴⁾. Cinis Fertilizer will purchase Northvolt's generated volume of sodium sulphate residues from its facility in Skellefteå and its planned facility in Borlänge. The Company has entered into a letter of intent with a company within the BASF-group regarding the obtaining of the residue sodium sulphate needed for production plant 4 from one of BASF's facilities. The increasing number of lithium-ion batteries and the associated increase in the volume of sodium sulphate residues will likely exacerbate the challenge of management of residues in the future, which favours Cinis Fertilizer's ability to obtain sodium sulphate at favourable conditions⁵⁾.

1) Bloomberg NEF 2019 Electric Vehicle Outlook

2) Bloomberg NEF 2019 Electric Vehicle Outlook

3) Based on the needs of production plants 1, 2, 3 and 4

4) Northvolt's estimations of Northvolt Ett production

5) The Company's estimate

The pulp industry is a large market with annual production of 37.5 million metric tonnes in Europe during 2021. This market is expected to grow with a CAGR of approximately four percent in Europe between 2022 and 2030¹⁾, primarily driven by an increase in e-commerce (which requires large amounts of paper for packaging), a shift towards paper products to replace plastic and an increased use of beauty and hygiene products (which contain large amounts of pulp chemicals). Approximately 60 percent of Europe's pulp production takes place in Sweden and Finland²⁾. Pulp production generates large quantities of chemical residues, which is largely released into the sea. In 2021, the pulp industry generated residues equivalent to approximately 1.2 million metric tonnes of ESP dust (approximately 3 million metric tonnes of ESP dust globally)³⁾. As the market is expected to grow in the future, the volume of residues will also increase⁴⁾. The authorities are launching initiatives to increase regulation of the pulp industry's management of residues⁵⁾. The combination of increased residue volumes and stricter regulations has created and will continue to create challenges for the management of residues for the pulp industry⁶⁾. Cinis Fertilizer has entered into letters of intent with Domsjö Fabriker AB ("**Domsjö Fabriker**") and SCA Massa ("**SCA**"), under which the Company intends to purchase the pulp mills' residues in the form of ESP dust.

Through Cinis Fertilizer's approved and pending patent applications for the application process of using residues from both battery manufacturing and the pulp industry, the Company will contribute to solving major residues issues within the pulp and electrical car battery industry and will become an important player in the future circular society.

As the chemical inputs used in Cinis Fertilizer's production processes react under low temperatures and low pressure, the energy

consumption in production is significantly lower than in, for example, the Mannheim process⁷⁾. Furthermore, the energy used will be fossil-free. Low energy use combined with the fact that the residues used by Cinis Fertilizer are significantly lower in price per metric tonne than sulphuric acid⁸⁾ (which is used in the Mannheim process), will result in that the Company's production processes are more cost-efficient and the product can be produced at a lower price per metric tonne than the majority of the other producers in the SOP market. The Company will also be able to sell its by-product (sodium chloride) and surplus heat to district heating (at the production plants where this is possible), which will also contribute to the cost-efficiency of the business model.

Cinis Fertilizer will therefore produce a product that is circular, sustainable, energy- and cost-efficient, and will be able to capitalise on the 'green shift' happening within the agricultural industry, the increased demand for sustainable products and the stricter regulations for management of residues.

Long-term agreements with key actors in the value chain securing future growth

Cinis Fertilizer has ensured its production and sales by entering agreements with key actors in the Company's value chain. The Company has entered into an agreement for 10 + 10 years with Northvolt to that secures the supply of the sodium sulphate needed for the production. The Company has agreed to purchase the volume of sodium sulphate generated from Northvolt's facility in Skellefteå and the planned establishment in Borlänge. The Company has also signed letters of intent with Domsjö Fabriker and SCA to ensure a supply of ESP dust, which will be used as input material for Cinis Fertilizer's production. The Company has entered into a letter of intent with a company within the BASF-group to obtain residue sodium sulphate for production facility 4 from one of BASF's facilities for electric car batteries in Finland.

1) Europe Pulp & Paper Chemicals Market: Plant Capacity, Production, Operating Efficiency, Process, Demand & Supply, End Use, Sales Channel, Region, Competition, Trade, Customer & Price Intelligence Market Analysis, 2015–2030

2) Europe Pulp & Paper Chemicals Market: Plant Capacity, Production, Operating Efficiency, Process, Demand & Supply, End Use, Sales Channel, Region, Competition, Trade, Customer & Price Intelligence Market Analysis, 2015–2030

3) Europe Pulp & Paper Chemicals Market: Plant Capacity, Production, Operating Efficiency, Process, Demand & Supply, End Use, Sales Channel, Region, Competition, Trade, Customer & Price Intelligence Market Analysis, 2015–2030

4) The Company's estimate

5) Europe Pulp & Paper Chemicals Market: Plant Capacity, Production, Operating Efficiency, Process, Demand & Supply, End Use, Sales Channel, Region, Competition, Trade, Customer & Price Intelligence Market Analysis, 2015–2030

6) The Company's estimate

7) The Company's estimate

8) Chemanalyst – Sulphuric acid price trend and forecast for December 2021

Cinis Fertilizer has also entered into an agreement for 10 + 5 years with Van Iperen International, through which the Company has secured sale of SOP from production plants 1 and 2, equivalent to 100,000 metric tonnes in 2024, 200,000 metric tonnes in 2025 and 300,000 metric tonnes annually from 2026. The price of water-soluble SOP in this agreement is hedged and locked in at the spot price for water-soluble SOP with a discount of 10 percent (water-soluble SOP has a price premium relative to standard SOP of approximately 20 percent¹⁾). Through the agreement Cinis Fertilizer has secured the off take of the entire production of SOP from production plant 1 and 2, thus securing future revenues for a long period of time.

Cinis Fertilizer has also entered into a letter of intent with K+S Minerals and Agriculture GmbH (“K+S”). K+S is a global actor and the world’s largest salt producer. K+S also produces and distributes mineral fertilizer. The letter of intent refers to (i) that Cinis Fertilizer shall buy all its need of MOP from K+S, (ii) that K+S shall buy all produced sodium chloride from Cinis Fertilizer’s production plants 1 and 2, and potentially from production plants 3 and 4, and (iii) that K+S shall buy all Cinis Fertilizer’s produced SOP from production plants 3 and 4 (based on the spot price for SOP, an eventual sale of SOP to K+S gives an indicative value of approximately SEK 6.5 billion annually²⁾). If Cinis Fertilizer and K+S enter into a binding agreement in accordance with the letter of intent, Cinis Fertilizer will also have secured the sale of the entire production of SOP from production plants 3 and 4 and the entire production of sodium chloride from production plants 1 and 2, and possibly also from production plants 3 and 4.

These agreements and letters of intent that Cinis Fertilizer has entered into secure the Company’s future growth and revenue streams and reduce business-related risk.

Production plants that are located in areas with significant growth potential and have a profitable growth plan

Cinis Fertilizer has a clear plan for the Company’s future growth, including the construction of four production plants in strategic as a first step. To

benefit from the Company’s secured agreements and to manage input deliveries more efficiently, Cinis Fertilizer’s production plants will be in strategic locations close to both electric car battery manufacturers and pulp mills to streamline transport of inputs, and close to ports to facilitate distribution of the sold products. The production plants will also be located in areas with access to fossil free and renewable energy to a favourable price.

As of the date of the Prospectus, Cinis Fertilizer has well-established and concrete plans for four production plants. Production plant 1 will be built in Örnköldsvik and located in a port for efficient distribution of SOP. Production plant 1 is planned to be put into operation in early 2024 and have an annual production capacity of 100,000 metric tonnes of SOP³⁾. All SOP produced at production plant 1 is already sold to Van Iperen International under the agreement the Company has entered into. Cinis Fertilizer’s second production plant will be built in Skellefteå, located close to Northvolt’s battery factory (Northvolt Ett), which is also adjacent to a port in Skellefteå. This will streamline the supply of sodium sulphate and the distribution of SOP. Production plant 2 is planned to be put into operation in mid-2025 and have annual production capacity of 200,000 metric tonnes of SOP. All of the SOP produced at production plant 2 is already sold to Van Iperen International under the agreement the Company has entered into. The Company has already reached several milestones for production plants 1 and 2, including land allocation agreements with the municipalities in Örnköldsvik and Skellefteå. Production plant 3 is to be strategically located in relation to Northvolt’s planned battery manufacturing facility in Borlänge. This will increase the efficiency of distributing the input sodium sulphate. Production plant 3 is estimated to be put into operation in mid-2026 and have an annual production capacity of 300,000 metric tonnes of SOP.

The fourth production plant is planned to be built in the Nordic region. The Company has entered into a letter of intent with a company within the BASF-group regarding the purchase of sodium sulphate for production plant 4 from one of

1) The Company’s estimate of the price premium after discussions with current and potential customers

2) Spot price according to Argus Index NW Europe as of 4 August 2022

3) Completion of the production plant 1 is dependent on approved environmental permit

BASF's facilities. Production plant 4 operations are planned to start mid-2026 with an annual production capacity of 100,000 metric tonnes of SOP initially and will gradually increase its annual production capacity to 300,000 metric tonnes of SOP in year 2028. The Company has also entered into a letter of intent with K+S regarding the purchase of all Cinis Fertilizer's produced SOP from production plants 3 and 4 from 2026. See the section "*Business model – Production plan*" for more information on production plant 1, 2, 3 and 4.

Cinis Fertilizer has a concrete and clear strategy to build and realise its expansion and growth plan with minimised risk with respect to inputs and sales, and cash flows generated from the production of SOP. The Company plans to have a total installed annual production capacity for the four production plants, when fully operational, of 900,000 metric tonnes of SOP in 2028.

Experienced executive management supported by an experienced board of directors

Cinis Fertilizer was founded by Jakob Liedberg and Roger Johansson, both of whom have prominent strategic and operational roles within the Company. Jakob Liedberg, CEO of Cinis Fertilizer, is a chemical engineer with more than 25 years of experience in the industry. Jakob Liedberg thus has a strong understanding of the technology behind the Company's product, and experience in the market where the Company operates. Jakob Liedberg has the support of an experienced executive management team consisting of Henrik Andersson as CFO and Charlotte Becker as IR, Communications & Marketing Director. Both Henrik Andersson and Charlotte Becker have experience in relevant industries and positions.

Roger Johansson, chairman of Cinis Fertilizer's board of directors, is a chemical engineer with more than 25 years of experience in the industry. Roger Johansson, like Jakob Liedberg, also has a strong understanding of the technology behind the Company's product and the market in which the Company operates. Roger Johansson has the support of an experienced board of directors

consisting of Viktoria Bergman, Sten Hedbäck, Anna Kinberg Batra, Åsa Källenius and Morgan Sadarangani. Cinis Fertilizer considers the board of directors to have a good balance of members with varied professional backgrounds and experience which, combined, provide good support for the senior executives in realising the Company's growth.

Strategy

Cinis Fertilizer has three strategic areas of focus to reach its operational and financial targets:

- 1) Expand the inflow of input goods from new and existing industries
- 2) Enter into new product sales agreements for further expansion
- 3) Expand production by adding production plants

Expand the inflow of input goods from new and existing industries

The Company intends to explore new opportunities for purchase and delivery of residues from new and existing industries to use as inputs for its products. The Company has identified pulp, electric car battery, and steel production and the metal recycling industry as potential areas to find new partners to expand the inflow of residues.

The Company has had discussions with actors in the pulp industry who have indicated an interest in future cooperation. Based on the interest shown by industry actors and the fact that management of industrial residues will likely be subject to additional regulation¹⁾, Cinis Fertilizer has good potential to increase the number of partnerships and increase the inflow of residues. This potential is also supported by the proximity of the Company's future production plants to paper mills and the fact that approximately 1.2 million metric tonnes of ESP dust is generated from European pulp mills annually²⁾.

The Company's current primary partner, Northvolt, has announced plans to build a factory in Borlänge¹⁾. The Company has entered into supplementary agreements with Northvolt

1) Europe Pulp & Paper Chemicals Market: Plant Capacity, Production, Operating Efficiency, Process, Demand & Supply, End Use, Sales Channel, Region, Competition, Trade, Customer & Price Intelligence Market Analysis, 2015–2030

2) Europe Pulp & Paper Chemicals Market: Plant Capacity, Production, Operating Efficiency, Process, Demand & Supply, End Use, Sales Channel, Region, Competition, Trade, Customer & Price Intelligence Market Analysis, 2015–2030

regarding the purchasing of Northvolt's generated volume of sodium sulphate from the planned facility in Borlänge. The Company has also identified other actors in the electric car battery industry who are interested in future cooperation. The total volume of sodium sulphate generated by the electric car battery industry is expected to reach approximately 5 million metric tonnes in Europe by 2028²⁾. Taking these factors into account, the Company considers there to be good potential to obtain further sodium sulphate from the electric car battery industry.

The Company has identified the steel production and metal recycling industry as a potential area for further purchases of residues. One of the main products in this industry is vanadium, which generates residues in the form of sodium sulphate. This industry is also experiencing increased demand for circular business models to drive the 'green shift'³⁾ – a trend that works in Cinis Fertilizer's favour. Thus, the Company considers there to be potential for expansion around this industry too and has therefore applied for a patent to protect this expansion possibility.

The opportunities to obtain further residues from these three industries will enable the Company to proceed with its future expansion and the construction of further production plants.

Enter into new product sales agreements for further expansion

The Company sees good opportunities to increase its customer base for both SOP and sodium chloride, and several actors have indicated their interest in both of these products. This interest has been expressed by both actors in Europe and globally, and includes chemical conglomerates, salt producers and mineral fertilizer manufacturers.

As Cinis Fertilizer expands its inflow of residues and increases production by building additional production plants, the Company will be able to enter into additional agreements with buyers of both SOP and sodium chloride. Based on the interest indicated and the potential demand for the Company's product and by-product, Cinis Fertilizer considers there to be good potential for the Company to expand its customer base, find new buyers for SOP and sodium chloride, and increase its revenues.

Expand production by adding production plants

The Company intends to build two additional production plants, in addition to the four that will be built in the near future as described in the section "*Business model – Production plan*". The construction of these production plants is expected to increase the Company's production volume and support future growth. Based on the opportunities that exist for the Company to obtain residues and sell its products and by-products, the Company expects the construction of additional production plants to be a natural and feasible step in Cinis Fertilizer's future development.

The two production plants that the Company intends to build, in addition to the four production plants that will be built in the near future, will most likely be located in the Nordic region and each production plant is expected to have an annual production capacity of 300,000 metric tonnes of water-soluble SOP by 2029 and 2030. The production plants are expected to have a production space of 6,000 m² and have 30,000 m² warehouse space each. Each production plant is expected to have approximately 60 employees, with three shifts per 24-hour period and five available shift teams to ensure active production around the clock, seven days a week. The production plants will each be depreciated over 20 years.

The Company believes that the size and scope of these production plants will enable the Company to continue to grow and expand in line with the Company's established targets.

1) Northvolt: <https://northvolt.com/>

2) Bloomberg NEF 2019 Electric Vehicle Outlook

3) The Company's estimate

Business model

Product offering

Cinis Fertilizer will produce a sustainable and circular mineral fertilizer – water-soluble SOP. SOP is used both by agricultural actors for their crops and by chemical companies to produce other mineral fertilizers, such as NPK mixes. The Company will primarily deliver its core product – water-soluble SOP – from the first two production plants in 20-foot containers but will also be able to supply the product in 25-kg sacks and 1,000-kg BigBags.

Cinis Fertilizer’s SOP will be produced with MOP and residues from other growing industries. By recycling residues from the electric car battery and pulp industries, the Company will be part of the future circular society¹⁾. MOP and the residues from these two industries are allowed to react under low temperatures and low pressure, a process that generates the end-product water-soluble SOP and the by-product sodium chloride. See the section “*Business model – Production*” for more information on the Company’s production process.

There are several SOP production methods today (see the section “*Market overview – SOP value chain*” for more information and production methods). The difference between the dominant

production method (the Mannheim process) and Cinis Fertilizer’s process is that the Mannheim process utilises sulphuric acid as its input, which is harmful to the environment, humans, and ecosystems²⁾. The Mannheim process also requires high temperatures to initiate the chemical reaction in the process, which requires large quantities of fossil energy. Apart from the fact that sulphuric acid is a harmful chemical substance, it is also extracted from oil and natural gas, i.e., finite resources that have a direct negative impact on the environment³⁾. Unlike Cinis Fertilizer’s process, the Mannheim production method reinforces fossil fuel dependence and has significant negative impacts on the environment⁴⁾. By contrast, Cinis Fertilizer uses waste from other industries to manufacture its products. The Company’s production operations thus solve waste issues while also breaking the dependence on fossil fuels.

Cinis Fertilizer’s process of using residues from other industries as input materials for its application is protected or will be protected by an approved patent and pending patent applications. See the section “*Business model – Patents*” and “*Legal considerations and supplementary information – Intellectual property rights*” for more information on Cinis Fertilizer’s patents.



Water-soluble SOP is used, for an example, in so-called precision agriculture where fertilizers and water are dosed together.

1) The Company’s estimate

2) The Company’s estimate

3) Big Chemical Encyclopaedia – Mannheim process: https://chempedia.info/info/mannheim_process/, Argus Potash Analytics – Annual Long-term Outlook 2021

4) Big Chemical Encyclopaedia – Mannheim process: https://chempedia.info/info/mannheim_process/, Argus Potash Analytics – Annual Long-term Outlook 2021

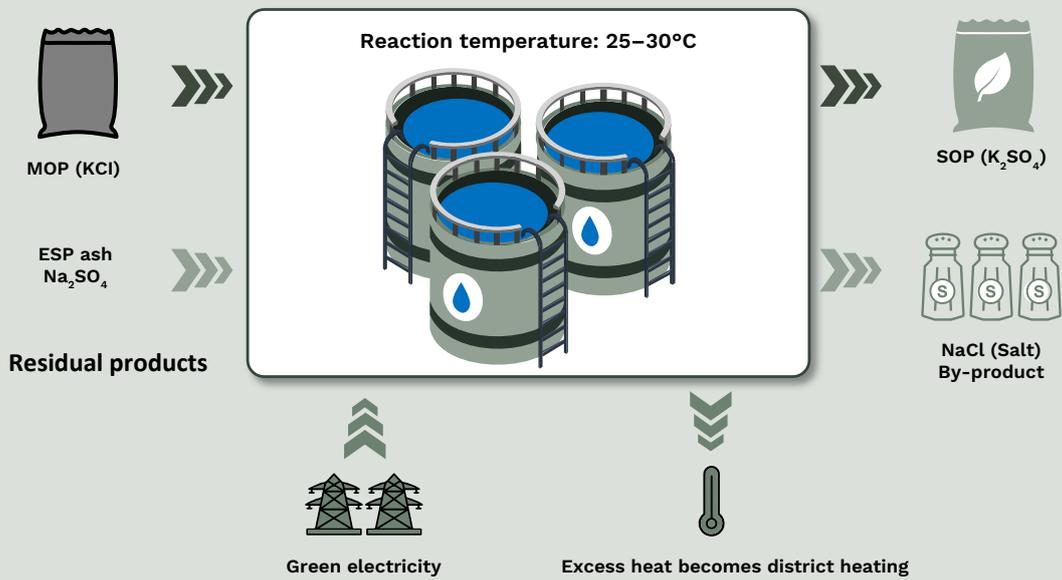
Production

Cinis Fertilizer’s future production plants are planned to be located in Örnsköldsvik and Skellefteå, as well as an additional production plant in Sweden and one more in another part of the Nordic region. The technology at the production plants will be provided by Evatherm, a Swiss engineering company specialising in evaporation and crystallisation technology. The production method that Cinis Fertilizer will use has existed since the 1950s. This method of

producing SOP is well tried and tested, and the technical risk associated with it is low. Cinis Fertilizer’s production operations are also expected to generate carbon emission rights that can be sold under the EU’s Emissions Trading System.

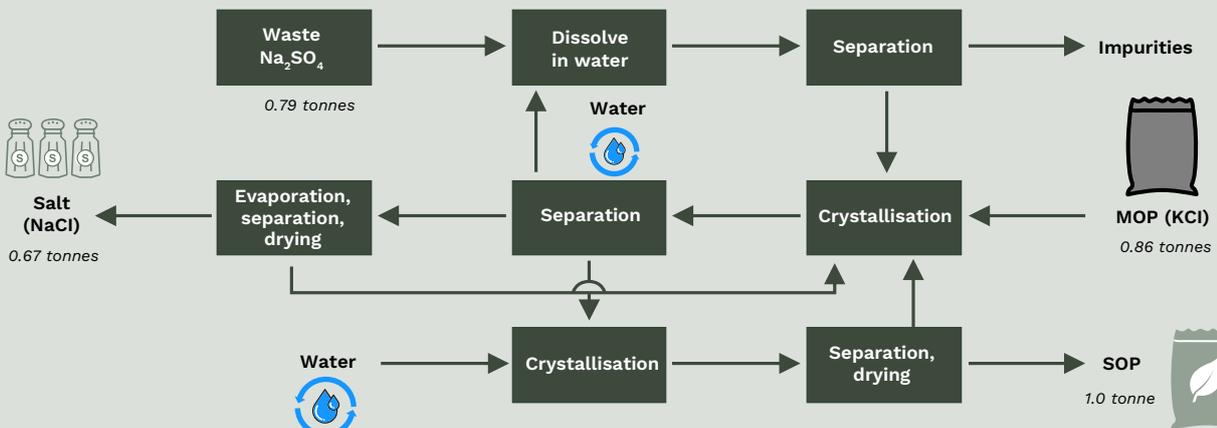
Cinis Fertilizer’s production process is a sulphate reaction process called the Glaserite process that is based on salts dissolving in water forming new precipitates when salt solutions are mixed.

Overview of Cinis Fertilizer’s production process



Detailed description of Cinis Fertilizer’s production process

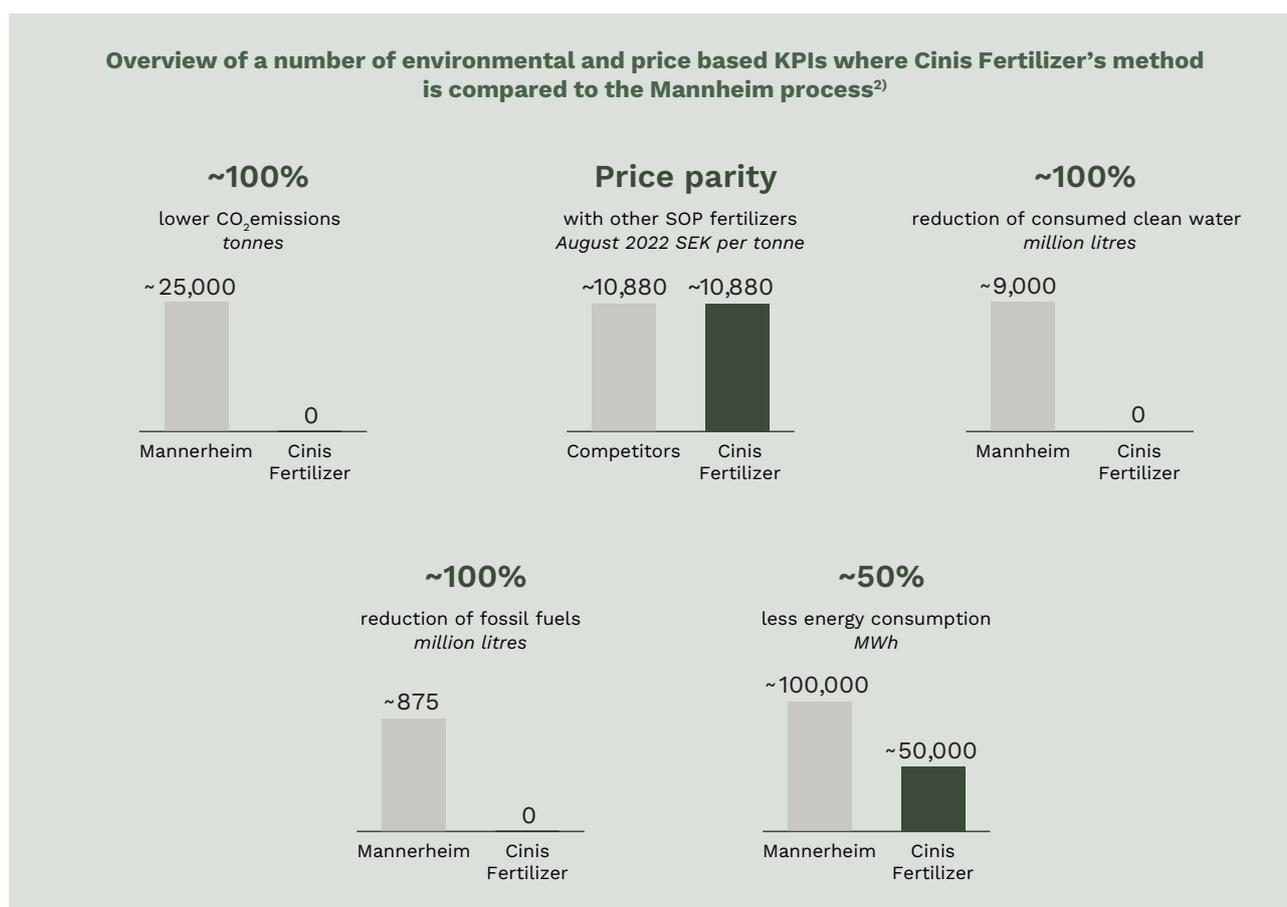
Production overview per tonne



The inputs for this process are sodium sulphate and potassium chloride. These are dissolved in water, allowed to react, and form a precipitate of potassium sulphate, which has lower solubility than sodium sulphate and potassium chloride. The potassium sulphate is separated mechanically in a centrifuge. The salt is then dewatered and dried in a fluidised bed dryer. The salts that do not react and form potassium sulphate are sent to an evaporator where the concentration of salts in the liquid is increased, during which the sodium chloride forms as a solid salt precipitate. This salt is then separated in a centrifuge, dewatered, and dried in a fluidised bed drier and packaged for delivery to the customer. The liquid from the centrifuge where the sodium chloride is dewatered is sent back to the first stage where sodium sulphate

and potassium chloride are mixed to once again form potassium sulphate. All of the water removed is collected and reused to dissolve salts. Mechanical vapour recompression (MVR) technology is used to run the evaporators for the dewatering process and to concentrate the salt solution. This is an efficient way to remove water from a solution because it requires very little energy per metric tonne of water removed.

Cinis Fertilizer’s production will be entirely circular and will bring multiple environmental benefits, in addition to being more cost-efficient than the dominant SOP production method, the Mannheim process. Below follows a comparison between Cinis Fertilizer’s production and the dominant SOP production method, the Mannheim process¹⁾.



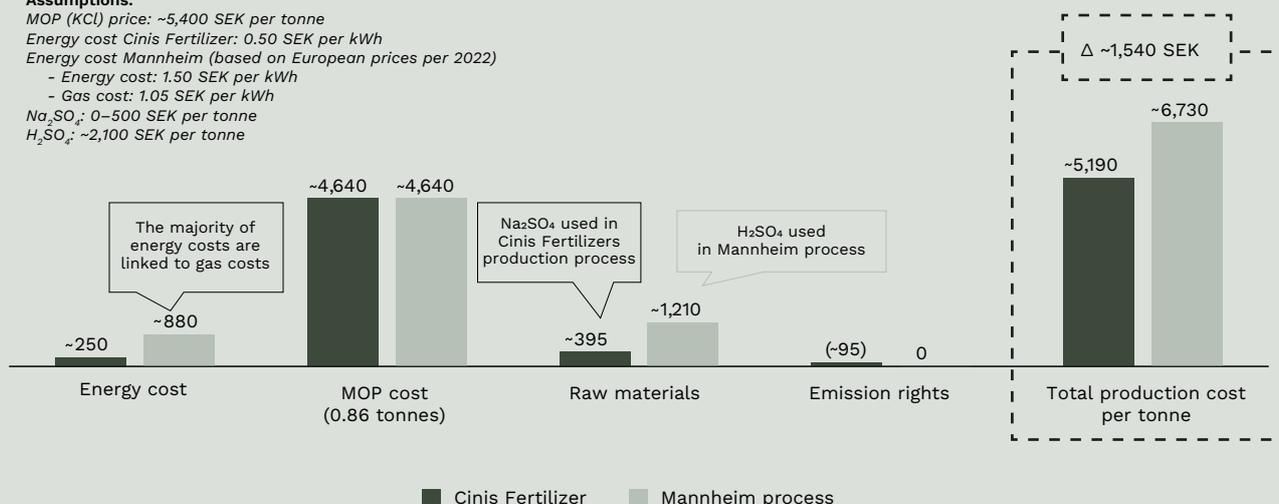
1) The Company’s estimate

2) The Company’s estimate. Calculations are for production of 100,000 metric tonnes of SOP

Overview of production costs for Cinis Fertilizer’s production and the Mannheim process¹⁾

Assumptions:

MOP (KCl) price: ~5,400 SEK per tonne
 Energy cost Cinis Fertilizer: 0.50 SEK per kWh
 Energy cost Mannheim (based on European prices per 2022)
 - Energy cost: 1.50 SEK per kWh
 - Gas cost: 1.05 SEK per kWh
 Na₂SO₄: 0–500 SEK per tonne
 H₂SO₄: ~2,100 SEK per tonne



Machinery and equipment

Cinis Fertilizer has entered into an agreement with Evatherm, a Swiss company specialising in evaporation and crystallisation technology that delivers the necessary machinery and equipment for the Company’s production. The technology and production method that Cinis Fertilizer will use has existed since the 1950s and the technical

risk associated with it is thus low. Evatherm is a recognised and well-established engineering company that has multiple international customers to which it delivers similar machinery and equipment. The table below gives examples of projects that Evatherm has been involved with over the past few years.

Overview of selected projects with involvement from Evatherm

Client	Location	Description	Scope	Year
Schweizer Salinen Salines Suisses		Engineering services for a mechanical vapor recompression ¹⁾ (MVR) salt plant with chemical brine Treatment	Engineering	2022
Basf		NH ₄ Cl crystallization plant	Engineering and delivery	2021
Hitachi Zosen & Ragn-Sells		Zero liquid discharge ²⁾ (ZLD) plant with MVR and fractional crystallization of NaCl/KCl	Engineering and delivery	2020
Ciech		NaCl crystallization plant with MVR and Chemical Brine Treatment	Engineering and turn-key delivery	2018
AlzChem		Wash water evaporation with MVR	Engineering and delivery	2017
GE Healthcare		ZLD crystallization plant with MVR	Engineering and delivery	2017
K+S		Engineering study of cooling crystallization for KCl/MgCl ₂ /MgSO ₄	Engineering	2015
Suez		Pilot plant for ZLD crystallization	Engineering	2015
K+S		Basic engineering Kainit crystallization	Engineering	2014
Lukoil		ZLD plant with Na ₂ SO ₄ crystallization	Engineering and delivery	2014

1) Energy recovery process which can be used to recycle waste heat to improve efficiency across production methods
 2) Engineering approach to water treatment where all water is recovered and contaminants are reduced to solid waste

1) The Company’s estimate

Below is a description of the machinery and equipment the Company will use at its production plants combined with a step-by-step project overview.

Centrifuge: Mechanical separation of salt. Conventional technology in the Potash industry. Low energy consumption.

Salt crystallisation: Concentration of salt solutions crystallised to salt. Standard technology.

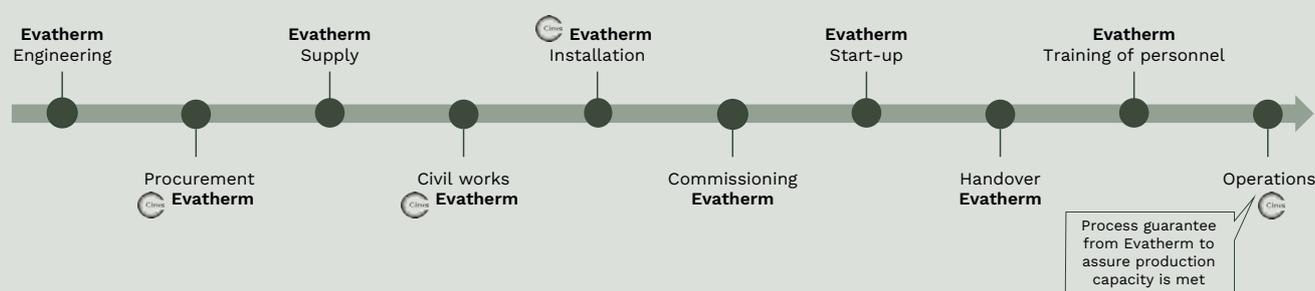
Evaporation: Concentration of salt solutions. Reliable and highly accessible technology.

Pumps: Transferral of liquids. Standard technology.

Heat exchanger: Heating and cooling of process liquids and salt solutions.

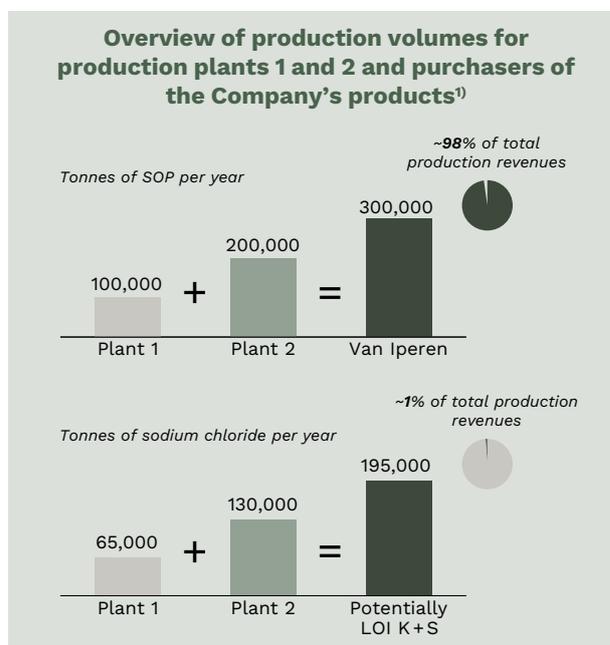
Dryer: Effective, compact, and cost-efficient. Drying of salt and mineral fertilizer. Low final moisture.

Overview of selected projects with involvement from Evatherm



Sales and customers

All of the water-soluble SOP that the Company will produce at production plants 1 and 2 is already sold to Van Iperen International. This agreement covers of the sale of 100,000 metric tonnes of SOP in 2024, 200,000 metric tonnes of SOP in 2025 and 300,000 metric tonnes of SOP annually from 2026. The Company has also entered into a letter of intent with K+S, where K+S intends to purchase all of Cinis Fertilizer’s produced SOP from production plants 3 and 4. Cinis Fertilizer will also sell the by-product sodium chloride. In accordance with the letter of intent with K+S, K+S intends to purchase the entire by-product volume from production plants 1 and 2 and possibly also from production plants 3 and 4. See the section “Business model – Customer agreements” for a detailed description of Cinis Fertilizer’s customer agreements.



1) The number of total production revenues refers to revenues generated from production plant 1

Revenue model

Cinis Fertilizer will sell all of the water-soluble SOP it produces at production plants 1 and 2 to Van Iperen International. The price of SOP is hedged and locked in at the spot price for water-soluble SOP with a discount of 10 percent (water-soluble SOP has a price premium relative to standard SOP of approximately 20 percent¹⁾). The Company has also entered into a letter of intent with K+S which intends to buy all Cinis Fertilizer's produced SOP from production plants 3 and 4.

In 2021 the average price of SOP was USD 615 per metric tonne²⁾ (equivalent to SEK 5,279 per metric tonne³⁾). The spot price for standard SOP was on 4 August 2022 approximately USD 1,075 per metric tonne⁴⁾ (corresponding to SEK 10,880 per metric tonne⁵⁾). Historically, the price has varied based on the price of input goods and the underlying price of input components. As MOP is an input in the production of SOP, the price of SOP depends on the price of MOP. As such, the

price of SOP slightly lags MOP price fluctuations. The price of MOP is affected by macroeconomic factors, such as sanctions against Russia and Belarus, export restrictions imposed on China and higher gas prices⁶⁾. The spot price for standard MOP as of 4 August 2022 was approximately USD 790 per metric tonne (corresponding to SEK 7,970 per metric tonne⁷⁾)⁸⁾.

Compared with MOP, SOP is a premium product and is priced accordingly. Historically, SOP has been traded at a premium compared to MOP of approximately USD 250 per metric tonne⁹⁾ (equivalent to SEK 2,146 per metric tonne¹⁰⁾). Water-soluble SOP is also traded at a premium of 20 percent compared to standard SOP due to the beneficial properties of water-soluble SOP¹¹⁾. The Company believes that, over time, there is potential to add an additional price premium due to the product's environmentally friendly profile but has chosen to initially sign long-term agreements to secure future revenue to ensure a fast penetration of the market.

Historical price trends for MOP and SOP over time and difference between SOP and MOP prices¹²⁾



- 1) The Company's estimate of the price premium after discussions with current and potential customers
- 2) Argus Potash Analytics – Annual Long-term Outlook 2021
- 3) Based on an average USD/SEK exchange rate for 2021 of USD 1/SEK 8.5842
- 4) Argus Potash Analytics – Issue 22–17, 2022-08-04
- 5) Based on USD/SEK exchange rate on 4 August 2022, corresponding 10.12
- 6) Argus Potash Analytics – Annual Long-term Outlook 2021
- 7) Argus Potash Analytics – Issue 22–17, 2022-08-04
- 8) Based on USD/SEK exchange rate on 4 August 2022, corresponding 10.12
- 9) Argus Potash Analytics – Annual Long-term Outlook 2021
- 10) Based on an average USD/SEK exchange rate for 2021 of USD 1/SEK 8.5842
- 11) The Company's estimate of the price premium after discussions with current and potential customers
- 12) Argus Potash Analytics – Annual Long-term Outlook 2021

Customer agreements

Cinis Fertilizer has entered into a sales and distribution agreement with the Netherlands-based company Van Iperen International. Van Iperen International is a global actor in the wholesale market for mineral fertilizers and biostimulants. Under the Company's agreement with Van Iperen International, Van Iperen International has undertaken to purchase the whole volume of Cinis Fertilizer's water-soluble SOP produced at production plant 1 and 2, equivalent to 100,000 metric tonnes SOP per year from 2024, 200,000 metric tonnes SOP per year from 2025 and 300,000 metric tonnes SOP annually per year from 2026. The agreement is for 10 years with an option to extend it for an additional five years. In the agreement, the price for the SOP is locked toward the spot price for water-soluble SOP with a discount of 10 percent (water-soluble SOP has a price premium of 20 percent compared with standard SOP)¹⁾. The agreement value of approximately SEK 3.3 billion annually is based on the spot price according to Argus Index NW Europe as of 4 August 2022. The parties have agreed on an "Ex Works" arrangement for SOP deliveries.

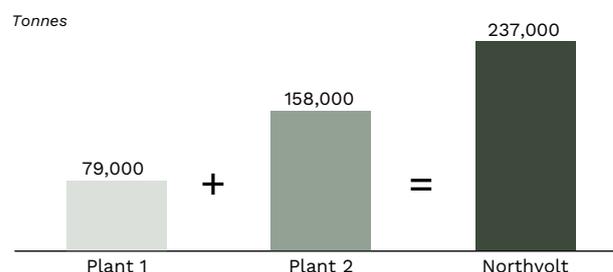
Cinis Fertilizer has entered into a letter of intent with K+S regarding, among other things, the intention (i) that K+S shall purchase all produced sodium chloride from Cinis Fertilizer's production plants 1 and 2 and possibly also from production plants 3 and 4, and (ii) that K+S shall buy all Cinis Fertilizer's produced SOP from production plants 3 and 4.

Cinis Fertilizer has ongoing negotiations of a sales agreement with a Swedish district heating provider. The discussions involve an undertaking from the district heating provider to purchase the commercially available surplus heat generated from production plant 2.

See also section "Legal considerations and supplementary information – Material agreements".

Supplier agreements

Overview of supply of residues for production plant 1 and 2, metric tonnes per year



Cinis Fertilizer has entered into a supplier agreement with the Swedish company Northvolt. Northvolt is active within the battery manufacturing industry and produces lithium-ion batteries. Under the Company's agreement with Northvolt, Cinis Fertilizer has undertaken to purchase the sodium sulphate residues generated from Northvolt's factory in Skellefteå. This amounts to approximately 250,000 metric tonnes of sodium sulphate annually, with delivery starting in 2022. The agreement is for 10 years with an option to extend for an additional 10 years. Cinis Fertilizer is responsible for transporting the sodium sulphate. The sodium sulphate deliveries from Northvolt's factory in Skellefteå will cover all of Cinis Fertilizer's anticipated input requirements of sodium sulphate for production plant 1 and 2. The Company has as of May 2022 entered into a supplementary agreement with Northvolt, which in addition to the conditions from the first collaboration regarding the establishment in Skellefteå, also includes preliminary requirements for collaboration concerning Northvolt's planned establishment in Borlänge. The preliminary requirements stipulate that Cinis Fertilizer will commit to purchase Northvolt's residues of sodium sulphate which are estimated to amount to approximately 200,000 metric tonnes of sodium sulphate annually, with planned distribution starting in 2026. The distributions of sodium sulphate from Northvolt's factory in Borlänge will cover the majority of Cinis Fertilizer's expected demand for sodium sulphate for production plant 3.

1) The Company's estimate of the price premium after discussions with current and potential customers

Cinis Fertilizer has entered into a letter of intent with the Swedish company Domsjö Fabriker. Domsjö Fabriker is a biorefinery that refines wood raw materials into products such as cellulose, bioethanol and lignin. The letter of intent contains an undertaking by Cinis Fertilizer to purchase all of Domsjö Fabriker's ESP dust residues from one production plant.

Cinis Fertilizer has entered into a letter of intent with the Swedish company SCA. SCA is a group of companies that manufactures pulp, paper, sawn wood, and pellets. The letter of intent contains an undertaking by Cinis Fertilizer to purchase all of SCA's ESP dust residues from one production plant.

Cinis Fertilizer has entered into a letter of intent with a company within the BASF-group regarding the purchase of sodium sulphate for production plant 4 from one of BASF's facilities.

Cinis Fertilizer has entered into a letter of intent with K+S regarding, among other things, that Cinis Fertilizer will purchase its entire need of MOP from K+S.

The Company has identified several other potential suppliers of MOP. Actors in the MOP market include ICL, K+S, Mosaic, Nutrien and SQM, with a market share of 5, 7, 12, 20 and 3 percent, respectively. These companies have a joint estimated MOP production capacity of approximately 35 million metric tonnes in 2022 (equivalent to over 45 percent of the total global production volume)¹⁾ and Cinis Fertilizer's needs from production plant 1, 2, 3 and 4 comprise approximately two percent of these companies' total production. The Company thereby considers there to be multiple potential partners for a supply of the MOP inputs.

See also section "Legal considerations and supplementary information – Material agreements".

Production plan

The production plants that Cinis Fertilizer intends to build will enable the Company to realise its growth plan. The Company has estimated the production costs for the four production plants that it intends to build, which will have an installed combined production capacity of 900,000 metric tonnes of SOP by 2028.

The cost of input goods depends on the agreements the Company has entered into with the respective suppliers. See the section "Business model – Supplier agreements" for a detailed description of each agreement. The yield on the input materials will be more than 99 percent in Cinis Fertilizer's production process, as the Company will also sell the by-product sodium chloride. The portion of the inputs the Company cannot make use of will be expensed as a cost going forward. The Company's input goods vary significantly in price. As of the date of the Prospectus, the Company has not entered into any agreement with a MOP supplier. MOP will account for a significant portion of the Company's costs, and the MOP spot price has varied over time. The MOP spot price in 2021 was USD 393 per metric tonne²⁾ (equivalent to SEK 3,374 per metric tonne³⁾). To produce one metric tonne of SOP, the Company will use 0.86 metric tonnes of MOP and 0.79 tonnes of sodium sulphate or ESP dust. From this, 0.67 metric tonnes of sodium chloride will be produced as a by-product.

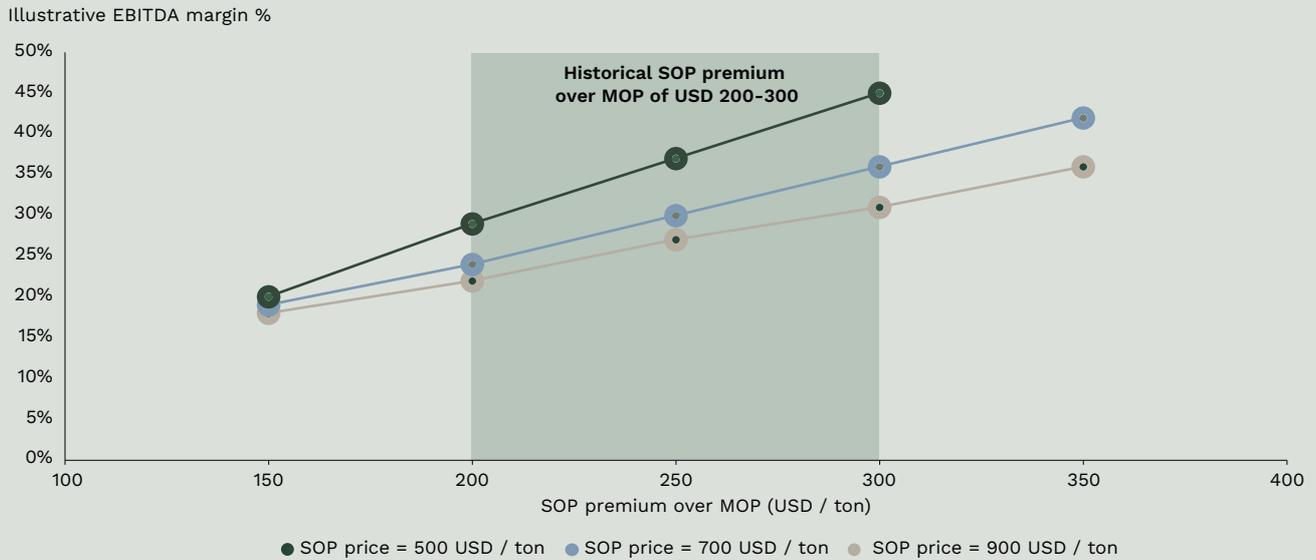
The Company's profitability is heavily dependent on SOP price premium against MOP. The picture below is an illustrative overview of the Company's profitability depending on the price of the SOP and the SOP vs. MOP price premium. The illustration is based on prices for standard SOP and does not consider the price premium Cinis Fertilizer will receive for its water-soluble quality.

1) Argus Potash Analytics – Annual Long-term Outlook 2021

2) Argus Potash Analytics – Annual Long-term Outlook 2021

3) Based on an average USD/SEK exchange rate for 2021 of USD 1/SEK 8.5842

Illustrative analysis of the Company's profitability depending on the price of the SOP and the SOP's price premium vs. MOP¹⁾



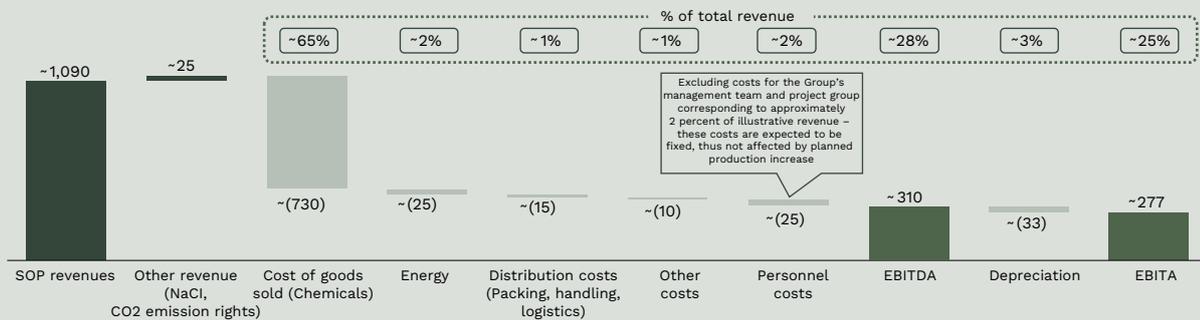
As production plant 1, 2, 3 and 4 will have different production capacities and will be located in different geographical areas, other direct costs and other operating expenses relating to the production plants will vary to some

extent. The Company has estimated the financials for production plant 1 in terms of input purchases, other direct costs, and other operating expenses to determine the profitability of production plant 1.

Illustrative overview of the unit economy for plant 1 and its profitability, SEK millions²⁾

Assumptions:

Production capacity: 100,000 tonnes per year
 SOP (K₂SO₄) price: ~10,880 SEK per tonne
 MOP (KCl) pris: ~7,970 SEK per tonne



1) Company estimates with assumptions based on average SEK/USD exchange rate of approximately 0.1
 2) Based on price estimates as of 4 August 2022 for MOP and SOP

The Company has not generated any revenue during the period covered by the historical financial information.

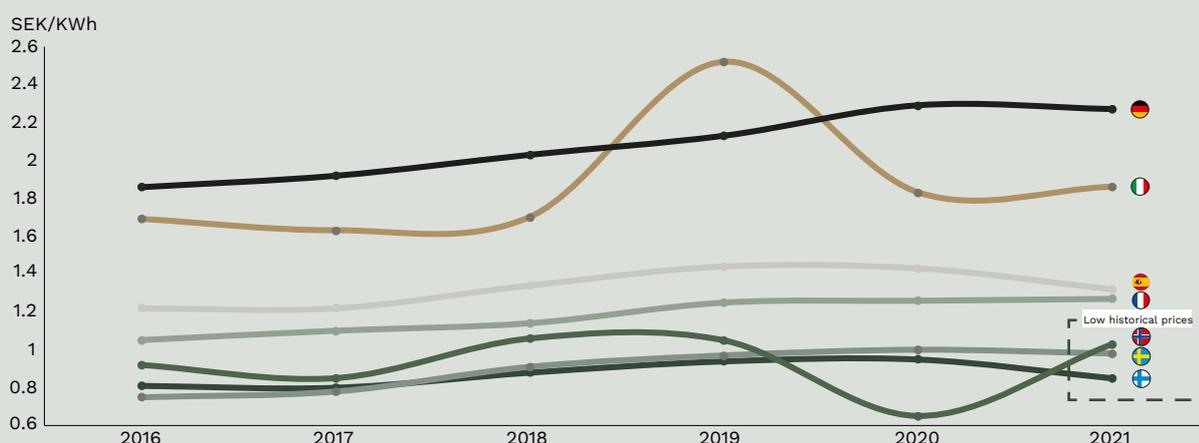
Approximately 98 percent of the Company’s revenue will consist of revenue generated from SOP sales. Additional revenue will be derived from sales of sodium chloride (approximately one percent), sales of carbon emission rights (approximately one percent) and sales of surplus heat to the district heating network (only applies to production plant 2 and therefore a minimal portion of the Company’s revenue).

The cost of goods sold will consist of the purchase of MOP (approximately 61 percent of total revenue), purchase of sodium sulphate (approximately four percent of total revenue), purchase of sodium hydroxide (less than one half percent of total revenue) and purchase of sulphuric acid (less than one half percent of total revenue). As the price of SOP co-varies based on MOP price fluctuations, with an historical price premium of approximately USD 250 per metric tonne on average, the Company has a natural risk-cover for rising MOP prices¹⁾.

The Company’s operating expenses will consist of the cost of energy (approximately two percent of total revenue), distribution costs for the Company’s products (approximately one percent of total revenue), personnel costs (approximately two percent of total revenue) and other costs, including for maintenance and waste sludge management (approximately one percent of total revenue).

The Company intends to build production plants in the northern parts of Sweden and elsewhere in the Nordic region where energy prices have been low compared to the rest of Sweden and Europe²⁾. The Company considers it beneficial to build production plants in the northern parts of Sweden due to the access of fossil free and renewable energy to low prices, which will help the Company to keep costs down and achieve the profitability margins it is aiming for.

Overview of energy prices over time in a number of European countries³⁾



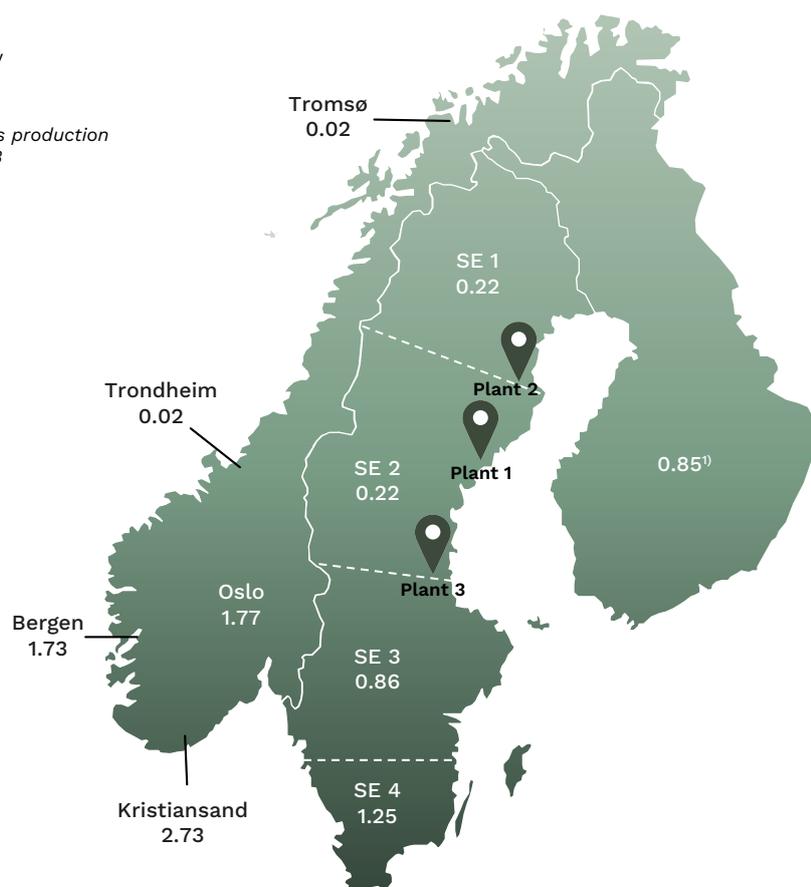
1) Argus Potash Analytics – Annual Long-term Outlook 2021
 2) Eurostat (non-household energy prices): https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Electricity_price_statistics#Electricity_prices_for_non-household_consumers
 3) Eurostat (non-household energy prices): https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Electricity_price_statistics#Electricity_prices_for_non-household_consumers

Overview of Sweden's, Norway's and Finland's energy price per region, July 2022¹⁾

SEK/KWh, 2022 July



Cinis Fertilizer's production plant 1, 2 and 3



1) SEK/kWh 2021

Financing plan for production plants 1, 2, 3 and 4

The Company expects the total cost for production plant 1 to be approximately SEK 600 million. The total cost of building production plant 1 includes a delay and loss provision of approximately 10 percent. The Company has therefore budgeted for any excess costs and project delays. The Company expects to achieve positive cash flows from production plant 1 promptly after the production facility is completed as the production technology is well tried and tested and the launch time required will be short.

The total cost of production plant 1 includes the cost of equipment, plant buildings, technology, installations and a delay and loss provision. Equipment will account for approximately 34 percent of the total cost and will include all

production equipment (e.g., centrifuges, salt crystallisation and evaporation equipment, pumps, heat exchangers and dryers). Technology will account for approximately 22 percent of the total cost and include costs relating to technology at the production plant (e.g., product warehousing and packaging, salt solution treatment, air supply and cold-water supply). The production plant buildings will account for approximately 21 percent of the total cost and include all production plant construction (e.g., process building, process control system, heat insulation, goods receiving, electrical installations and safety pits). Installation will account for approximately 13 percent of the total cost and include all installation costs relating to equipment, construction, and technology. Delay and loss provisions include all additional costs that may arise in connection with construction of the production plant.

1) Eurostat (non-household energy prices): https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Electricity_price_statistics#Electricity_prices_for_non-household_consumers

Cinis Fertilizer intends to finance production plant 1 with approximately SEK 300 million in proceeds from the Offering and with new loans totalling up to SEK 300 million. The total loan amount is provided by the lenders Nordea and the Swedish Export Credit Corporation and guaranteed by the Swedish Export Credit Agency.

The Company expects the total cost of production plant 2 to be approximately SEK 850 million. The total cost of building production plant 2 includes a delay and loss provision of approximately SEK 77 million (equivalent to 9.1 percent). The Company has therefore budgeted for any excess costs and project delays. The Company expects to achieve positive cash flows from production plant 2 immediately after the production facility are completed.

Cinis Fertilizer intends to finance production plant 2 through internal cash flows and loans. The Company intends to take out new loans in connection with the operational launch of the Company's first production plant, since the Company deems that it will be possible to obtain more favourable terms since the operational risk will be lower.

The Company expects the total cost of production plant 3 to be approximately SEK 1,100 million. The total cost of building production plant 3 includes a delay and loss provision of approximately SEK 99 million (equivalent to 9.0 percent). The Company has therefore budgeted for any excess costs and project delays. The Company expects to achieve positive cash flows from production plant 3 immediately after the production facility are completed.

The Company expects the total cost of production plant 4 to be approximately SEK 1,100 million. The total cost of building production plant 4 includes a delay and loss provision of approximately SEK 99 million (equivalent to 9.0 percent). The Company has therefore budgeted for any excess costs and project delays. The Company expects to have positive cash flows from production plant 4 immediately after the production facility are completed.

Cinis Fertilizer intends to also finance production plants 3 and 4 through a combination of internal cash flows and debt.

Environmental and building permits

For the planned operations at the Company's production plants, the Company needs to apply for an environmental permit according to the Swedish Environmental Code (1998:808). During the application period, the Company is obligated to demonstrate that the operations observes the highest possible care and consideration for nature and wildlife as well as that the operations do not harm fishing or other's interest in using the water. Even after a granted permit, the Company has an obligation to continue to comply the requirements in the Swedish Environmental Code according to the proceeding set in the permit application.

An application for a permit according to the Swedish Environmental Code for production plant 1 was submitted in the third quarter of 2021 to the Swedish Land and Environment Court in Umeå. The Company's assessment is that it is in a good position to be granted an environmental permit. The Company has hired a lawyer to handle the environmental permits.

The Company's environmental lawyer considers the likelihood for the Company to get an approved environmental permit to be promising given that the production process is indoors (no sound pollution), the process lacks dangerous materials or chemical substances, the permit includes no application of handling of water, the process has low temperature and energy consumption, the process has no water emissions and minimal air emissions (consisting of salt, harmless to nature). Furthermore, the Company will manage residues that have historically been dumped in the seas. Production plant 1 also follows the detailed plan for the relevant area in Örnsköldsvik. The Company has signed a land allocation agreement for production plant 1 and a building permit was granted during June 2022. The building permit is conditional upon remediation of the current pollution before construction begins.



Sketch picture of the Company's first production plant in Köpmanholmen, Örnsköldsvik.

An application for a permit according to the Swedish Environmental Code for production plant 2 was submitted in the fourth quarter of 2021 to the Swedish Land and Environment Court in Umeå. The Company's assessment is that it is in a very good position to receive an environmental permit, considering the Company's well-planned management of the production components and absence of environmentally harmful by-products.

The Company has signed a land allocation agreement for production plant 2 and plans to submit a building permit application in the fourth quarter of 2022.

The Company has not yet submitted an environmental permit application for production plants 3 and 4. The intention is to submit the applications in the fourth quarter of 2022.

Production plant 1: Örnsköldsvik

The production plant 1 in Örnsköldsvik is planned to be fully operational from early 2024¹⁾. The production plant will have a total production capacity of 100,000 metric tonnes of water-soluble SOP annually. The production plant is strategically located in the port of Örnsköldsvik, which will facilitate distribution of SOP and the inflow of input goods. Cinis Fertilizer has already reached several important milestones for the construction of this production plant, including a land allocation agreement and project team recruitment. The Company has also submitted an application for an environment permit. Production plant 1 will have production space of approximately 2,000 m², warehouse space of

approximately 6,000 – 7,000 m² and will be depreciated over 20 years. The Company intends to finance this production plant through net proceeds from the Offering, and a loan issued by Nordea and the Swedish Export Credit Corporation.

The production plant will have shift teams in addition to daytime personnel. There will be three shifts per day and night, and the production plant will have five available shift teams for active production 24 hours a day, seven days a week. There will be approximately 40 employees working at production plant 1. The production plant is expected to use approximately 50 GWh of energy per year.

Construction items	Status
Production plant	Production plant 1, Örnsköldsvik
Completion	Early 2024 ²⁾
Production capacity when fully operational	100,000 metric tonnes of SOP per year
Location of production plant	Strategically favourable location with proximity to a port
Land allocation agreement	Signed
Project team	Recruited, see the section “Business model – Production plan – Production plant project team”
Environmental permit	Submitted in Q3 2021
Building permit	Submitted in Q1 2022 and granted during June 2022 ³⁾
Financing	Net proceeds from the Offering and a loan issued by Nordea and the Swedish Export Credit Corporation

The Company has submitted an application for an environmental permit in the third quarter of 2021. The municipality has earlier sent a request for further material, which Cinis Fertilizer has

responded to by sending complimentary materials. The municipality does not require further material, after the correspondence. The announcement of the environmental permit

1) The completion of production plant 1 is subject to the approval of the associated environmental permit

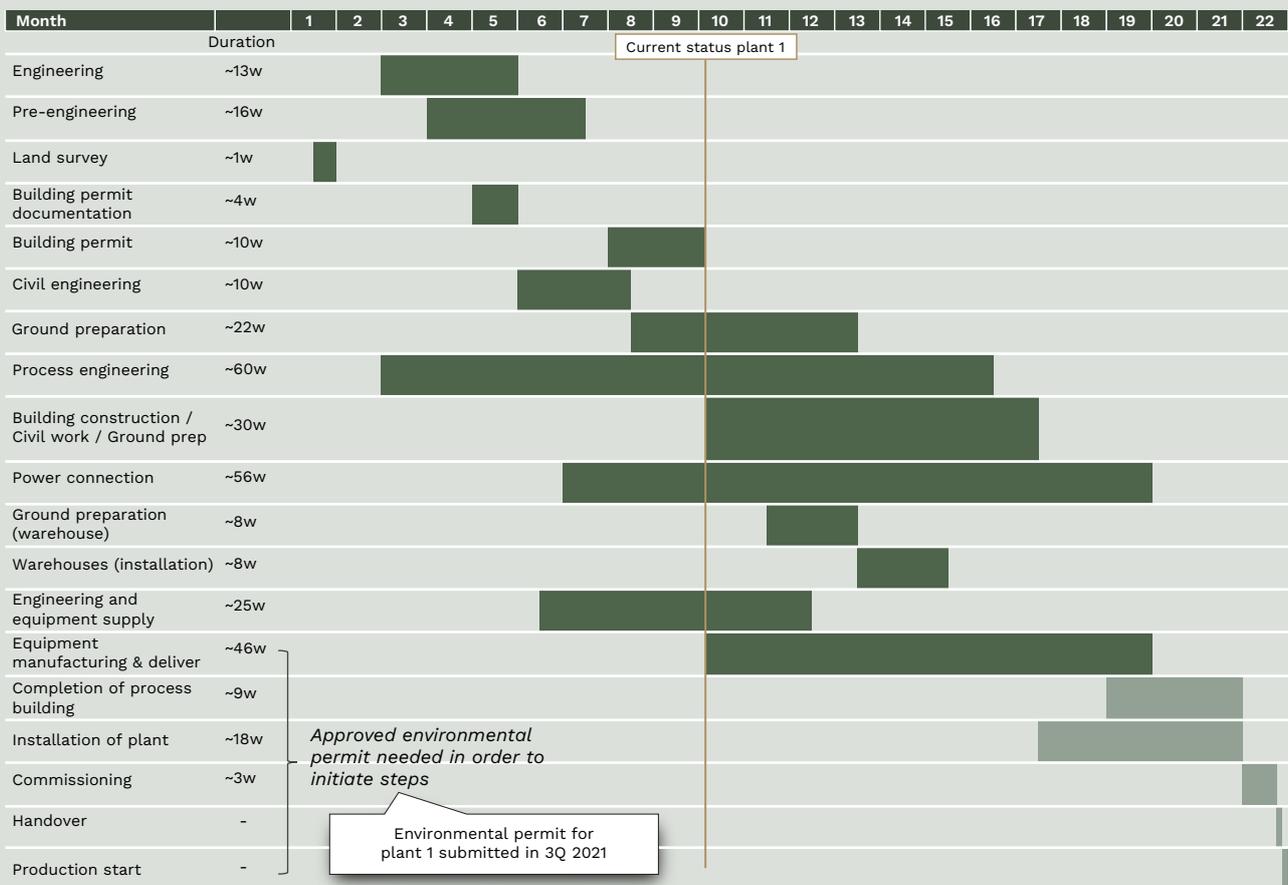
2) The completion of production plant 1 is subject to the approval of the associated environmental permit

3) The building permit is conditional upon remediation of the current pollution before construction begins

is published, and the public has the now had opportunity to submit any opinions to the Company. The Company has met local actors in Örnköldsvik and received a positive expression from them. The court is expected to finalize its verdict during the fourth quarter of 2022.

Below is an indicative process schedule for production plant 1 with marking for current status of the design.

Indicative plan for production plant 1¹⁾



1) The completion of production plant 1 is subject to the approval of the associated environmental permit

Production plant 2: Skellefteå

The production plant 2 in Skellefteå is planned to be fully operational from mid-2025. The production plant will have a total production capacity of 200,000 metric tonnes of water-soluble SOP annually. The production plant is strategically located close to Northvolt's battery factory, Northvolt Ett, which is also close to a port. This will simplify the supply of sodium sulphate and distribution of SOP. Cinis Fertilizer has already reached several important milestones for the construction of this production plant, including a land allocation agreement and logistics agreement. The Company has also submitted an application for an environment permit. Production plant 2 will have production space of approximately 4,000

m², warehouse space of approximately 20,000 m² (of which 10,000 m² will be adjacent to the production plant and the rest in the port in Skellefteå) and will be depreciated over 20 years. The Company intends to finance this production plant using internal cash flows generated from production plant 1 and through loans.

The production plant will have shift teams in addition to daytime personnel. There will be three shifts per day and night, and the production plant will have five available shift teams for active production 24 hours a day, seven days a week. There will be approximately 50 employees working at production plant 2. The production plant is expected to use approximately 100 GWh of energy per year.

Construction items	Status
Production plant	Production plant 2, Skellefteå
Completion	Middle of 2025
Production capacity when fully operational	200,000 metric tonnes of SOP per year
Location of production plant	Strategically beneficial location with proximity to Northvolt's battery factory and a port
Land allocation agreement	Signed
Logistics contract	Signed
Environmental permit	Submitted in Q4 2021
Building permit	Submitted in Q4 2022
Financing	Internal cash flows from production plant 1 and loans

Production plant 3: Sweden

The production plant 3 in Sweden is planned to be fully operational from mid-2026 and have annual production capacity of 300,000 metric tonnes of water-soluble SOP. The production plant is planned to be strategically located in relation to Northvolt's new planned facility in Borlänge. This will simplify the intake of sodium sulphate. Cinis Fertilizer has entered into a supplementary agreement with Northvolt regarding the purchase of Northvolt's generated volume of sodium sulphate from the planned facility. This volume will cover the majority of the Company's expected demand of sodium sulphate for production plant 3. Cinis Fertilizer has ongoing negotiations regarding sales of the produced volume of SOP. Production plant 3 will have

production space of approximately 6,000 m², warehouse space of approximately 30,000m² and will be depreciated over 20 years. The Company intends to finance this production plant using internal cash flows generated from production plant 1 and 2 and through possible debt.

The production plant will have shift teams in addition to daytime personnel. There will be three shifts per day and night, and the production plant will have five available shift teams for active production 24 hours a day, seven days a week. There will be approximately 60 employees working at production plant 3. The production plant is expected to use approximately 150 GWh of energy per year.

Construction items	Status
Production plant	Production plant 3, Sweden
Completion	Middle of 2026
Production capacity when fully operational	300,000 metric tonnes of SOP from 2026
Location of production plant	Strategically located in relation to Northvolt's new planned battery factory in Borlänge
Environmental permit	Submitted in Q4 2022
Building permit	Submitted in 2023
Financing	Internal cash flows from production plant 1 and 2 and possible debt

Production plant 4: Nordic region

The production plant 4 in the Nordic region is planned to be fully operational from mid-2026 and have annual production capacity of 100,000 metric tonnes of water-soluble SOP. The production plant will gradually increase its production, reaching full capacity in 2028, and will then have annual production capacity of 300,000 metric tonnes of water-soluble SOP. The plan is to locate the production plant adjacent to a battery production facility owned by a large European chemical conglomerate. Cinis Fertilizer has ongoing negotiations regarding agreements for input goods and sales of the produced volume of SOP. Production plant 4 will have production space of approximately 6,000 m², warehouse

space of approximately 30,000m² and will be depreciated over 20 years. The Company intends to finance this production plant using internal cash flows generated from production plant 1 and 2 and through possible debt.

The production plant will have shift teams in addition to daytime personnel. There will be three shifts per day and night, and the production plant will have five available shift teams for active production 24 hours a day, seven days a week. There will be approximately 60 employees working at production plant 3. The production plant is expected to use approximately 150 GWh of energy per year.

Construction items	Status
Production plant	Production plant 4, Nordic region
Completion	Middle of 2026
Production capacity when fully operational	100,000 metric tonnes of SOP from 2026, with a gradual increase to 300,000 metric tonnes of SOP by 2028
Location of production plant	Co-location with battery production plant owned by a large European chemical conglomerate
Environmental permit	Submitted in Q4 2022
Building permit	Submitted in 2023
Financing	Internal cash flows from production plant 1 and 2 and possible debt

Production plant project team

In 2021 and 2022, a project team was recruited to plan the first production plant. The project team is led by Pirkko Westin as Project Director. The other team members are Lillemor de Waal as Project Coordinator and Project Manager for purchasing, Niclas Lundqvist as Project Manager for the processes, Oscar Jacobsson as Project Manager for civil and construction, Göran Konradsson as Project Manager for electrical and

installation, and Martin Durakovic as Project Manager for mechanical and piping. The project team of six individuals will manage the construction of Cinis Fertilizer's first production plant in Örnsköldsvik, with completion planned for early 2024. By the time production starts the Company plans to have employed approximately 40 individuals with responsibility for day-to-day operations and production at production plant 1.



Sketch picture of the staff building in connection with the Company's first production plant in Köpmanholmen, Örnsköldsvik.

Patents

As of the date of the Prospectus, Cinis Fertilizer has a patent family which covers the application process for a potassium sulphate fertilizer using residues from pulp mills as the input material (patent number: SE 537 954 C2). This patent family protects the Company's process of using ESP dust (residues from pulp mills) as input material for its production of SOP. The patent family has active patents in Sweden, Finland and Canada that will expire in 2034 in Sweden and 2035 in Finland and Canada. Finland and Canada have been selected as patent countries (in addition to Sweden) because they have similar views on the environment, management of residues and establishing circular societies, and for access to wood and the number of domestic pulp mills that exist there. In addition, Canada has a plentiful supply of MOP, which means the conditions are good in Canada for SOP production with ESP dust as the input material¹⁾.

In addition to the patent family, Cinis Fertilizer has four active patent applications pending approval. All four applications are for Swedish patents with expiry in 2042. The first of the four patent applications pertains to the application process of sodium sulphate from residues of battery manufacturing plants. The patent in this application will protect the Company's process of using sodium sulphate from residues of car

battery manufacturers as the input for its SOP production. The second of the four patent applications pertains to the application process of sodium sulphate from residues of steel production plants. The patent in this application will protect the Company's process of using sodium sulphate residues from steel productions as the input for its SOP production. The third of the four patent applications pertains to the application process of sodium sulphate from battery plants. The patent in this application will protect the Company's process of using sodium sulphate residues from battery plants as the input for its SOP production. The last of the four patent applications pertains to the application process of sodium sulphate from residues from the manufacture of sodium ion batteries. The patent in this application will protect the Company's process of using sodium sulphate residues from the manufacture of sodium ion batteries as the input for its SOP production. On 24 May 2022, the Company also filed an international PCT application based on the first three Swedish patent applications, to make the patents global with a choice of 150 countries.

See the section "*Legal considerations and supplementary information – Intellectual property rights*" for more information on Cinis Fertilizer's patents.

1) The Company's estimate

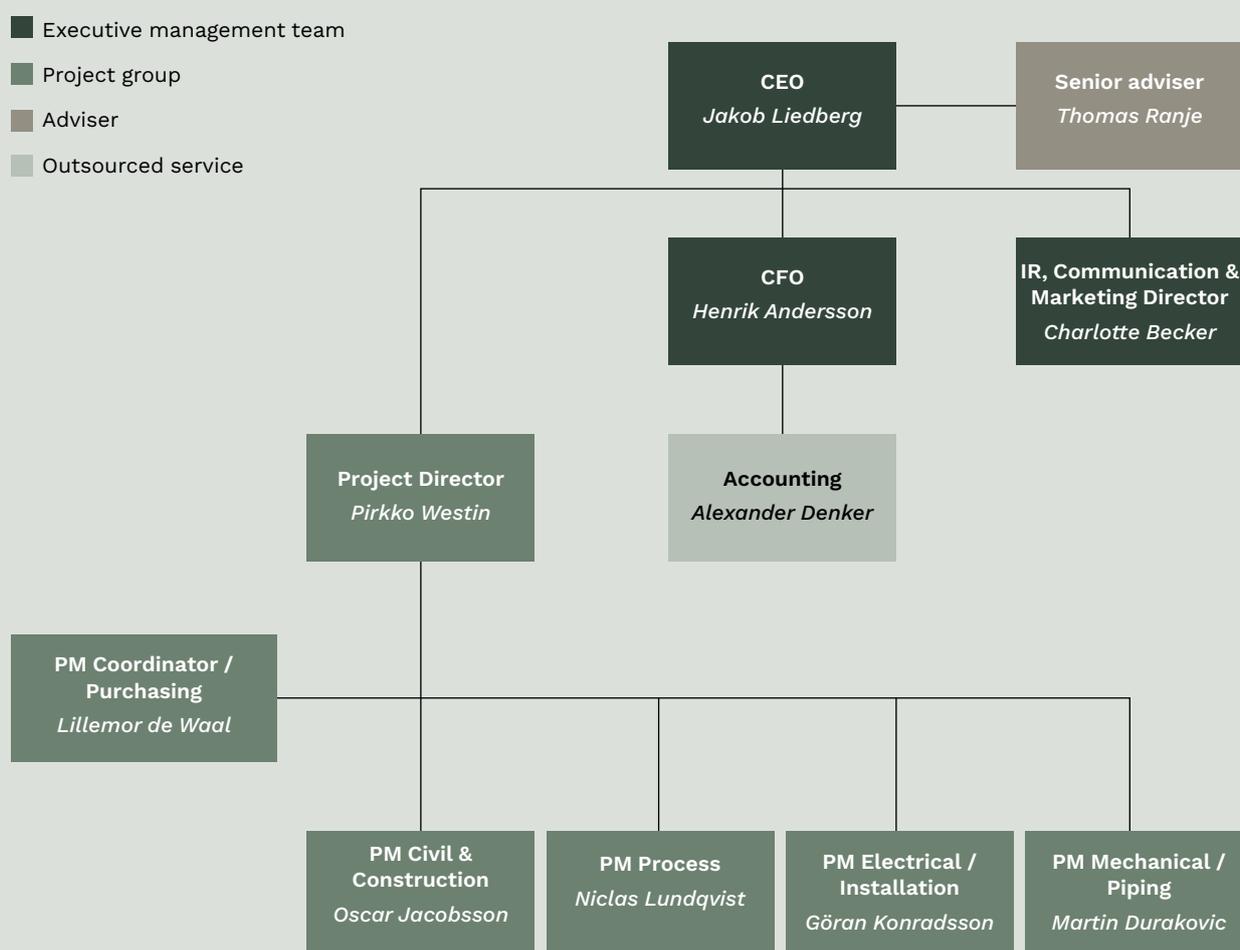
Organisational structure and sustainability

Organisational structure

As of the date of this Prospectus, Cinis Fertilizer has nine full-time employees stationed at the head quarter in Lund or in the vicinity of production plant 1 in Örnsköldsvik. 33 percent of the employees are women, and the rest are men.

The Company’s senior executives have extensive experience from, among others, the industry, ESG and technology. The Company’s CEO and founder is Jakob Liedberg who has been active in Cinis Fertilizer’s operations since 2018. Other members of the executive management are Henrik Andersson (CFO) and Charlotte Becker (IR, Communication & Marketing Director), both of whom were appointed in 2021.

Organisational structure



Sustainability

Sustainability is a key theme at Cinis Fertilizer. The entire business concept is based on a desire to reduce emissions and enable a more circular and sustainable society. A large part of the value created for customers, shareholders, and employees, and for people and ecosystems all around the world, is based on the Company's ability to support the agricultural industry in the essential shift towards a sustainable approach and reducing industrial residues. Through the Company's business model, production and targets, Cinis Fertilizer is addressing nine of the UN's Global Goals (Sustainable Development Goals, SDGs).



Goal 2 – Zero Hunger: Cinis Fertilizer will produce mineral fertilizer to facilitate crop cultivation. The Company's SOP will increase agricultural harvests and make it possible to farm on dryer land, thus increasing global food production to meet the needs of a growing population.



Goal 3 – Good Health and Well-being: SOP will facilitate sustainable cultivation of fruit and vegetables, which will increase both demand and consumption. Cinis Fertilizer's SOP will make it possible for more people to access locally produced and healthy fruit and vegetables.



Goal 6 – Clean Water and Sanitation: Cinis Fertilizer's product will prevent waste salts from being dumped into rivers and seas, and thereby improve the local water quality. The process also reduces the amount of water needed to rinse salts and freshwater needs, compared to the current dominant production processes for SOP.



Goal 8 – Good Jobs and Economic Growth: The planned production plants will provide good-quality jobs that will increase economic growth in regions that need more job opportunities.



Goal 9 – Industry, Innovation and Infrastructure: Cinis Fertilizer's product will be produced using an innovative approach where waste from other industries is used to create something new of value. With its innovative production process, the Company's circular and fossil-free mineral fertilizer will have a near-zero carbon footprint.



Goal 12 – Responsible Consumption and Production: Cinis Fertilizer will recycle residues from industries and thus create a circular product that promotes a more sustainable consumption chain.



Goal 13 – Climate Action: Cinis Fertilizer’s production will reduce waste, replace fossil-based energy in production with other sources and reduce demand for fossil fuels.



Goal 14 – Life Below Water: Cinis Fertilizer’s production process will not generate waste that will end up in the sea, and by recycling residuals from other industries will also prevent waste from being flushed into the seas.



Goal 17 – Partnerships for the Goals: Cinis Fertilizer has established strong industrial partnerships based on trust and a common interest in developing value-creating and circular products for a sustainable and fossil-free future.



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Condensed financial information

Condensed financial information



Cinis Fertilizer was founded on 5 March 2018. On 23 December 2021 it became a group when Cinis Fertilizer acquired a shelf corporation (Asset-SK AB). Cinis Fertilizer is therefore, as of 23 December 2021, preparing consolidated financial statements according to the International Financial Reporting Standards as adopted by the EU (“IFRS”) and the Swedish Annual Accounts Act (1995:1554).

This section contains selected historical information which, unless otherwise indicated, was obtained from i) the Company’s audited financial statements for the financial years ended 31 December 2021, 2020 and 2019, which were prepared according to the Swedish Annual Accounts Act (1995:1554) and RFR 2 Accounting for Legal Entities, and were audited by Cinis Fertilizer’s independent auditor Mazars AB; ii) Cinis Fertilizer’s audited consolidated financial statements as of and for the nine-day period ended 31 December 2021, which were prepared according to the Swedish Annual Accounts Act (1995:1554) and IFRS, and audited by Cinis Fertilizer’s independent auditor; and iii) Cinis Fertilizer’s unaudited interim report as of and for the six-month period ended 30 June 2022, which for the Group was prepared according to the Swedish Annual Accounts Act (1995:1554) and IAS 34 Interim Financial Reporting, and for the Company according to the Swedish Annual Accounts Act (1995:1554) and RFR 2 Accounting for Legal Entities. Cinis Fertilizer’s interim report as of and for the six-month period ended 30 June 2022 has been reviewed, not audited, by the Company’s auditor in accordance with ISRE 2410 – Review of Interim Financial Information.

The above-mentioned audited financial statements for the Company and the Group with the attached auditor’s report, and the above-mentioned, unaudited interim reports for the Company and the Group with the attached review reports are included in the section “Historical financial information”.

Information in this section should be read in combination with the sections “Operational and financial overview”, “Capital structure, indebtedness and other financial information”, and the Company’s complete historical financial information as of and for the three years ended 31 December 2021, 2020 and 2019, the Group’s complete historical financial information as of and for the period ended 31 December 2021, and the reviewed, unaudited, interim financial information for the period 1 January – 30 June 2022 for both the Company and the Group, with comparative figures as of and for the corresponding period in 2021 for the Company, which are found in the section “Historical financial information”.

Significant trends

Cinis Fertilizer's assessment is that, as of the date of this Prospectus, other than as stated in the sections "Market overview" and "Business overview", there are no known trends regarding sales, costs, and selling prices during the period from the end of the last financial year until the date of this Prospectus. Nor are there, other than as stated in the sections "Risk factors", "Market overview" and "Business overview", as of the date of this Prospectus any known trends, uncertainties, requirements, undertakings, or events that with reasonable certainty could have a material impact on the Company's prospects for the current financial year.

Other than as stated in the sections "Risk factors", "Market overview" and "Business Overview", the Company is not aware of any public, economic, tax policy, monetary policy or other political mechanisms that have had or could have a direct or indirect material impact on Cinis Fertilizer's operations or outlook in the current financial year.

Income statement

Group

	1 January – 30 June	23 – 31 December
SEK thousand	2022	2021
Net sales	–	–
Other operating income	14	–
Other external expenses	–7,072	–19
Personnel costs	–5,223	–28
Depreciation/amortisation	–5	–
Other operating expenses	–13	–
Operating profit/loss	–12,299	–47
Interest expense and similar profit/loss items	–4	–
Profit/loss	–12,303	–47
Tax	–	–
Profit/loss for the period	–12,303	–47
Profit or loss for the period attributable to:		
– owners of the parent company	–12,303	–47
Consolidated statement of comprehensive income		
Profit/loss for the period	–12,303	–47
Other comprehensive income for the period	–	–
Comprehensive income for the period	–12,303	–47

Income statement, cont.**Company**

SEK thousand	1 January – 30 June		1 January – 31 December		
	2022	2021	2021	2020	2019
Net sales	–	–	–	–	–
Other operating income	14	–	–	–	–
Other external expenses	–7,072	–398	–3,030	–58	–40
Personnel costs	–5,223	–	–358	–	–
Depreciation/amortisation	–5	–	–	–	–
Other operating expenses	–13	–	–	–	–
Operating profit/loss	–12,299	–398	–3,388	–58	–40
Interest expense and similar profit/loss items	–4	–1	–1	–	–
Profit/loss before tax	–12,303	399	–3,389	–58	–40
Tax	–	–	–	–	–
Profit/loss for the period	–12,303	–399	–3,389	–58	–40
Parent company's statement of comprehensive income					
Profit/loss for the period	–12,303	–399	–3,389	–58	–40
Other comprehensive income for the period	–	–	–	–	–
Comprehensive income for the period	–12,303	–399	–3,389	–58	–40

Balance sheet

Group

	30 June	31 December
SEK thousand	2022	2021
ASSETS		
Non-current assets		
<i>Property, plant and equipment</i>		
Equipment	26	–
Total property, plant and equipment	26	–
Total non-current assets	26	–
Current assets		
Accounts receivables	17	–
Other current receivables	4,077	527
Prepaid expenses and accrued income	18,919	–
Cash and cash equivalents	16,614	38,063
Total current assets	39,626	38,591
TOTAL ASSETS	39,653	38,591
EQUITY AND LIABILITIES		
Equity		
Share capital	567	142
Other capital contributions	40,777	41,144
Retained earnings	–15,840	–3,538
Equity attributable to owners of parent company	25,503	37,749
Non-controlling interests	–	–
Total equity	25,503	37,749
Liabilities		
<i>Current liabilities</i>		
Accounts payables	8,002	568
Other current liabilities	554	169
Deferred income and accrued expenses	5,594	105
Total current liabilities	14,150	842
Total liabilities	14,150	842
TOTAL EQUITY AND LIABILITIES	39,653	38,591

Balance sheet, cont.**Company**

SEK thousand	30 June		31 December		
	2022	2021	2021	2020	2019
ASSETS					
Non-current assets					
<i>Property, plant and equipment</i>					
Equipment	26	-	-	-	-
Total property plant and equipment	26	-	-	-	-
<i>Financial non-current assets</i>					
Participations in Group companies	125	-	25	-	-
Total financial non-current assets	125	-	25	-	-
Total non-current assets	151	-	25	-	-
Current assets					
<i>Current receivables</i>					
Accounts receivables	17	-	-	-	-
Other current receivables	4,052	76	503	5	16
Prepaid expenses and accrued income	18,919	-	-	-	-
Total current receivables	22,987	76	503	5	16
<i>Cash and cash equivalents</i>					
Cash and bank balances	16,514	1,021	38,063	74	98
Total cash and cash equivalents	16,514	1,021	38,063	74	98
Total current assets	39,501	1,097	38,566	79	114
TOTAL ASSETS	39,653	1,097	38,591	79	114
EQUITY AND LIABILITIES					
Equity					
<i>Restricted equity</i>					
Share capital	567	125	142	100	100
Total restricted equity	567	125	142	100	100
<i>Unrestricted equity</i>					
Share premium reserve	40,677	1,225	41,044	-	-
Retained earnings	-3,438	-50	-48	10	50
Profit/loss for the period	-12,303	-398	-3,389	-58	-40
Total unrestricted equity	24,936	777	37,607	-48	10,
Total equity	25,503	902	37,749	52	110
Liabilities					
<i>Current liabilities</i>					
Accounts payables	8,002	191	568	23	4
Other current liabilities	554	-	169	-	-
Deferred income and accrued expenses	5,594	4	105	4	-
Total current liabilities	14,150	195	842	27	4
Total liabilities	14,150	195	842	27	4
TOTAL EQUITY AND LIABILITIES	39,653	1,097	38,591	79	114

Cash flow

Group

	1 January – 30 June	23 – 31 December
SEK thousand	2022	2021
Operating activities		
Operating profit/loss	-12,299	-47
Non-cash items	5	-
Cash flow from operating activities before working capital	-12,294	-47
Operating receivables (+ decrease)	-22,485	15
Operating liabilities (+ increase)	13,308	-17
Cash flow from working capital	-9,178	-2
Cash flow from operating activities	-21,471	-49
Investing activities		
Investments in property, plant and equipment	-32	-
Cash flow from investing activities	-32	-
Financing activities		
Option premium	57	-
Interest paid	-4	-
Cash flow from financing activities	53	-
Cash flow for the period	-21,450	-49
Cash and cash equivalents at beginning the period	38,063	38,112
Cash and cash equivalents at the period-end	16,614	38,063

Cash flow, cont.**Company**

SEK thousand	1 January – 30 June		1 January – 31 December		
	2022	2021	2021	2020	2019
Operating activities					
Operating profit/loss	-12,299	-398	-3,388	-58	-40
Non-cash items	5	-	-	-	-
Cash flow from operating activities before working capital	-12,294	-398	-3,388	-58	-40
Operating receivables (+ decrease)	-22,485	-71	-498	11	-3
Operating liabilities (+ increase)	13,308	168	815	23	4
Cash flow from working capital	-9,178	97	317	34	1
Cash flow from operating activities	-21,471	-301	-3,071	-25	-39
Investing activities					
Investments in property, plant and equipment	-32	-	-	-	-
Acquisition of operations and participations	-100	-	-25	-	-
Cash flow from investing activities	-132	-	-25	-	-
Financing activities					
New share issue	-	1,250	40,896	-	-
Option premium	57	-	190	-	-
Interest paid	-4	-1	-1	-	0
Cash flow from financing activities	53	1,249	41,085	-	-
Cash flow for the period	-21,550	948	37,989	-25	-39
Cash and cash equivalents at beginning of the period	38,063	74	74	98	138
Cash and cash equivalents at the period-end	16,514	1,021	38,063	74	98

Key performance measures and data for the Group and the Company

Cinis Fertilizer applies the Guidelines on Alternative Performance Measures published by the European Securities and Markets Authority (ESMA) in this Prospectus. These guidelines are aimed at making alternative performance measures (APMs) used in financial reports more comprehensible and comparable, and therefore more usable. According to the guidelines, the APMs are a financial measure of historical or future financial performance, financial position, financial results, or cash flows, other than those measures defined or specified in the applicable financial reporting framework: IFRS or RFR 2 and the Swedish Annual Accounts Act.

Cinis Fertilizer's assessment is that the alternative performance measures below, combined with the performance measures defined in IFRS or RFR 2, will facilitate an understanding of the Company's financial trends. Going forward, these alternative performance measures will be used by Cinis Fertilizer's senior executives, investors, securities analysts, and other stakeholders as supplementary indicators of the Company's performance. These alternative performance measures, as defined by Cinis Fertilizer, are not to be compared with other performance measures with similar names used by other companies. This is because the above-mentioned performance measures are not always defined in the same way and other companies may calculate them in a different way to Cinis Fertilizer. For definitions and an explanation of the reason for using financial performance measures see "Definitions of alternative performance measures".

The table below presents the Company's chosen performance measures for the six-month period ended 30 June 2022, with comparative figures for the corresponding period in 2021, and for the 2021, 2020 and 2019 financial years, and the Group's chosen performance measures for the six-month period ended 30 June 2022 and for the nine-day period ended 31 December 2021.

	Group		Company				
	January– June 2022	23–31 December 2021	January– June 2022	2021	2021	2020	2019
SEK thousand							
Performance measures							
Total assets	39,653 ¹⁾	38,59 ²⁾	39,653 ³⁾	1,097 ³⁾	38,591 ⁴⁾	79 ⁴⁾	114 ⁴⁾
Net sales	– ¹⁾	– ²⁾	– ³⁾	– ³⁾	– ⁴⁾	– ⁴⁾	– ⁴⁾
Profit/loss for the period	–12,303 ¹⁾	–47 ²⁾	–12,303 ³⁾	– 398 ³⁾	–3,389 ⁴⁾	–58 ⁴⁾	–40 ⁴⁾
Alternative Performance Measures							
EBITDA	–12,294	–47	–12,294	–398	–3,388	–58	–40
EBITDA margin	–87,814%	–	–87,814%	–	–	–	–
Net debt	–16,614	–38,063	–16,514	–1,021	–38,063,	–74	–98
Net debt/EBITDA, (x)	1	810	1	3	11	1	2
Equity/asset ratio at end of period, %	64% ¹⁾	98% ²⁾	64% ³⁾	82% ³⁾	98% ⁴⁾	66% ⁴⁾	96% ⁴⁾
Employees							
Average number of employees	8 ¹⁾	0 ²⁾	8 ³⁾	0 ³⁾	0 ⁴⁾	0 ⁴⁾	0 ⁴⁾
Share data							
Number of shares at beginning of period	1,416,610	1,416,610	1,416,610	1,000	1,000	1,000	1,000
Number of shares at end of period	56,664,400	1,416,610	56,664,400	1,000	1,416,610	1,000	1,000

1) Retrieved from the Group's reviewed, unaudited interim financial report as of and for the six-month period ended 30 June 2022, prepared according to the Swedish Annual Accounts Act (1995:1554) and IAS 34 Interim Financial Reporting.

2) Retrieved from the Group's audited consolidated financial statements as of and for the nine-day period ended 31 December 2021, prepared according to the Swedish Annual Accounts Act (1995:1554) and IFRS.

3) Retrieved from the parent company's reviewed, unaudited interim financial report as of and for the six-month period ended 30 June 2022, prepared according to the Swedish Annual Accounts Act (1995:1554) and RFR 2.

4) Retrieved from the parent company's audited financial statements as of and for the financial years ended 31 December 2021, 2020 and 2019, prepared according to the Swedish Annual Accounts Act (1995:1554) and RFR 2.

Reconciliation tables

The table below presents a reconciliation of EBITDA, EBITDA margin, net debt, net debt/EBITDA, and equity/assets ratio.

Calculation of alternative performance measures	Group		Company				
	January–	23–31	January–June		January–December		
	June	December	2022	2021	2021	2020	2019
TSEK	2022	2021	2022	2021	2021	2020	2019
Calculation of EBITDA							
(+) Net sales	-	-	-	-	-	-	-
(+) Other operating income	14	-	14	-	-	-	-
(-) Raw materials and consumables	-	-	-	-	-	-	-
(-) Other external expenses	-7,072	-19	-7,072	-398	-3,030	-58	-40
(-) Personnel costs	-5,223	-28	-5,223	-	-358	-	-
(-) Other operating costs	-13	-	-13	-	-	-	-
(=) EBITDA	-12,294	-47	-12,294	-398	-3,388	-58	-40

Calculation of alternative performance measures	Group		Company				
	January–	23–31	January–June		January–December		
	June	December	2022	2021	2021	2020	2019
SEK thousand	2022	2021	2022	2021	2021	2020	2019
Calculation of EBITDA margin							
(A) EBITDA	-12,294	-47	-12,294	-398	-3,388	-58	-40
(B) Net sales	-	-	-	-	-	-	-
(C) Other operating income	14	-	14	-	-	-	-
(A/(B+C)) EBITDA margin	-87,814%	-	87,814%	-	-	-	-

Calculation of alternative performance measures	Group		Company				
	January–	23–31	January–June		January–December		
	June	December	2022	2021	2021	2020	2019
SEK thousand	2022	2021	2022	2021	2021	2020	2019
Calculation of net debt							
(+) Non-current interest-bearing liabilities	-	-	-	-	-	-	-
(+) Current interest-bearing liabilities	-	-	-	-	-	-	-
(-) Cash and bank balances	-16,614	-38,063	-16,514	-1,021	-38,063	-74	-98
(=) Net debt	-16,614	-38,063	-16,514	-1,021	-38,063	-74	-98

Calculation of alternative performance measures	Group		Company				
	January–	23–31	January–June		January–December		
	June	December	2022	2021	2021	2020	2019
SEK thousand	2022	2021	2022	2021	2021	2020	2019
Calculation of net debt/EBITDA							
(A) Net debt	-16,614	-38,063	-16,514	-1,021	-38,063	-74	-98
(B) EBITDA	-12,294	-47	-12,294	-398	-3,388	-58	-40
(A/B) Net debt/EBITDA, (x)	1	810	1	3	11	1	2

Calculation of alternative performance measures	Group		Company				
	January–	23–31	January–June		January–December		
	June	December	2022	2021	2021	2020	2019
SEK thousand	2022	2021	2022	2021	2021	2020	2019
Calculation of equity/asset ratio							
(A) Equity	25,503	37,749	25,503	902	37,749	52	110
(B) Total assets	39,653	38,591	39,653	1,097	38,591	79	114
(A/B) Equity/asset ratio, %	64%	98%	64%	82%	98%	66%	96%

Definitions of alternative performance measures

Performance measures	Definition	Purpose
EBITDA	Operating profit/loss according to the income statement before depreciation, amortisation and impairment of intangible assets and property, plant and equipment	Measure of the underlying earnings capacity of the Company's operations
EBITDA margin	EBITDA in relation to net sales plus other operating income	Measure of the underlying earnings capacity of the Company's operations
Net debt	Non-current and current interest-bearing liabilities less cash and cash equivalents	The measure is used to assess the Company's possibilities to adhere to financial commitments
Net debt/EBITDA	Net debt in relation to EBITDA	The measure shows the Company's net debt in relation to its underlying earnings capacity
Equity/assets ratio	Equity divided by total assets at the end of the period	Equity/assets ratio is stated as the Company considers it to be a measure of financial position commonly used by certain investors, securities analysts and other analysts. The Company believes that the equity/assets ratio contributes to investors' understanding of the Company's financial position at the end of the period

Operational and financial overview



The following operational and financial overview is intended to be read in combination with the sections “Condensed financial information”, the Company’s historical financial information as of and for the financial years ended 31 December 2021, 2020 and 2019, which are included in the section “Historical financial information”, the consolidated financial statements as of and for the nine-day period ended 31 December 2021, which are included in the section “Historical financial information”, and the interim information as of and for the six-month period ended 30 June 2022 for both the Company and the Group, with comparative figures for the corresponding period in 2021 for the Company, which are included in the section “Historical financial information”.

The operational and financial data in this section, which are not from Cinis Fertilizer’s audited financial statements, have been derived from Cinis Fertilizer’s internal accounts and operating system.

This section contains forward-looking statements. Such statements are associated with risks, uncertainties and other factors, including those set forth in the section “Risk factors”, which could cause future results of operations, financial position or cash flows to differ materially from the results of operations, financial position or cash flows expressed or implied in such forward-looking statements.

Profit/loss

1 January – 30 June 2022 for the Group

During the period 1 January – 30 June 2022 the Group’s net sales amounted to SEK 0 thousand. As the Group’s production plants were not finalised during this period, the Group had no sales for the period. The Group’s costs for the period January – June 2022 amounted to SEK 12,313 thousand. The Group’s loss for the period January – June 2022 amounted to SEK –12,303 thousand.

Comparison between 1 January – 30 June 2022 and 2021 for the Company

The Company’s net sales during the period 1 January – 30 June 2022 were SEK 0 thousand (SEK 0 thousand during the same period in 2021). The Company’s costs during the period January – June 2022 amounted to SEK 12,313 thousand (SEK 398 thousand during the same period in 2021). The increase of costs is mainly attributable to other external expenses and personnel costs. The Company’s operating profit during the period 1 January – 30 June 2022 was SEK –12,299

thousand (SEK –398 thousand during the same period in 2021). The decrease is mainly attributable to costs associated with other external expenses and personnel. The Company’s profit for the period January – June 2022 amounted to SEK –12,303 thousand (SEK –399 thousand during the same period in 2021).

Comparison between full years 2021 and 2020 for the Company

The Company’s net sales in 2021 were SEK 0 thousand (SEK 0 thousand in 2020). The Company’s costs during 2021 amounted to SEK 3,388 thousand (SEK 58 thousand during 2020). The increase is mainly attributable to other external expenses and personnel costs. The Company’s operating profit in 2021 was SEK –3,388 thousand (SEK –58 thousand in 2020). The decrease is mainly attributable to costs associated with other external expenses and recruitments. The Company’s profit for the period during 2021 amounted to SEK –3,389 thousand (SEK –58 thousand during 2020).

Comparison between full years 2020 and 2019 for the Company

The Company's net sales in 2020 were SEK 0 thousand (SEK 0 thousand in 2019). The Company's costs during 2020 amounted to SEK 58 thousand (SEK 40 thousand during 2019). The increase of the costs is primarily attributable to other external expenses. The Company's operating profit in 2020 was SEK –58 thousand (SEK –40 thousand in 2019). The decrease is mainly attributable to costs associated with other external expenses. The Company's profit for the period during 2020 amounted to SEK –58 thousand (SEK –40 thousand during 2019).

Financial position

1 January – 30 June 2022 for the Group

At the end of June 2022, the Group's equity was SEK 25,503 thousand. The Group's cash and cash equivalents at the end of June 2022 amounted to SEK 16,614 thousand.

As of 30 June 2022, the Group's non-current assets amounted to SEK 26 thousand and the Group's current assets, excluding cash and cash equivalents, as of 30 June 2022 amounted to SEK 23,012 thousand.

Comparison between 1 January – 30 June 2022 and 2021 for the Company

At the end of June 2022, the Company's equity was SEK 25,503 thousand (SEK 902 thousand at the end of June 2021). The Company's cash and cash equivalents at the end of June 2022 amounted to SEK 16,514 thousand (SEK 1,021 thousand at the end of June 2021), and the increase is primarily attributable to a capital raise made in 2021 whereof SEK 40,896 thousand was acquired through a new share issue that provided the Company with equity.

The Company's non-current assets as of 30 June 2022 amounted to SEK 151 thousand (SEK 0 thousand as of 30 June 2021) and the Company's current assets, excluding cash and cash equivalents, as of 30 June 2022 amounted to SEK 22,987 thousand (SEK 76 thousand as of 30 June 2021) and primarily comprised to other current receivables and prepaid expenses and accrued incomes.

Comparison between full years 2021 and 2020 for the Company

At the end of 2021, the Company's equity amounted to SEK 37,749 thousand (SEK 52 thousand at the end of 2020). The Company's cash and cash equivalents at the end of 2021 amounted to SEK 38,063 thousand (SEK 74 thousand at the end of 2020), strengthened by a capital raise of SEK 40,896 thousand finalised in 2021 through a new share issue that provided the Company with equity.

The Company's non-current assets as of 31 December 2021 amounted to SEK 25 thousand (SEK 0 thousand as of 31 December 2020) and the Company's current assets, excluding cash and cash equivalents, as of 31 December 2021 amounted to SEK 503 thousand (SEK 5 thousand as of 31 December 2020) and primarily comprised other current receivables.

Comparison between full years 2020 and 2019 for the Company

At the end of 2020, the Company's equity amounted to SEK 52 thousand (SEK 110 thousand at the end of 2019). The Company's cash and cash equivalents at the end of 2020 amounted to SEK 74 thousand (SEK 98 thousand at the end of 2019), and the decrease is primarily attributable to business expenses relating to patent applications.

The Company's non-current assets as of 31 December 2020 amounted to SEK 0 thousand (SEK 0 thousand as of 31 December 2019) and the Company's current assets, excluding cash and cash equivalents, as of 31 December 2020 amounted to SEK 5 thousand (SEK 16 thousand as of 31 December 2019) and primarily comprised other current receivables.

Cash flow

1 January – 30 June 2022 for the Group

The Group's cash flow from operating activities, including cash flow from working capital, in the period January–June 2022 amounted to SEK –21,471 thousand. The Group's cash flow from investing activities amounted to SEK –32 thousand for the period. The Group's cash flow from financing activities amounted to SEK 53 thousand for the period January–June 2022.

Comparison between 1 January – 30 June 2022 and 2021 for the Company

The Company's cash flow from operating activities, including cash flow from working capital, for the period 1 January – 30 June 2022 amounted to SEK –21,471 thousand (SEK –301 thousand for the same period in 2021). The decrease between the periods is primarily attributable to a decrease in the operating profit.

The Company's cash flow from investing activities for the period 1 January – 30 June 2022 amounted to SEK –132 thousand (SEK 0 thousand for the same period in 2021). The decrease between the periods is primarily attributable to investments in tangible fixed assets. The Company's cash flow from financing activities for the period 1 January – 30 June 2022 amounted to SEK 53 thousand (SEK 1,250 thousand for the same period in 2021). The decrease between the periods is primarily attributable to a capital raising carried out in 2021 where SEK 1,250 thousand was acquired through a new share issue that provided the Company with equity.

Comparison between full years 2021 and 2020 for the Company

The Company's cash flow from operating activities, including cash flow from working capital, for 2021 amounted to SEK –3,071 thousand (SEK –25 thousand for 2020). The decrease between the periods is primarily attributable to a decrease in the Company's operating profit and an increase in operating receivables.

The Company's cash flow from investing activities in 2021 amounted to SEK –25 thousand (SEK 0 thousand for 2020). The decrease between the periods is primarily attributable to the acquisition of a shell corporation (Asset- SK SB) in 2021. The Company's cash flow from financing activities in 2021 amounted to SEK 41,085 thousand (SEK 0 thousand for 2020) strengthened by a capital raising made in 2021 whereof SEK 40,896 thousand was acquired through a new share issue that provided the Company with equity.

Comparison between full years 2020 and 2019 for the Company

The Company's cash flow from operating activities, including cash flow from working capital, for 2020 amounted to SEK –25 thousand (SEK –39 thousand for 2019). The increase between the periods is primarily attributable to a decrease in operating receivables and an increase in operating liabilities.

The Company's cash flow used in investment activities in 2020 amounted to SEK 0 thousand (SEK 0 thousand for 2019). The Company's cash flow from financing activities in 2020 amounted to SEK 0 thousand (SEK 0 thousand for 2019).

Significant changes after 30 June 2022

In September 2022, Cinis Fertilizer entered into a credit facility agreement with Nordea and the Swedish Export Credit Corporation, see also section "*Capital structure, indebtedness and other financial information - Credit Facility Agreement with Nordea and the Swedish Export Credit Corporation*".

In addition to the above, no significant changes have occurred regarding Cinis Fertilizer's financial position or financial results after 30 June 2022.

Liquidity and capital resources

Cinis Fertilizer's only source of liquidity has been cash flows from financing activities. The senior executives of the Company expects that the Company as of January 2023 will be able to rely on cash flows from operating activities as its main source of liquidity and possible additional debt. For more information on Cinis Fertilizer's current, long-term and financial resource, see section "*Capital structure, indebtedness and other financial information - Credit Facility Agreement with Nordea and the Swedish Export Credit Corporation*".

Capital structure, indebtedness and other financial information



The tables in this section present the Company's capital structure and indebtedness at Group level as of 31 July 2022. See the section "Share capital and ownership structure" for further information about the Company's share capital and shares. The tables in this section should be read in conjunction with the section "Operational and financial overview" and the Company's financial information with accompanying notes, which are found in the section "Historical financial information".

Capital structure

Cinis Fertilizer's capital structure as of 31 July 2022 is presented in the table below.

SEK thousand	31 July 2022
Current liabilities	
Guaranteed	–
Secured	–
Unsecured	15,815
Total current liabilities (including the current portion of non-current liabilities)	15,815
Non-current liabilities	
Guaranteed	–
Secured	–
Unguaranteed/unsecured	–
Total non-current liabilities (excluding the current portion of non-current liabilities)	–
Equity	
Share capital	567
Statutory reserves	40,677
Retained earnings ¹⁾	-19,069
Total	22,175

1) Retained earnings correspond to the balance sheet item "Retained earnings" in Cinis Fertilizer's interim reports.

Net indebtedness

Cinis Fertilizer's net indebtedness as of 31 July 2022 is presented in the table below.

As of 31 July 2022, the Company had no contingent liabilities indirect liabilities.

SEK thousand	31 July 2022
(A) Cash and bank balances	14,217
(B) Other cash and cash equivalents	–
(C) Other financial assets	–
(D) Liquidity (A)+(B)+(C)	14,217
(E) Current financial liabilities (including debt instruments but excluding the current portion of non-current financial liabilities)	15,815
(F) Current portion of non-current financial liabilities	–
(G) Current financial indebtedness (E)+(F)	15,815
(H) Current financial indebtedness, net (G)-(D)	1,598
(I) Non-current financial liabilities (excluding current portion and debt instruments)	–
(J) Debt instruments	–
(K) Non-current accounts payables and other liabilities	–
(L) Non-current financial indebtedness (I)+(J)+(K)	–
(M) Total financial indebtedness (H)+(L)	1,598

Working capital and capital requirement

Cinis Fertilizer's assessment is that the existing working capital (i.e. excluding proceeds from the new share issue in the Offering) is not sufficient for the Company's needs over the upcoming 12-month period.

Cinis Fertilizer is a growth company with a significant investment requirement. The assessment of the board of director is that a shortage of working capital will arise around December 2022 and that the total deficit for the upcoming 12-month period will be approximately SEK 376 million based on the current business plan as described in the Prospectus.

Cinis Fertilizer intends to remedy the estimated working capital deficit by issuing new shares in the Offering, which is expected to raise approximately SEK 363 million for the Company after transaction costs (provided that the Overallotment Option is not exercised). The board of director's assessment is that this amount, combined with new loans and the Company's current cash, will be sufficient to meet the Company's operating capital needs over the upcoming 12-month period.

If it were not possible to implement the new share issue in the Offering, the Company may be forced to look for additional external financing and delay or interrupt the Company's activities. If all of these actions were to fail, the Company would ultimately be forced to file for restructuring or bankruptcy.

Investments

Since 1 January 2019 the Company has not made any significant investments or provided any firm undertakings regarding significant investments. The Company has also no ongoing investments. As stated in the section "*Business overview – Business model – Production plan*" the Company does, however, plan to build several production plants. The Company intends to build its first plant in Örnsköldsvik and to finance this through net proceeds from the Offering as well as new loans that are intended to be received from the lenders Nordea and the Swedish Export Credit Corporation.

Credit Facility Agreement with Nordea and the Swedish Export Credit Corporation

In September 2022 the Company's wholly-owned subsidiary Cinis Sweden AB, reg. no. 559322-4156, entered into a credit facility agreement with Nordea and the Swedish Export Credit Corporation (Sw. *Svensk Exportkredit*) (together

the "**Lenders**") regarding the use of a facility for an amount of up to SEK 300 million (the "**Credit Facility Agreement**"). Any loans under the facility can be used from 1 April 2023 and falls due for payment on 31 December 2029 with a quarterly amortization of SEK 12.5 million from 31 March 2024. Any loan under the facility runs with an interest amounting to STIBOR (with a floor of zero percent if STIBOR is less than zero) plus a margin of 4.50 percent annually. According to the Credit Facility Agreement, the facility shall be guaranteed to 80 percent by the Swedish Export Credit Agency (Sw. *Exportkreditnämnden (EKN)*). The purpose of the offered facility is to finance the completion of production plant 1.

According to the Credit Facility Agreement, any loans under the facility will be conditional upon that Cinis Fertilizer, inter alia, obtains the necessary approvals, permits (including environmental permits) and agreements in relation to production plant 1.

In connection with the entering of the Credit Facility Agreement, Cinis Fertilizer will be subject to customary restrictions and obligations regarding, inter alia, borrowings, divestment of tangible assets, dividends, mergers, compliance with laws and changes in operations. Furthermore, the Credit Facility Agreement contains conditions concerning Cinis Fertilizer's financial position (so-called financial covenants), which means that Cinis Fertilizer undertakes to ensure that certain financial key ratios do not deviate from the levels specified therein.

As security for Cinis Sweden AB's commitments and obligations under the intended facility, the Company and Cinis Sweden AB, among others, would issue guarantees and pledge, inter alia, the shares in Cinis Sweden AB, corporate mortgages, some non-current assets, real estate mortgages and bank accounts.

Board of directors, senior executives and auditor



Board of directors

Cinis Fertilizer's board of directors consists of six ordinary members, including the chairman of the board, with no deputy board members, all of whom are elected for the period up until the end of the annual general meeting of 2023. The table below presents the board members, when they were first elected onto the board of directors and whether they are considered to be independent of the Company and/or the Principal Owners.

Name	Position	Member since	Independent in relation to	
			The Company and senior executives	Major shareholder in the Company
Roger Johansson	Chairman of the board	2021	Yes	No
Viktoria Bergman	Board member	2021	Yes	Yes
Sten Hedbäck	Board member	2021	Yes	Yes
Anna Kinberg Batra	Board member	2021	Yes	Yes
Åsa Källenius	Board member	2021	Yes	Yes
Morgan Sadarangani	Board member	2021	Yes	Yes



ROGER JOHANSSON

Born: 1968. Chairman of the board since 2021.

Education: MSc Chemical Engineering from Lund University.

Background: Roger Johansson is currently Executive Vice President, Marine & Offshore Business Area at Roxtec and has many years of experience from senior international positions within Alfa Laval, Unilever, Findus and Tetra Pak.

Other current positions: Chairman of the board of directors of Laholms Holding i Allarp AB, Körsbärsdalen Projekt AB, CaanEL Elteknik i Malmö AB, Bostadsrättsföreningen Havtornshusen, We Construction AB, Civil Construction Sweden AB, Rör Montören Syd AB, Byggnadsaktiebolaget Gösta Bengtsson, Solenco AB, Gripen Betongelement AB and Drivator Equity AB. Member of the board of directors of We Construction Malmö AB, Power Heat Food & Pharma AB, Veg of Lund AB (publ), Roxtec Services AB and DD Development AB. Deputy member of the board of directors of Power Heat Plastic Sweden AB, Power Heat Mechanical Technologies Sweden AB, Power Heat Piping South AB and Tjuvaröds Brotjänst Aktiebolag. Executive Vice President of Roxtec International AB.

Previous positions (past five years): Member of the board of directors of BST South AB and A Hansén Trädgård AB.

Shareholding in the Company: Roger Johansson holds 13,600,000 shares in the Company.



VIKTORIA BERGMAN

Born: 1965. Board member since 2021.

Education: PR and Communication at Berghs School of Communication. Communications Executive Program at Stockholm School of Economics.

Background: Viktoria Bergman has held multiple senior positions in international companies in food, energy, and industrial operations. This includes serving as director of sustainability and communications for the Trelleborg group and E.ON. Viktoria Bergman has broad global experience of sustainability, corporate governance and communication.

Other current positions: Chairman of the board of directors of Galber AB and Fastighets Aktiebolaget Trianon. Member of the board of directors and vice chairman of Water Aid Sverige. Member of the board of directors of Vattenfall AB. Member of the Nomination Committee for the Swedish Association of Communication Professionals.

Previous positions (past five years): Member of the board of directors of Diab Group AB, GS-Hydro Oy and Swedish Association of Communication Professionals. Deputy member of the board of directors of Viola Nobilis AB. Limited partner in Viktoria Bergman & Co KB.

Shareholding in the Company: Viktoria Bergman holds, through endowment insurance, 83,320 shares in the Company. Viktoria Bergman also holds 5,000 warrants in the Company.



STEN HEDBÄCK

Born: 1969. Board member since 2021.

Education: Master of Laws from Stockholm University.

Background: Sten Hedbäck is a lawyer and partner at TM & Partners law firm where he focuses on mergers and acquisitions. Sten Hedbäck has many years of experience in corporate law, including from Advokatfirman Vinge and within the Electrolux Group.

Other current positions: Member of the board of directors of Törngren Magnell & Partners Advokatfirma AB, Törngren Magnell & Partners Advokatfirma Holding AB, Advokat Sten Hedbäck AB and Gastroba Utvecklings AB. Deputy member of the board of directors of ÅPUH Invest AB, Marinway AB, Coldstore AB, Peter Törngren AB and Jens Haneklint Advokatfirma AB.

Previous positions (past five years): Member of the board of directors of Recovia Holding AB and Foxway Group AB. Deputy member of the board of directors of Perquiro Research AB.

Shareholding in the Company: Sten Hedbäck holds, through related party's endowment insurance, 166,640 shares in the Company. Sten Hedbäck also holds 5,000 warrants in the Company.



ANNA KINBERG BATRA

Born: 1970. Board member since 2021.

Education: BSc in Business & Management from Stockholm School of Economics, studies at Stockholm University.

Background: Anna Kinberg Batra has many years of experience in politics, advocacy and communication, including as a member of the Swedish riksdag (parliament) and Leader of the Moderate Party. Anna is also co-founder of Nova Talent, expert (Sw. *sakkunnig*) at the Prime Minister's office (Sw. *Statsrådsberedningen*) and information manager at the Stockholm Chamber of Commerce.

Other current positions: Chairman of the board of directors of Svenska rymdaktiebolaget. Member of the board of directors of Polarium Energy Solutions AB, Castellum Aktiebolag, Nederman Holding AB, Grytsund Förvaltning AB and Anna Kinberg Batra AB. Chairman of Swedish Solar Energy. Member of the Foundation for International Entrepreneurs in Sweden and the Stockholm Chamber of Commerce. Special Investigator, Government Offices of Sweden.

Previous positions (past five years): Member of the board of directors of Collector AB, Collector Bank AB, Försäkringsbolaget Avanza Pension, Ogunsen AB (publ) and Soltech Energy Sweden AB (publ).

Shareholding in the Company:

Anna Kinberg Batra holds, through company, 83,320 shares in the Company. Anna Kinberg Batra also holds 5,000 warrants in the Company.



ÅSA KÄLLENIUS

Born: 1967. Board member since 2021.

Education: MSc in Business and Economics, Stockholm University.

Background: Åsa Källenius is the CFO for MEKO AB and has many years of experience from senior positions in business and finance. This includes serving as CFO for Tele2 Sweden AB, Inflight Service AB and as financial manager for Spendrups Bryggerier AB.

Other current positions: Member of the board of directors of SinterCast AB, Green Landscaping Group AB, Mekonomen Services AB and Bileko Car Parts AB. Deputy member of the board of directors of Scylla och Charybdis AB, ANNMAKA AB, KAAX Fastigheter AB, KAAX Investment AB and Källenius Invest AB. Chairman of the board of directors of Do My Pizza Sweden AB.

Previous positions (past five years): Member of the board of directors of Mekonomen Company AB and MECA Scandinavia AB. Deputy member of the board of directors of Mekonomen Detaljist Aktiebolag and Bileko Tires AB.

Shareholding in the Company:

Åsa Källenius holds, through endowment insurance, 833,320 shares in the Company. Åsa Källenius also holds, through companies, 5,000 warrants in the Company.



MORGAN SADARANGANI

Born: 1975. Board member since 2021.

Education: Master of Economics from Uppsala University.

Background: Morgan Sadarangani has many years of experience within business and finance, and was formerly CFO for Tethys Oil before he founded the investment firm Molindo Energy where he is now CEO.

Other current positions: Chairman of the board of directors of Ecohelix AB and Meva Energy AB (publ). Member of the board of directors of and CEO for Molindo Energy AB and Molindo AB. Member of the board of directors of GraphMaTech AB, Apstec Sweden Holding AB (publ), Delta Energy Asset Holding Limited, Quest for Star Holdings Limited and Altris AB. Deputy member of the board of directors of PM Drives AB.

Previous positions (past five years): Chairman of the board of directors of Tethys Oil Explorations AB, Tetyhs Oil France AB, Tethys Oil Denmark AB, Tethys Oil Turkey AB, Tethys Oil Spain AB, Tethys Oil Canada AB, Tethys Oil Midde East North Africa BV, Tethys Oil Oman Ltd, Tethys Oil Blocks 3&4 Ltd, Jyllands Olie ApS, Odin Energy A/S and Windsor Petroleum (Spain) Inc.

Shareholding in the Company:

Morgan Sadarangani holds, through company's endowment insurance, 833,320 shares in the Company. Morgan Sadarangani also holds, through company, 5,000 warrants in the Company.

Senior executives



JAKOB LIEDBERG

Born: 1972. CEO since 2021.

Education: MSc Chemical Engineering from Lund University.

Background: Jakob Liedberg has more than 20 years of experience of international sales and exports in the chemical industry. Jakob has held senior positions in sales in the processing industry and in 2007 founded Aprotech Engineering AB, a company that sells processing solutions for the chemical industry in Sweden and Eastern Europe.

Other current positions: Member of the board of directors of and CEO for Rearden Holding AB and Aprotech Engineering AB. Member of the board of directors of Jakob Liedberg Holding AB. Deputy member of the board of directors of Jonas Liedberg Aktieföretag.

Previous positions (past five years): Chairman of the board of directors of Cinis Fertilizer AB. Member of the board of directors of Scandinavian Process Technology AB.

Shareholding in the Company: Jakob Liedberg holds 26,400,000 shares in the Company.



HENRIK ANDERSSON

Born: 1971. CFO since 2022.

Education: BSc in Business Economics from Lund University.

Background: Henrik Andersson has more than 20 years of experience in positions in business and finance. Henrik Anderson's most recent position was as Business Control Director for TetraPak. He has held several leading financial positions within the TetraPak Group in Sweden and abroad.

Other current positions: Henrik Anderson has no current positions.

Previous positions (past five years): Henrik Andersson has not held any previous positions over the past five years.

Shareholding in the Company: Henrik Andersson holds 5,000 warrants in the Company.



CHARLOTTE BECKER

Born: 1992. CFO and IR, Communication & Marketing Director since 2022.

Education: BSc in Business and Economics from Stockholm School of Economics.

Background: Charlotte Becker has many years of experience of investor relations, financing and communication, including as Head of Investor Relations and PR at the First North-listed company Climeon, where she also was a member of the senior executives.

Other current positions: Charlotte Becker has no current positions.

Previous positions (past five years): Charlotte Becker has not held any previous positions over the past five years.

Shareholding in the Company: Charlotte Becker holds 5,000 warrants in the Company.

Senior adviser



THOMAS RANJE

Born: 1969. Senior adviser since 2020.

Education: MSc in Accounting and Finance and Financial Economics from Stockholm School of Economics.

Background: Thomas Ranje has worked in the Nordic financial market since 1993, of which ten years with Carnegie Investment Bank in Stockholm and Oslo, as CFO for Scandinavia Online AB, an internet portal company then listed in Stockholm and Oslo, followed by ten years as an independent corporate finance adviser and most recently as partner at Pareto Securities between 2015 and 2022 with focus on clean tech. Thomas is also an active private investor in the clean tech sector.

Other current positions: Member of the board of directors of Cikada Invest AB and Ranje Kapital AB.

Previous positions (past five years): Chairman of the board of directors of SmartaSaker i Stockholm AB. Member of the board of directors of Meva Energy AB (publ), Karsholms Gods Aktiebolag and ÅPUH Invest AB.

Shareholding in the Company: Thomas Ranje holds, privately and through endowment insurance, 10,000,000 shares in the Company.

Other information about the board of directors, senior executives and senior adviser

There are no family ties between any of the members of the board of directors, senior executives or the senior adviser.

There are no conflicts of interest or potential conflicts of interest between the board members, senior executives' or the senior adviser's commitments to the Company and their private interests and/or other undertakings (although several members of the board of directors, the senior executives and the senior adviser have financial interests in Cinis Fertilizer based on their financial instruments in the Company).

No specific agreements have been entered into between major shareholders, customers, suppliers or other parties under which any member of the board of directors, senior executive or the senior adviser has been appointed to their current position.

Viktoria Bergman was a member of the board of directors of GS-Hydro Oy until 17 September 2017 and the company was declared bankrupt on 22 September 2017.

Other than as stated above, in the past five years, no board member, senior executive or the senior adviser has (i) been convicted in a fraud-related case, (ii) represented a company which has been declared bankrupt or filed for liquidation or receivership, (iii) been officially bound by and/or subject to sanctions for a crime or breach imposed by a government agency or supervisory authority (including approved professional organisations), or (iv) been prohibited by a court from being a member of an issuer's executive, management or supervisory body, or from holding senior or administrative positions of an issuer.

All members of the board of directors, senior executives and the senior adviser can be reached at the Company's address, Cinis Fertilizer AB, Bytaregatan 4D, 222 21 Lund.

Auditor

From 22 November 2021 the Company's auditor has been Mazars AB, reg. no. 556439-2099, which at the annual general meeting on 25 May 2022 was elected for the period until the end of the annual general meeting of 2023. Michael Olsson (born 1974) is the Auditor-in-Charge. Michael Olsson is an authorised public accountant and member of FAR (institute for the accountancy profession in Sweden). The office address of Mazars AB is Jakobsgatan 6, 111 52 Stockholm. Finnhammars Revisionsbyrå Aktiebolag, reg. no. 556358-0462, was the Company's auditor with Hans Sundstrand as Auditor-in-Charge from 28 March 2018 to 9 November 2020. Hans Sundstrand is an authorised public accountant and member of FAR (institute for the accountancy profession in Sweden). The office address of Finnhammars Revisionsbyrå Aktiebolag is Sveavägen 9, 111 57 Stockholm.

Corporate governance



Corporate governance

Cinis Fertilizer is a Swedish public limited liability company. Prior to the listing on the Nasdaq First North Growth Market, the Company's corporate governance was based on Swedish law and internal rules and instructions. Once the Company has been listed on the Nasdaq First North Growth Market, the Company will also comply with the Nasdaq First North Growth Market's Rule Book for Issuers. Cinis Fertilizer also intends to, in all material respects, apply the Swedish Corporate Governance Code (the "Code").

Shareholders' meetings

According to the Swedish Companies Act (2005:551), the shareholders' meeting is the Company's highest decision-making body. At shareholders' meetings the shareholders exercise their voting rights on key issues, such as the adoption of income statements and balance sheets, appropriation of the Company's profits, discharge from liability of members of the board of directors and the CEO, election of members of the board of directors and auditors, and remuneration to the board of directors and the auditors.

The annual general meeting must be held within six months from the end of the financial year. In addition to the annual general meeting, extraordinary general meetings may be convened. According to the articles of association, notice of shareholders' meetings is to be published in the Swedish National Gazette (*Sw. Post- och Inrikes Tidningar*) and on the Company's website. At the time of the notice of meetings, information regarding the notice shall be published in *Dagens Industri*.

Right to participate at shareholders' meetings

Shareholders who wish to participate at shareholders' meetings must be included in the shareholders' register maintained by Euroclear Sweden six banking days prior to the meeting. They must also notify the Company of their intention to attend the meeting no later than on the date stipulated in the notice of the meeting. Shareholders may attend shareholders' meetings in person or by proxy and may also be accompanied by a maximum of two assistants. There are usually several different ways for shareholders to register to attend a shareholders' meeting and these are described in detail in the notice of the meeting. Shareholders are entitled to vote for the full number of shares that the shareholder holds.

Shareholder initiatives

Shareholders who wish to have a matter brought before the shareholders' meeting must submit a written request to the board of directors. This request must normally be received by the board no later than seven weeks prior to the shareholders' meeting.

Nomination Committee

At the annual general meeting held on 25 May 2022 it was resolved to adopt a nomination committee instruction ahead of the annual general meeting 2023. According to the nomination committee instruction, which is based on the provisions in the Code, the Nomination Committee shall ahead of the 2023 annual general meeting consist of a representative for each of the three largest shareholders in the Company in terms of votes as of the last banking day in September before the annual general meeting, joined by the chairman of the board who will convene the Nomination Committee's first meeting. The chairman of the Nomination Committee will be the member who represents the largest shareholder in terms of

votes, or a chairman appointed by the Nomination Committee from among its members. Should any of the three largest shareholders in terms of votes refrain from taking a seat on the Nomination Committee, the seat will go to the fourth largest shareholder in terms of votes and so on until the owners are represented by three shareholders. If a member leaves the Nomination Committee before the member's work is complete, the shareholder is entitled to appoint a new member. If a shareholder who appointed a member of the Nomination Committee is no longer among the three largest shareholders, the member appointed by this shareholder will relinquish the seat. The shareholder that becomes one of the three largest shareholders is to be asked and has the right to appoint a member. The Nomination Committee members are not to be replaced if there are only marginal changes in the number of votes, or if the majority of the Nomination Committee's work in preparation for the annual general meeting is deemed by the chairman of the Nomination Committee to have been completed.

The names of the Nomination Committee members with details of which shareholders they represent are to be published no later than six months before the annual general meeting or, if a change occurs later, as soon as the change takes place. The Nomination Committee is tasked with presenting proposals at the next annual general meeting regarding the chairman for the meeting, the board of directors, chairman of the board, auditor, board of director fees and audit fees, any committee fees, and possible proposals on changes to these Nomination Committee instructions. No fee will be paid by the Company to the members of the Nomination Committee. Any reasonable expenses arising in connection with the Nomination Committee's duties are to be paid by the Company.

Board of directors

The board of directors is the Company's highest decision-making body after the shareholders' meeting. According to the Swedish Companies Act the board of directors is responsible for the management of the Company's affairs and the organisation of the Company, which means that the board is responsible for – among other things – establishing targets and strategies, ensuring that routines and systems are in place to evaluate performance in relation to established

targets, evaluating the Company's performance and financial position on an ongoing basis, and assessing operational management. The board is also responsible for ensuring that the annual reports and interim reports are prepared in a timely manner. The board also appoints the Company's CEO.

The board members are normally elected by the annual general meeting for the period until the end of the following annual general meeting. Pursuant to the Company's articles of association, the board of directors elected by the shareholders' meeting is to consist of no fewer than three and no more than ten members, without deputy board members.

The board of directors applies written rules of procedures revised annually and adopted at the inaugural board meeting every year. The rules of procedures stipulate, for example, board practices, functions and the distribution of duties among the board members and the CEO. At the inaugural board meeting the board of directors also adopts instructions for the CEO, including on financial reporting.

The board of directors meets according to a schedule established on an annual basis. In addition to these meetings, further board meetings may be convened to discuss issues that cannot be deferred until an ordinary board meeting takes place. In addition to attending board meetings, the chairman and the CEO conduct an ongoing dialogue concerning management of the Company.

The Company's board of directors currently consists of six members elected by the shareholders' meeting, who are presented in the section "*Board of directors, senior executives and auditor*".

Chief executive officer and other senior executives

The CEO is subordinated to the board of directors and is responsible for the ongoing administration of the Company and its day-to-day operations. The distribution of duties between the board of directors and the CEO is stipulated in the board's rules of procedures and in the instructions for the CEO. The CEO is also responsible for preparing reports and compiling information from

management in preparation for board meetings and is to report this information at board meetings.

According to the instructions for financial reporting, the CEO is responsible for the Company's financial reporting and consequently must ensure that the board of directors receives sufficient information to be able to evaluate the Company's financial position on an ongoing basis.

The CEO is to keep the board of directors continually informed of the performance of the Company's operations, sales development, the Company's earnings and financial position, the liquidity and credit situation, important business events and all other events, circumstances or situations that can be assumed to be of material significance to the Company's shareholders.

The CEO and other members of senior executives are presented in the section "*Board of directors, senior executives and auditor*".

Remuneration for board members, the CEO and other senior executives

Guidelines for remuneration for senior executives

At the annual general meeting held on 25 May 2022, the following guidelines for remuneration to the senior executives were adopted. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting 2022. These guidelines do not apply to any remunerations resolved or approved by the general meeting.

The guidelines' promotion of Cinis Fertilizer's business strategy, long-term interests and sustainability

Cinis Fertilizer creates shareholder value by manufacturing and selling environmentally friendly potassium sulphate. For further information about the Company's business strategy, see the website www.cinis-fertilizer.com. A prerequisite for the successful implementation of the business strategy and safeguarding of Cinis Fertilizer's long-term interests, including its sustainability interest, is the Company's ability to recruit and retain qualified personnel who work to achieve maximum value for the shareholders

and customers. To this end, it is necessary that the Company offers competitive remuneration. These guidelines enable the senior executives to be offered a competitive total remuneration.

Types of remuneration, etc.

The remuneration to the senior executives shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration. The total remuneration to the executive shall comprise a balanced mix of the above-mentioned components and conditions upon notice as well as severance pay. The board of directors shall annually evaluate whether share-related or share price-related long-term incentive programs shall be proposed to the general meeting. The fixed cash salary shall be individual and relate to the relevant person's responsibilities and experience. The variable cash remuneration may amount to not more than 50 per cent of the total fixed annual cash salary. For the senior executives, pension benefits shall be premium based (Sw. *premiebestämd pension*) unless the concerned individual is subject to a defined benefit pension plan (Sw. *förmånsbestämd pensionsplan*) pursuant to any applicable collective bargaining agreement provisions. Variable cash remuneration shall qualify for pension benefits. Other benefits may include, for example, company car, pension solutions and health services. Such benefits shall be of limited value in relation to other compensation and shall correspond to customary market terms in each geographic market.

Termination of employment

Upon termination of a senior executive's employment, a mutual notice period not exceeding six months shall apply. Fixed cash salary shall be disbursed during the notice period. As a starting point, no severance pay, or the equivalent, shall be disbursed.

Criteria for awarding variable cash remuneration, etc.

Variable cash remuneration shall aim to promote Cinis Fertilizer's business strategy and long-term interests, including its sustainability interest. The variable cash remuneration must be dependent

on the individual's achievement of annually established criteria. In this way, the remuneration is clearly linked to the individual's work effort and accomplishment. Criteria can be financial or non-financial, qualitative or quantitative, and must be based on factors that support the Company's business strategy and long-term interests, including its sustainability interest, by for example, having a clear connection to value creation and the Company's development. The outcome of the variable cash remuneration shall be monitored annually. To which extent the criteria for awarding variable cash remuneration has been satisfied shall be determined when the measurement period has ended. The board of directors is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the Company. The Company must be able to reclaim variable cash remuneration in accordance with legislation or agreement, with potential restrictions set out in such legislation or agreement, that has been paid on incorrect grounds.

Salary and employment conditions for employees

In the preparation of the board of directors' proposal of these remuneration guidelines, the company's employees' salary and employment conditions have been considered by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the board of directors' decision material when evaluating whether the guidelines and the limitations set out herein are reasonable.

The decision-making process to determine, review and implement the guidelines

The board of directors has not established a remuneration committee. Instead, the board of directors fulfils the tasks incumbent upon such a committee. The committee's tasks include preparing the board of directors' decision to propose guidelines for the senior executives' remuneration. The board of directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until

new guidelines are adopted by the general meeting. A remuneration committee shall also monitor and evaluate programs for variable remuneration for the senior executives, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the group. The managing director and other members of the senior executives do not participate in the board of directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

The board of directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve Cinis Fertilizer's long-term interests, including its sustainability, or to ensure the Company's financial viability.

Remuneration for board of directors

The remuneration amounts granted for the board or directors, including the chairman, are established in a resolution at the annual general meeting. The Company's annual general meeting held on 25 May 2022 resolved to pay remuneration in a total amount of SEK 200,000 to the chairman of the board and SEK 80,000 each to the other board members. Board members have no entitlement to benefits after their assignment as a board member has ended.

Remuneration for the CEO and other senior executives

The CEO is entitled to monthly remuneration of SEK 80,000. As of 1 January 2022, the CEO is entitled to occupational pension insurance according to the Company's policy on insurance. A mutual notice period of six months applies between the Company and the CEO. The CEO is not entitled to any severance pay.

Other senior executives receive a fixed salary of between SEK 75,000 and SEK 80,000 and have a mutual notice period of between three and six months. Other senior executives are entitled to occupational pension insurance.

Remuneration during the 2021 financial year

The table below presents an overview of remunerations to the board of directors elected by the shareholders' meeting and to the senior executives during the 2021 financial year.

Name	Basic salary/ Board fee	Variable remuneration	Pension benefits	Other remuneration	Total
Board members					
Roger Johansson, chairman ¹⁾	-	-	-	-	-
Viktoria Bergman ²⁾	-	-	-	-	-
Sten Hedbäck ²⁾	-	-	-	-	-
Anna Kinberg Batra ²⁾	-	-	-	-	-
Åsa Källenius ²⁾	-	-	-	-	-
Morgan Sadarangani ²⁾	-	-	-	-	-
Jakob Liedberg ³⁾	-	-	-	-	-
Linda Kyung-Hee Frygell, deputy ⁴⁾	-	-	-	-	-
Senior executives					
Jakob Liedberg, Chief Executive Officer	240,000	-	-	-	240,000
Other senior executives (0)	-	-	-	-	-
Total	240,000	-	-	-	240,000

1) Roger Johansson was elected as board member on 4 June 2021 and as chairman on 13 August 2021.

2) Elected as board member on 17 September 2021.

3) Jakob Liedberg was a board member until 17 September 2021 and chairman until 13 August 2021.

4) Linda Kyung-Hee Frygell was a deputy board member until 17 September 2021.

Incentive programme

For a description of the Company's incentive programme, see section "Share capital and ownership structure – Incentive programme".

Internal control

Internal control consists of the control of the Company's and the Group's organisation, procedures and support measures. The objective is to ensure that reliable and accurate financial reporting takes place, that the Company's and the Group's financial reporting is prepared in compliance with laws and applicable accounting standards, that the Company's assets are protected and that other requirements are met. The system for internal control is also intended to monitor compliance with the Company's and the Group's policies, principles and instructions. Internal control also involves risk analysis and monitoring information and business systems.

The Group identifies, assesses and manages risks based on the Group's vision and goals. Risk assessment of strategic, compliance, operational and financial risks is performed annually by the CFO and presented to the board of directors.

The board is responsible for internal control. Processes for managing the business and delivering value are to be defined in the business management system. The CEO is responsible for the structure of business processes within the Group.

A self-assessment of minimum requirements of defined controls for mitigating identified risks in each business process is performed and reported on annually to the board of directors. The CFO is responsible for this self-assessment process, which is facilitated through effective internal control. In addition, the internal control function assesses risk controls and internal systems based on the plan agreed upon with the board and Group executives.

Audit

The auditor shall review the Company's annual report and accounts as well as the management of the Company by the board of directors and CEO. After the end of each financial year the auditor shall submit an audit report for the Company and the Group to the annual general meeting.

Pursuant to the Company's articles of association, the Company shall have one to two auditors and no more than two deputy auditors or one registered public accounting firm. The Company's auditor is Mazars AB, reg. no. 556439-2099, with Michael Olsson as the Auditor-in-Charge. The Company's auditor is presented in more detail in the section "*Board of directors, senior executives and auditor*".

Share capital and ownership structure



General information

Pursuant to the Company's articles of association, the Company's share capital may not be less than SEK 566,644 and not more than SEK 2,266,576, and the number of shares may not be less than 56,664,400 and not more than 226,657,600. As of 30 June 2022, the Company's share capital was SEK 566,644 distributed over 56,664,400 shares. The shares are denominated in SEK and each share has a quota value of SEK 0.01.

All shares in the Company have been issued pursuant to Swedish law. All issued shares are fully paid for and are freely transferrable. With the exception of the undertaking to refrain from transferring shares in the Company for a certain period from the first day of trading in the Company's shares on the Nasdaq First North Growth Market by, among others, the Principal Owners, the shares in the Company are freely transferable under applicable law. See also the section "*Undertaking to refrain from selling shares*".

The offered shares are not subject to a mandatory bid obligation, redemption rights or sell-out obligation. No public takeover bid has been made for the offered shares during the current or preceding financial year.

Certain rights associated with the shares

The offered shares are all of the same class. The rights associated with the shares issued by the Company, including those pursuant to the articles of association, can only be amended in accordance with the procedures set out in the Swedish Companies Act (2005:551).

Voting rights

Each share in the Company entitles the holder to one vote at shareholders' meetings and each shareholder is entitled to cast votes equal in number to the number of shares held by the shareholder in the Company.

Preferential rights to new shares etc.

If the Company issues new shares, warrants or convertibles in a cash issue or a set-off issue, the shareholders are, as a general rule, to have preferential rights to subscribe for such securities proportionally to the number of shares held prior to the issue.

Rights to dividends and balances in the event of liquidation

All shares in the Company confer equal rights to dividends and to the Company's assets, and possible surpluses in the event of liquidation.

Resolutions regarding dividends are passed at shareholders' meetings. All shareholders recorded in the share register maintained by Euroclear Sweden on the record date determined by the shareholders' meeting are entitled to receive dividends. Dividends are normally distributed to shareholders as a cash payment per share through Euroclear Sweden, but may also be paid out in a manner other than in cash (in-kind dividend). If a shareholder cannot be reached through Euroclear, the shareholder still retains its claim on the Company for the dividend amount, subject to a statutory limitation period of ten years. Upon expiry of the period of limitation, the dividend passes to the Company.

There are no restrictions on the right to dividends for shareholders domiciled outside Sweden. Shareholders not resident in Sweden for tax purposes must normally pay Swedish withholding tax, see also section "*Certain tax considerations in Sweden*".

Information on takeover bids and redemption of minority shares

According to the Swedish Corporate Governance Board's Takeover Rules for certain trading platforms, persons who do not hold any shares or who hold shares representing less than three tenths (3/10) of the votes for all the shares in a Swedish limited liability company whose shares are admitted for trading on the Nasdaq First North

Growth Market (the "Target Company") and who by means of acquisition of shares in the Target Company, individually or together with a related party, reach a shareholding that represents at least three tenths (3/10) of the votes for all the shares in the Target Company, are to immediately announce the size of their shareholding in the Target Company and, within four weeks of this, submit a public takeover bid for the remaining shares in the Target Company (mandatory bid obligation).

A shareholder who, individually or through a subsidiary, owns more than 90 percent of the shares in a Swedish limited liability company ("Majority Shareholders") is entitled to redeem the remaining shares in the Target Company. The owners of the remaining shares ("Minority shareholders") have a corresponding right to have their shares redeemed by the Majority Shareholders. The procedure for redemption of minority shareholders' shares is set out in detail in the Swedish Companies Act (2005:551).

Dividends and dividend policy

Cinis Fertilizer is in an expansive growth phase and has not yet provided any dividends. According to the Company's dividend policy the board of directors intends to allow the Company to carry forward any profits to invest in the business and therefore does not anticipate that any dividends will be paid in the near future. Future dividends, may however, be provided as Cinis Fertilizer's results and financial position allow this.

Central Securities Depository

The Company's shares are registered in a CSD register in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479). This register is maintained by Euroclear Sweden AB Box 191, SE-101 23 Stockholm. No share certificates have been issued for the Company's shares. The ISIN code for the shares is SE0018040784.

Share capital development

The below table shows historical changes in the Company's share capital since Cinis Fertilizer was founded.

		Share capital (SEK)					
Date for registration with the Swedish Companies Registration Office	Event	Change in number of shares	Change in number of votes	Total number of shares	Total number of votes	Change	Total
28 March 2018	Founding	1,000 ¹⁾	1,000	1,000	1,000	100,000	100,000
20 Sept 2021	Conversion to A shares and B shares	1,000 ²⁾	117	1,000 ³⁾	1,117	–	100,000
20 Sept 2021	New share issue	250 ⁴⁾	475	1,250 ⁵⁾	1,592	25,000	125,000
22 Nov 2021	Share split 1,000:1	1,248,750 ⁶⁾	1,590,408	1,250,000 ⁷⁾	1,592,000	–	125,000
22 Nov 2021	New share issue	166,610 ⁸⁾	166,610	1,416,610 ⁹⁾	1,758,610	16,661	141,661
2 March 2022	Conversion of A shares to B shares	–	342,000	1,416,610 ¹⁰⁾	1,416,610	–	141,661
30 May 2022	Conversion of B shares to shares	–	–	1,416,610 ¹¹⁾	1,416,610	–	141,661
30 May 2022	Bonus share issue	–	–	1,416,610	1,416,610	424,983	566,644
30 May 2022	Share split 40:1	55,247,790	55,247,790	56,664,400	56,664,400	–	566,644

1) At its founding, the Company had only one class of share with each share carrying 1 vote.

2) Conversion of 1,000 shares to 13 A shares and 987 B shares.

3) 13 A shares and 987 B shares.

4) 25 A shares and 225 B shares.

5) 38 A shares and 1,212 B shares.

6) 37,962 A shares and 1,210,788 B shares.

7) 38,000 A shares and 1,212,000 B shares.

8) 166,610 B shares.

9) 38,000 A shares and 1,378,610 B shares.

10) 1,416,610 B shares.

11) 1,416,610 shares. The Company only has one share class after the conversion.

New share issue in connection with the Offering and dilution

The board of directors intends to, based on an authorisation from the annual general meeting held on 25 May 2022, and ahead of the intended listing of the Company's shares on the Nasdaq First North Growth Market, resolve on issuance of not more than 13,793,103 shares under the Offering. At the request of the Managers, the Company's board of directors will also, based on the authorisation from the annual general meeting 2022, resolve on issuance of not more than 2,068,965 additional shares under the Overallotment Option. The board of directors has convened an extraordinary general meeting to be held on 20 October 2022 in order to approve the transfer of shares to the Cornerstone Investors who are so-called Leo persons according to Chapter 16 of the Swedish Companies Act (2005:551). See section "*Legal considerations and supplementary information – Cornerstone investors*" for more information. After completion of the Offering, assuming that the Offering is fully subscribed and the Overallotment Option is fully exercised, the total number of outstanding shares in the Company will increase by 15,862,068, from 56,664,400 to 72,526,468, corresponding to a dilution of 21.9 percent of the total number of outstanding shares in the Company after completion of the Offering.

As of 30 June 2022, the Company's net asset value will amount to approximately SEK 0.45 (based on equity of SEK 25,503,000 and 56,664,400 shares). The price per share in the Offering is SEK 29.

Convertibles, warrants, etc.

As of the date of the Prospectus, there are no outstanding warrants, convertibles or other financial instruments that could lead to dilution for existing shareholders if exercised, other than the warrants as described in the section "*Incentive programme*".

Incentive programme

As of the date of this Prospectus, the Company has an incentive programme based on outstanding warrants. The shareholders' meeting resolved on 17 September 2021 to issue 70,000 warrants in the Company. As of the date of this Prospectus, 42,000 warrants have been transferred to board members and employees of Cinis Fertilizer. The transfers were made based on the market price according to the Black-Scholes model. Each warrant entitles the holder, after remeasurement, to subscribe for 40 shares in the Company at a subscription price of SEK 18.75 per share. The warrants can be exercised to subscribe for shares from 1 October 2024 to 31 October 2024. If all of the warrants in the programme are exercised, the dilution would amount to 2.3 percent of the total number of shares in the Company after completion of the Offering, under the assumption that the Offering is fully subscribed and the Overallotment Option is fully exercised.

Authorisation to issue securities

At the annual general meeting on 25 May 2022, the board of directors was authorised, on one or more occasions, to resolve on the issue of new shares, warrants and/or convertibles at the latest by the time of the next annual general meeting. The issue of new shares, warrants and/or convertibles may be made with or without preferential rights for the Company's shareholders and may be made in cash and with or without a prescript of non-cash, set-off or other conditions.

The issued authorisation is intended to be used to conduct the Offering.

Shareholder agreements

As far as the board of directors is aware, at the date of the listing of the Company's shares on the Nasdaq First North Growth Market there will be no shareholder agreements or other arrangements between the Company's shareholders aimed at exercising a joint influence over the Company, or that could result in a change in control of the Company.

Ownership structure

The table below presents Cinis Fertilizer's ownership structure immediately before the Offering and directly after completion of the Offering. As indicated in the table below, after the completion of the Offering there will be no, direct or indirect, controlling shareholders.

Shareholder	Shareholding before the Offering		After the Offering (if the Overallotment Option is not exercised)		After the Offering (if the Overallotment Option is fully exercised)	
	Number of shares and votes	Percent	Number of shares and votes	Percent	Number of shares and votes	Percent
<i>Shareholders with holdings exceeding 5 percent of the shares</i>						
Jakob Liedberg ¹⁾	26,400,000	46.6	26,400,000	37.5	26,400,000	36.4
Roger Johansson ²⁾	13,600,000	24.0	13,944,827	19.8	13,944,827	19.2
Thomas Ranje ³⁾	10,000,000	17.6	11,206,896	15.9	11,206,896	15.5
<i>Shareholding board members and senior executives (other than above)</i>						
Viktoria Bergman ⁴⁾	83,320	0.1	83,320	0.1	83,320	0.1
Sten Hedbäck ⁵⁾	166,640	0.3	270,088	0.4	270,088	0.4
Anna Kinberg Batra ⁶⁾	83,320	0.1	83,320	0.1	83,320	0.1
Åsa Källenius ⁴⁾	833,320	1.5	1,005,733	1.4	1,005,733	1.4
Morgan Sadarangani ⁷⁾	833,320	1.5	2,557,457	3.6	2,557,457	3.5
Other existing shareholders	4,664,480	8.2	4,836,893	6.9	4,836,893	6.7
Total	56,664,400	100	60,388,534	85.7	60,388,534	83.3
Other new shareholders	–	–	10,068,969	14.3	12,137,934	16.7
Total	56,664,400	100	70,457,503	100	72,526,468	100

1) Chief Executive Officer.

2) Chairman of the board.

3) Privately held shares and through endowment insurance.

4) Holds shares through endowment insurance.

5) Holds shares through related-party's endowment insurance.

6) Holds shares through company.

7) Holds shares through company's endowment insurance.

Undertaking to refrain from selling shares

All shareholders in the Company before the Offering will, according to the Placing Agreement, undertake to refrain from selling their respective shares and other financial instruments that are held prior to the Offering for a certain period after commencement of trading on the Nasdaq First North Growth Market ("**Lock-Up Period**"). The Lock-Up Period for the Principal Owners will be 540 days from the first day of trading in the Company's shares. The Lock-Up Period for other board members and other senior executives and senior advisers will be 360 days from the first day of trading in the Company's shares. The Lock-Up Period for the other shareholders in the Company before the Offering will be 180 days from the first

day of trading in the Company's shares. The principal owners, other board members, other senior executives and senior advisers undertakes to refrain from selling any shares or other financial instruments acquired in or after the Offering throughout their respective Lock-Up period.

All the above commitments are subject to customary exceptions, for example a) acceptance of an offer to all holders of the Company's shares that is made in accordance with applicable rules on takeover bids on the stock market according to which the holders of the bid are treated equally; b) dispositions of securities within the same group as the shareholder; c) acceptance of an offer to all shareholders in the Company

regarding the Company's acquisition of own shares; or d) dispositions of securities to the extent required by law or by an authority by ruling from an authority. The Sole Global Coordinator (on behalf of the Managers) may grant exemptions from each commitment, which takes place on a completely discretionary basis.

After the end of the respective Lock-Up Period, the shares may be offered for sale, which may impact the share's market price.

Furthermore, the Company intends to make an undertaking to the Managers within the framework of the Placing Agreement not to issue shares for a period of 180 days from the settlement date in the Offering. See section *"Legal considerations and supplementary information – Placing agreement"* for more information of the Placing Agreement. Exemptions from the commitment apply for delivery of shares under incentive programs. Furthermore, the Sole Global Coordinator (on behalf of the Managers) may grant exemptions from the commitment on a discretionary basis.

Articles of association



N.B the English text is an unofficial translation.

*Articles of association for Cinis Fertilizer AB
Reg.no. 559154-0322*

§ 1 Name of company

The name of the company is Cinis Fertilizer AB.
The company is a public limited liability company (publ).

§ 2 Registered office

The registered office of the company is in Örnsköldsvik municipality. Shareholders' meeting can also be held in Stockholm municipality.

§ 3 Object of the company's business

The object of the company's business is to develop, manufacture and market mineral fertilizers and engage in activities compatible therewith.

§ 4 Share capital

The company's share capital shall not be less than SEK 566,644 and not more than SEK 2,266,576.

§ 5 Number of shares

The number of shares shall be not less than 56,664,400 and not more than 226,657,600.

§ 6 Board of directors

The board of directors shall consist of not less than three (3) and not more than ten (10) members without deputy directors.

§ 7 Auditor

The company shall have 1–2 auditors with not more than 2 deputy auditors or one registered public accounting firm.

§ 8 Notice of shareholders' meeting

Notices of shareholders' meetings shall be published in Post- och Inrikes Tidningar (the Swedish Official Gazette) and be kept available

on the company's website. At the time of the notice, an announcement with information that the notice has been issued shall be published in Dagens Industri.

Shareholders who wish to participate at a shareholders' meeting shall provide notification of their intention to attend the meeting no later than on the date stipulated in the notice convening the shareholders' meeting. The latter mentioned day must not be a Sunday, any other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and must not be more than the fifth weekday prior to the meeting. One or two assistants to the shareholder shall be entitled to attend the general meeting only if the shareholder has notified the company hereof in the manner set out above.

§ 9 Matters at annual general meetings

At the annual general meeting the following matters shall be addressed:

1. Election of a chairman of the meeting
2. Preparation and approval of the voting list
3. Election of one or two persons who shall approve the minutes of the meeting
4. Determination of whether the meeting was duly convened
5. Approval of the agenda
6. Presentation of the annual report and the auditors' report as well as the consolidated financial statements and the auditors' report for the group
7. Resolutions regarding:
 - a) the adoption of the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet
 - b) disposition of the company's earnings or loss in accordance with the approved balance sheet, and
 - c) discharge from liability from the board of directors and CEO

8. Determination of the number of board members and the number of auditors
9. Determination of remuneration to the board of directors and the auditors
10. Election of the board members, the chairman of the board and the auditors
11. Other matters, which shall be addressed in accordance with the Swedish Companies Act (2005:551) or the company's articles of association.

§ 10 Financial year

The company's financial year shall be 1 January – 31 December.

§ 11 Postal voting

Prior to a general meeting, the board of directors may decide that the shareholders shall be able to exercise their voting rights by post before the general meeting in accordance with what is stated in Chapter 7. Section 4a of the Swedish Companies Act (2005: 551).

§ 12 CSD clause

Any shareholder or nominee who, on the record date, is entered in the shareholders' register and listed in a CSD register, according to Chapter 4 of the Swedish Depositories and Financial Instruments Accounts Act (1998:1479), or who is listed on a CSD account according to Chapter 4, Section 18, first paragraph, 6–8 of the aforementioned Act, shall be deemed to be competent to exercise the rights pursuant to Chapter 4, Section 39 of the Swedish Companies Act (2005:551).

Accepted on the annual general meeting on 25 May 2022.

Legal considerations and supplementary information



Approval from the SFSA

The Prospectus has been approved by the SFSA, the competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council. The SFSA has approved this Prospectus only to the extent that it meets the criteria of completeness, intelligibility and consistency as set out in the Prospectus Regulation. This approval is not to be regarded as any form of support for the issuer referred to in this Prospectus. Nor should this approval be considered as in any way confirming the quality of the securities referred to in the Prospectus, and investors should make their own assessment of whether it is appropriate to invest in these securities. The Prospectus was approved by the SFSA on 13 October 2022. The Prospectus is valid up to 12 months after approval of the Prospectus provided that it is supplemented by the additional information required under Article 23 of Regulation (EU) 2017/1129. Any such supplement will be published on the Company's website. The obligation to provide supplements to the Prospectus in the event of new and significant circumstances, factual errors or material inaccuracies will cease to apply when the Prospectus is no longer valid.

General information about the Company and the Group

The Company's business name (and its commercial designation) is Cinis Fertilizer AB. The Company's corporate registration number is 559154-0322 and the registered office of the board of directors is in the Örnsköldsvik municipality. The Company was formed in Sweden on 5 May 2018 and registered with the Swedish Companies Registration Office on 28 May 2018. The Company is a Swedish public limited liability company whose business activities are conducted in accordance with the Swedish Companies Act (2005:551). The Company's LEI code is 6488R5365P1TL3DK2R87. The Company's head office address is Cinis Fertilizer AB, Bytaregatan 4D, 222 21 Lund and the telephone number is +46 768 581 286. Cinis

Fertilizer's website is www.cinis-fertilizer.com. Information on the website does not constitute part of the Prospectus.

The Company's current name was registered on 23 November 2021. Pursuant to the Company's articles of association, the object of the Company's business is to develop, manufacture and market mineral fertilizers and engage in activities compatible therewith.

Legal group structure

Cinis Fertilizer AB is the parent company in the Group which, as of the date of this Prospectus, consists of Cinis Fertilizer AB and two wholly-owned Swedish subsidiaries, Cinis Sweden AB, reg. no. 559322-4156, and Asset-KH AB, reg. no. 559379-9132.

Material agreements

Below is a summary of material agreements that have been entered into by the Group in the two years immediately preceding the date of the Prospectus and are, or could become, material or have been entered into by the Group at some point in time and contain terms under which the Group has a responsibility or right that is, or could become, material for the Group.

Sales and distribution agreement with Van Iperen International

On 30 July 2021 the Group entered into an agreement with Van Iperen International BV ("**Van Iperen International**") regarding the purchase of potassium sulphate. Under the agreement Van Iperen International has undertaken to purchase at 100,000 metric tonnes of potassium sulphate in 2024, 200,000 metric tonnes of potassium sulphate in 2025 and 300,000 metric tonnes of potassium sulphate per year from 2026 for the duration of the agreement.

A prerequisite for Cinis Fertilizer to be able to start its production is that the Company receives financing and relevant permits. According to the

agreement, the planned start of production is therefore subject to confirmation. The potassium sulphate will be delivered to Van Iperen International “Ex Works” according to Incoterms 2020.

According to the agreement, Cinis Fertilizer guarantees that the potassium sulphate will have the same quality as water-soluble potassium sulphate produced through the Mannheim process. In the event that the potassium sulphate does not meet the guaranteed quality and the Company does not succeed in taking measures to improve the quality so that it corresponds to the guaranteed quality, Van Iperen International has no obligation to fulfill the agreement. The company also has no obligation to purchase the above amounts of potassium sulphate in the event that the produced potassium sulphate does not have a near zero carbon footprint.

The price will be based on the market price of potassium sulphate and Van Iperen International will receive a 10 percent discount on the agreed market price. The agreement is for ten years from production start and will be renewed automatically for five years, unless notice of termination is provided no later than six months before the original agreement term expires. The notice period will thereafter remain six months. The agreement contains an exclusivity clause that gives Van Iperen International an option of first refusal on potassium sulphate produced by Cinis Fertilizer and the sole right to sell and market potassium sulphate as mineral fertilizer for agricultural purposes. The agreement is governed by Swedish law.

Delivery agreement with Northvolt

On 13 August 2021 the Company entered into an agreement with Northvolt AB (“**Northvolt**”) under which Cinis Fertilizer has undertaken to purchase Northvolt’s establishment in Skellefteå. In May 2022, the Company entered into a supplementary agreement with Northvolt, which in addition to the terms of the first collaboration regarding the establishment in Skellefteå, also contains preliminary terms for a collaboration regarding Northvolt’s planned establishment in Borlänge (the original agreement and supplementary agreement are collectively referred to as the “**Agreement**”).

The Agreement comprises approximately 250,000 metric tonnes of sodium sulphate per year from Northvolt’s establishment in Skellefteå, with planned delivery start in 2022, and approximately 200,000 metric tonnes of sodium sulphate per year from Northvolt’s planned establishment in Borlänge, with planned delivery start in 2026.

The price per metric tonne for residual products of sodium sulphate will be adjusted annually in accordance with the consumer price index starting 1 January 2025 regarding Northvolt’s establishment in Skellefteå and starting 1 January 2027 regarding Northvolt’s planned establishment in Borlänge. Cinis Fertilizer will receive a 25 percent discount on the price of the residual products from Northvolt’s establishment in Skellefteå until Cinis Fertilizer’s production starts, but no later than 31 December 2023. In accordance with the Agreement, Northvolt must receive written approval from Cinis Fertilizer to sell contracted residues of sodium sulphate to another customer.

According to the Agreement, Cinis Fertilizer shall have, at certain specified times (so-called milestones), among other things, obtained the necessary permits for its production plants and commenced commercial production at the Company’s production plants. In the event that these milestones are not met, Northvolt, after discussions between the parties, has the ultimate right to terminate the Agreement.

The Agreement will be in effect until 31 December 2031. The Agreement will be automatically extended by ten years unless notice of termination of the Agreement is provided no later than 24 months before the original contract term expires. The Agreement is governed by Swedish law.

Credit Facility Agreement with Nordea and Swedish Export Credit Corporation

Cinis Fertilizer has entered into a credit facility agreement with Nordea and Swedish Export Credit Corporation. For more information about the agreement, see section “*Capital structure, indebtedness and other financial information – Credit Facility Agreement with Nordea and the Swedish Export Credit Corporation*”.

Letter of intent with BASF

The Company has entered into a letter of intent with a company within the BASF-group regarding the intent to buy sodium sulphate from one of BASF's facilities. The letter of intent is valid until the earlier of (i) 31 December 2023 and (ii) the parties entering into a binding supply agreement. Despite certain provisions regarding, for instance, confidentiality, governing law and dispute, the letter of intent is not binding between the parties. The letter of intent is governed by Finnish law.

Letter of intent with K+S

The Company has entered into a letter of intent with K+S Minerals Agriculture GmbH ("K+S"). The parties' intent is (i) that Cinis Fertilizer shall buy all its need of potassium chloride (MOP) from K+S, (ii) that K+S shall buy all produced sodium chloride from Cinis Fertilizer's production plants 1 and 2, and potentially also from production plants 3 and 4, and (iii) that K+S shall buy all Cinis Fertilizer's produced sodium sulphate (SOP) from production plants 3 and 4 from 2026. The parties intend to enter into a frame agreement regarding (i)-(iii) above, at the latest, during the fourth quarter of 2022, that shall be valid for five years with the option to extend the agreement another five years. The letter of intent is valid until the earlier of (a) 31 December 2022 and (b) that the parties enter into a binding agreement regarding (i)-(iii) above. During the term of the letter the parties shall not start discussions or enter into letters of intent with any third party with respect to (i)-(iii) above. Despite provisions regarding exclusivity, confidentiality, governing law and dispute, the letter of intent is not binding between the parties. The letter of intent is governed by Swedish law.

Intellectual property rights

As of the date of the Prospectus, the Company holds one patent family in Sweden, Finland and Canada intended to protect the application process for a fertilizer containing potassium sulphate from residues from the pulp and paper industry. Cinis Fertilizer's patent portfolio also consists of an additional four patent applications that have been filed with the Paten and Registration Office but have not yet been approved. The first patent applications pertains to the application process of sodium sulphate from residues of battery manufacturing plants. The second patent applications pertains to the application process of sodium sulphate from residues of steel production plants. The third

patent applications pertains to the application process of sodium sulphate from battery plants. The fourth patent application pertains to the application process of sodium sulphate from residues products from the manufacture of sodium ion batteries. On 24 May 2022, the Company also filed an international PCT application to WIPO (World Intellectual Property Organization) based on the three first Swedish patent applications. The international patent application gives the Company an option on protection in approximately 150 countries. The Company also intends to apply for further patents in the future. For more information about Cinis Fertilizer's patents, see section "*Business overview – Business model – Patents*".

The Company has submitted an application for registration of the word mark "CINIS FERTILIZER" and Cinis Fertilizer's logotype as a figurative mark in the EU. The applications have been reviewed and approved by the European Union Intellectual Property Office, EUIPO, on 21 June 2022. After approval, there is a three-month objection period during which companies can object to the applications. If no companies object to the registration, the application process is completed after this objection period. The Company owns the domain name cinis-fertilizer.com.

Other than patents and other intellectual property rights that can be registered, the Company is taking active steps to protect its trade secrets and the know-how of its employees. This is being done, among other things, by all of the Company's employment contracts containing wording on the transfer of intellectual property to the Company and necessary confidentiality clauses, and by all employment contracts with members of the senior executives containing clauses preventing the employee from operating a competing business for a certain period after their employment has ended.

Regulatory, legal or arbitration proceedings

Cinis Fertilizer has not been a party in any regulatory, legal or arbitration proceedings (including proceedings not yet ruled on or that in the Company's knowledge may occur) during the past 12 months, which have had, or could have, a material impact on the Company's financial position or profitability.

Insurance

The Company has customary insurance policies for the business, such as business insurance and liability insurance covering the board of directors and the senior executives. The Company's insurance cover is subject to ongoing review and it is the assessment of the Company that the current insurance cover is sufficient to cover the risks that the Company's operations are exposed to.

Placing agreement

Under the terms of a placing agreement that the Company intends to sign on 20 October 2022 with the Managers ("**Placing Agreement**"), the Company undertakes to issue 13,793,103 shares in the Company to the investors mediated by the Managers. Furthermore, the Company intends to provide an Overallotment Option, involving a pledge to, at the request of the Managers and no later than 30 days from the first day of trading in the Company's shares, issue an additional maximum of 2,068,965 shares in the Company, corresponding to a maximum of 15 percent of the number of shares in the Offering at a price corresponding to the price in the Offering. The Overallotment Option may only be exercised for the purpose of covering any overallotment as part of the Offering but can be used for stabilisation (see also the section "*– Stabilisation*").

Under the Placing Agreement the Company will provide customary guarantees to the Managers, primarily regarding the accuracy of the information in the Prospectus, that the Prospectus and the Offering meet the relevant legal and regulatory requirements, and that there are no legal or other obstacles to the Company entering into the agreement or to completion of the Offering. In accordance with the Placing Agreement the Managers' undertaking to find investors, is subject to, among other things, the guarantees provided by the Company being correct. Under the Placing Agreement, the Company will, subject to customary reservations, undertake to indemnify the Managers against certain claims under certain conditions.

Stabilisation

In connection with the Offering, ABGSC may conduct transactions aimed to support the market price of the shares at a level above those which might otherwise prevail in the market. Such stabilisation transactions may be carried out on the Nasdaq First North Growth Market, in the over-the-counter (OTC market) or otherwise, at any time during the period beginning on the first day of trading in the shares on Nasdaq First North Growth Market and ending not later than 30 calendar days thereafter. ABGSC is, however, under no obligation to undertake any stabilisation transactions and there is no guarantee that stabilisation will be carried out.

Stabilisation, if undertaken, may be discontinued at any time without prior notice. Under no circumstances will transactions be conducted at levels above the price in the Offering. ABGSC is to disclose that stabilisation transactions have been undertaken in accordance with article 5(4) in the Market Abuse Regulation 596/2014 no later than by the end of the seventh trading day after stabilisation transactions have been undertaken. Within one week of the end of the stabilisation period, ABGSC will announce whether or not stabilisation was undertaken, the date stabilisation began, the date of the last stabilisation transaction, and the price range within which stabilisation was carried out for each of the dates on which stabilisation transactions were executed.

Cornerstone investors

Livförsäkringsbolaget Skandia, Ömsesidigt, Molindo Energy AB, Thomas Ranje (private and through Ranje Kapital AB), GADD & Cie S.A., Strand Kapitalförvaltning AB, Cicero Fonder AB, Poularde AB, SEB Investment Management AB and certain board members and existing shareholders¹⁾ have provided an undertaking to the Managers and the Company to acquire shares in the Offering equivalent to a total of approximately SEK 291 million. These commitments from the Cornerstone Investors represent a total of approximately 14.2 percent of the number of shares and votes in the Company following the completion of the Offering (provided that the

1) Åsa and Paul Källenius hold, before the completion of the Offer, 833,320 shares in the Company and have undertaken to acquire 172,413 shares in the Offer. Sten Hedbäck holds (through related-party's endowment insurance), before the completion of the Offer, 166,640 shares in the Company and has undertaken to acquire 103,448 shares in the Offer. Investment AB Jarlen holds, before the completion of the Offer, 500,000 shares in the Company and has undertaken to acquire 172,413 shares in the Offer. Roger Johansson holds, before the completion of the Offer, 13,600,000 shares in the Company and has undertaken to acquire 344,827 shares in the Offer. See the section "*Share capital and ownership structure – Ownership structure*" for further information.

Overallotment Option is not exercised). The Cornerstone Investors will receive no compensation for their respective undertakings and their investments will be made on the same terms as those for other investors in the Offering. It is the assessment of the Managers and the board of directors of the Company that the Cornerstone Investors have good credit ratings and thus will be able to meet their respective

obligation. The Cornerstone Investors' undertaking is, however, not secured by a bank guarantee, blocked funds, pledge or similar arrangement. The Cornerstone Investors' undertaking is associated with certain terms including that a certain distribution of the Company's shares must be achieved in connection with the Offering and that the Offering is to be completed within a certain period.

Cornerstone Investors	Undertaking (amounts in MSEK)	Amount of shares	Commitment (%) of the total amount of shares in the Company after the completion of the Offering (provided that the Overallotment Option is not exercised)
Livförsäkringsbolaget Skandia, Ömsesidigt	50	1,724,137	2.4
Molindo Energy AB ¹⁾	50	1,724,137	2.4
Thomas Ranje (private and through Ranje Kapital AB) ²⁾	35	1,206,896	1.7
GADD & Cie S.A.	30	1,034,482	1.5
Strand Kapitalförvaltning AB	30	1,034,482	1.5
Cicero Fonder AB	25	862,068	1.2
Poularde AB	25	862,068	1.2
SEB Investment Management AB	23	793,103	1.1
Certain board members and existing shareholders ³⁾	23	793,101	1.1
Total	291	10,034,474	14.2

1) Molindo Energy AB holds, before the completion of the Offer, 833,320 shares in the Company. See the section "Share capital and ownership structure – Ownership structure" for further information.

2) Thomas Ranje holds, before the completion of the Offer, 10,000,000 shares in the Company. See the section "Share capital and ownership structure – Ownership structure" for further information.

3) Åsa and Paul Källenius hold, before the completion of the Offer, 833,320 shares in the Company and have undertaken to acquire 172,413 shares in the Offer. Sten Hedbäck holds (through related-party's endowment insurance), before the completion of the Offer, 166,640 shares in the Company and has undertaken to acquire 103,448 shares in the Offer. Investment AB Jarlen holds, before the completion of the Offer, 500,000 shares in the Company and has undertaken to acquire 172,413 shares in the Offer. Roger Johansson holds, before the completion of the Offer, 13,600,000 shares in the Company and has undertaken to acquire 344,827 shares in the Offer. See the section "Share capital and ownership structure – Ownership structure" for further information.

Related-party transactions

For information on transactions with related parties during the 2021, 2020 and 2019 financial years, see Note 12 in the Company's audited financial statements as of and for the financial years ended 31 December 2021, 2020 and 2019 and Cinis Fertilizer's audited consolidated financial statements as of and for the nine-day period ended 31 December 2021. For information on related-party transactions during the period 1 January 2022 – 30 June 2022, see Note 11 in Cinis Fertilizer's unaudited interim report for the six-month period ended 30 June 2022. The Company's and the Group's audited financial statements and the Company's and the Group's interim report are included in the section "Historical financial information".

There have been no related-party transactions after 30 June 2022 that are, either individually or combined, of a material nature for Cinis Fertilizer. For information on remuneration for board members and senior executives, see the section "Remuneration for board members, the CEO and other senior executives".

Advisor interests

In connection with the Offering, the Managers provide the Company with financial advice and other services, for which the Managers will receive compensation. From time to time, the Managers may provide the Company with various banking-, financial-, investment-, commercial- and other services in the course of day-to-day business operations and in connection with other transactions, for which the Managers may receive compensation. Nordea is also lender to the Company as of the date of the Prospectus.

Advokatfirman Schjødt is legal advisor in connection with the Offering and the listing, and may provide additional legal advice to the Company.

All companies with shares admitted to trading on the Nasdaq First North Growth Market have a certified adviser who monitors compliance with relevant rules. The Company has appointed FNCA Sweden AB (Box 5807, 102 48 Stockholm) as its certified adviser. FNCA Sweden AB does not own any shares in the Company.

Offering costs

The Company's costs relating to the Offering and the listing on the Nasdaq First North Growth Market amount to approximately SEK 39 million (provided that the Offering is fully subscribed and the Overallotment Option is fully exercised). The costs are mainly related to commissions for Managers, legal advice, audit fees, marketing materials and marketing campaigns, as well as fees payable to Nasdaq and the Swedish Financial Supervisory Authority.

Documents made available for inspection

Cinis Fertilizer's articles of association and registration certificate are available for inspection during office hours at the Company's head office Cinis Fertilizer AB, Bytaregatan 4D, 222 21 Lund. These documents are also available in electronic format on Cinis Fertilizer's website, www.cinis-fertilizer.com/investors. Information on the Company's website is not part of this Prospectus unless the information is incorporated by reference.

Certain tax considerations in Sweden

Tax legislation in the country where an investor is liable to taxation and in the country where an issuer is registered may impact the investor's income on an investment in the securities in the Offering.

Summary of certain tax considerations

The following is a summary of certain Swedish tax considerations relating to the Offering and admission to trading of shares in Cinis Fertilizer on the Nasdaq First North Growth Market. Unless otherwise specified, the summary applies only to natural persons and limited liability companies subject to tax liability in Sweden. The summary is based on current legislation in Sweden and does not address all of the tax consequences that may arise. It is solely intended as general information on the shares in Cinis Fertilizer from the date they are admitted for trading on the Nasdaq First North Growth Market. For example, the summary does not cover:

- situations where shares are held as inventory assets in business operations;
- situations where shares are held by limited partnerships or partnerships;
- situations where shares are held in an investment savings account or owned through an endowment insurance;
- the specific rules on tax-exempt capital gains (including non-deductible capital losses) and dividends in the corporate sector which may apply when investors hold shares in Cinis Fertilizer that are considered to be held for business purposes;
- the specific rules which may in certain cases become applicable to shares in companies which are, or have been, closely held companies or shares acquired on the basis of such shares;
- the specific rules which may become applicable to natural persons who apply or reverse an investor deduction;
- foreign enterprises conducting business from a permanent establishment in Sweden;
- foreign enterprises which have been Swedish enterprises; or
- certain categories of tax payers, for example investment companies, mutual funds and insurance companies.

The tax treatment of each individual shareholder depends in part on their particular situation. Each shareholder should therefore consult an independent tax adviser regarding the tax consequences that the Offering and admission of the Cinis Fertilizer's shares for trading on the Nasdaq First North Growth Market may have for the holder, including the applicability and impact of foreign rules and tax treaties.

General information on taxation in connection with selling shares

The capital gain or the capital loss is normally calculated as the difference between proceeds from the sale, after deduction of sales costs, and the acquisition cost for tax purposes. The acquisition cost for all shares of the same class and type is calculated jointly using the average method. Alternatively, when selling listed shares, the acquisition cost may be determined using the standardised method at 20 percent of the proceeds from the sale after deduction of selling costs.

Natural persons

In the case of natural persons who are subject to unlimited tax liability in Sweden, capital income such as dividends and capital gains is taxed as income from capital assets. The tax rate for income from capital assets is 30 percent.

Capital losses on listed shares may be fully deducted against taxable capital gains that arise in the same year on shares or on listed securities taxed as shares (but not shares in mutual funds or special funds that consist only of Swedish receivables, so-called fixed-income funds). Capital

losses that are not offset using the offsetting options mentioned are deductible from income from capital assets at 70 percent.

If a net loss arises in income from capital assets, a reduction of the tax on income from service and business activities, as well as property tax and municipal tax, is permitted. The tax reduction is 30 percent of the portion of the loss up to SEK 100,000 and 21 percent of the remaining loss. A deficit may not be saved for future tax years.

In the case of natural persons who are subject to unlimited tax liability in Sweden, preliminary tax on dividends of 30 percent is withheld. The preliminary tax is usually withheld by Euroclear or by the nominee in the case of nominee-registered shares.

Limited liability companies

In the case of limited liability companies, all income, including taxable capital gains and taxable dividends, is taxed as income from business activities at 20.6 percent (for fiscal years beginning after 31 December 2020). To calculate capital gains or capital losses, see the section “*General information on taxation in connection with selling shares*” above.

Deductible capital losses on shares may only be offset against taxable capital gains on shares and other securities that are taxed as shares. If certain conditions are met, capital losses of this kind may also be offset against taxable capital gains on shares and other securities that are taxed as shares in companies within the same group, provided that group contributions are allowed between the companies. Capital losses which have not been able to be utilised in a certain year may be saved and offset against taxable capital gains on shares and other securities taxed as shares in subsequent tax years, with no time limit.

Shareholders with limited tax liability

For shareholders with limited tax liability in Sweden and who receive dividends on shares in a Swedish limited liability company, Swedish withholding tax is normally withheld. The tax rate is 30 percent. However, the tax rate is generally reduced by means of tax treaties that Sweden has entered into with other countries to avoid double taxation. In Sweden, withholding tax deductions are normally carried out by Euroclear or, in the case of nominee-registered shares, by the nominee. Most of Sweden’s tax treaties enable the Swedish tax to be reduced to the tax rate in the treaty directly at the time the dividend is paid if the required information on the person entitled to the dividend is available. If the person who received the dividend is entitled to pay a lower tax rate under the applicable tax treaty and if Swedish withholding tax is deducted at 30 percent, a rebate may be requested by submitting a claim to the Swedish Tax Agency before the end of the fifth calendar year after the dividend was paid.

Shareholders who have limited tax liability in Sweden and who do not operate from a business with a permanent establishment in Sweden are not normally taxed on capital gains in Sweden upon the sale of shares. Under a special rule, however, natural persons with limited tax liability in Sweden are subject to capital gains tax in Sweden on the sale of shares if they have been a resident of or lived in Sweden at any time during the calendar year of the sale or in the preceding ten calendar years. In a number of cases, however, the applicability of this rule is limited by tax treaties.

Definitions

The Cornerstone Investors	Livförsäkringsbolaget Skandia, Ömsesidigt, Molindo Energy AB, Thomas Ranje (private and through Ranje Kapital AB), GADD & Cie S.A., Strand Kapitalförvaltning AB, Cicero Fonder AB, Poularde AB, SEB Investment Management AB and certain board members and existing shareholders.
Cinis Fertilizer, the Company or the Group	Cinis Fertilizer AB, the Group in which Cinis Fertilizer AB is the parent company or a subsidiary within the Group, depending on the context.
ABGSC	ABG Sundal Collier AB.
Joint Bookrunners	ABGSC, Nordea and Pareto.
The Offering	The Offering of shares in accordance with this Prospectus.
The Offering Price	SEK 29.
Euroclear Sweden	Euroclear Sweden AB.
Principal Owners	Jakob Liedberg and Roger Johansson.
The Code	Swedish Corporate Governance Code.
The Managers	ABGSC, Nordea and Pareto.
SEK m	Millions of Swedish kronor.
Nasdaq First North Growth Market	The Nasdaq First North Growth Market, a registered growth market for small and medium enterprises, in accordance with the Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as enacted in national laws in Denmark, Finland and Sweden, as operated by the (various) stock exchanges that are in the Nasdaq Group.
Nordea	Nordea Bank Abp, branch in Sweden.
Pareto	Pareto Securities AB.
Placing Agreement	Agreement on placing of shares as described in the section “ <i>Legal considerations and supplementary information – Placing agreement</i> ”.
The Prospectus	This Prospectus.
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council.
SEK	Swedish kronor.
Sole Global Coordinator	ABGSC.
USD	US Dollar.

The image features a field of grain, likely wheat or barley, under a warm, golden sunset sky. The grain stalks are silhouetted against the bright light of the setting sun, creating a dramatic, high-contrast scene. Overlaid on the image is a large, semi-circular graphic composed of three concentric, overlapping bands in shades of dark green, light grey, and medium grey. The text "Historical financial information" is centered within the light grey band of this graphic.

Historical financial information

Historical financial information



Financial information for the period January – June 2022

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Financial information for the period January – June 2022

The Group's consolidated statement of comprehensive income

Amounts in SEK thousands	Note	1 January – 30 June 2022
Operating income		
Other operating income		14
Operating expenses		
Other external expenses	7	-7,072
Personnel costs	7	-5,223
Depreciation/amortisation		-5
Other operating expenses		-13
Operating profit/loss		-12,299
Interest expense and similar profit/loss items		-4
Profit/loss before tax		-12,303
Tax		-
Profit/loss for the period		-12,303
Profit or loss for the period attributable to:		
- owners of the Parent Company		-12,303
Consolidated statement of comprehensive income		
Profit/loss for the period		-12,303
Other comprehensive income for the period		-
Comprehensive income for the period		-12,303
Comprehensive income for the period is attributable in its entirety to:		
- owners of the parent company		-12,303

The Group's consolidated statement of financial position

Amounts in SEK thousands	Note	30 June 2022
Assets		
Non-current assets		
<i>Property, plant and equipment</i>		
Equipment		26
Total property, plant and equipment		26
Total non-current assets		26
Current assets		
Accounts receivables		17
Other current receivables		4,077
Prepaid expenses and accrued income	8	18,919
Cash and cash equivalents		16,614
Total current assets		39,626
TOTAL ASSETS		39,626
Equity and liabilities		
Equity		
Share capital		567
Other capital contributions		40,777
Retained earnings		-15,840
<i>Equity attributable to owners of parent company</i>		25,503
Non-controlling interests		-
Total equity		25,503
Liabilities		
<i>Current liabilities</i>		
Accounts payable		8,002
Other current liabilities		554
Deferred income and accrued expenses		5,594
Total current liabilities		14,150
Total liabilities		14,150
TOTAL EQUITY AND LIABILITIES		39,653

The Group's consolidated statement of changes in equity

Amounts in SEK thousands	Note	Equity attributable to owners of parent company			Total equity
		Share capital	Other capital contributions	Retained earnings	
Opening balance 1 January 2022		142	41,144	-3,538	37,749
Profit for the period		-	-	-12,303	-12,303
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	-12,303	-12,303
Bonus issue		425	-425	-	-
Option premium		-	57	-	57
Total transactions with owners		425	-368	-	57
Closing balance 30 June 2022		567	40,777	-15,840	25,503

The Group's consolidated cash flow statement

Amounts in SEK thousands	Note	1 January – 30 June 2022
Operating activities		
Operating profit/loss		-12,299
Non-cash items		5
Cash flow from operating activities before working capital		-12,294
Operating receivables (+ decrease)		-22,485
Operating liabilities (+ increase)		13,308
Cash flow from working capital		-9,178
Cash flow from operating activities		-21,471
Investing activities		
Investments in property, plant and equipment		-32
Acquisitions of operations		-
Cash flow from investing activities		-32
Financing activities		
Option premium		57
Interest paid		-4
Cash flow from financing activities		53
Cash flow for the period		-21,450
Cash and cash equivalents at beginning of the period		38,063
Cash and cash equivalents at period-end		16,614

The parent company's statement of comprehensive income

Amounts in SEK thousands	Note	2022 1 January – 30 June	2021 1 January – 30 June
Operating income			
Other operating income		14	–
Operating expenses			
Other external expenses	7	–7,072	–398
Personnel costs	7	–5,223	–
Depreciation/amortisation		–5	–
Other operating expenses		–13	–
Operating profit/loss		–12,299	–398
Interest expense and similar profit/loss items		–4	–1
Profit/loss before tax		–12,303	–399
Tax		–	–
Profit/loss for the period		–12,303	–399
Parent company's statement of comprehensive income			
Profit/loss for the period		–12,303	–399
Other comprehensive income for the period		–	–
Comprehensive income for the period		–12,303	–399

The parent company's statement of financial position

Amounts in SEK thousands	Note	2022 30 June	2021 30 June
Assets			
Non-current assets			
<i>Property, plant and equipment</i>			
Equipment		26	–
Total property, plant and equipment		26	–
<i>Financial non-current assets</i>			
Participations in group companies		125	–
Total financial non-current assets		125	–
Total non-current assets		151	–
Current assets			
<i>Current receivables</i>			
Accounts receivables		17	–
Other current receivables		4,052	76
Prepaid expenses and accrued income	8	18,919	–
Total current receivables		22,987	76
<i>Cash and cash equivalents</i>			
Cash and bank balances		16,514	1,021
Total cash and cash equivalents		16,514	1,021
Total current assets		39,501	1,097
TOTAL ASSETS		39,653	1,097
Equity and liabilities			
Equity			
<i>Restricted equity</i>			
Share capital		567	125
Total restricted equity		567	125
<i>Unrestricted equity</i>			
Share premium reserve		40,677	1,225
Retained earnings		–3,438	–50
Profit/loss for the period		–12,303	–398
Total unrestricted equity		24,936	777
Total equity		25,503	902
Liabilities			
<i>Current liabilities</i>			
Accounts payable		8,002	191
Other current liabilities		554	–
Deferred income and accrued expenses		5,594	4
Total current liabilities		14,150	195
Total liabilities		14,150	195
TOTAL EQUITY AND LIABILITIES		39,653	1,097

The parent company's statement of changes in equity

Amounts in SEK thousands	Note	Restricted equity		Unrestricted equity		Total equity
		Share capital	Other capital contributions	Retained earnings	Profit for the period	
Opening balance, 1 January 2021		100	–	10	–58	52
Profit/loss for the period		–	–	–	–399	–399
Other comprehensive income for the period		–	–	–	–	–
Comprehensive income for the period		–	–	–	–399	–399
Disposal of previous period's profit/loss		–	–	–58	58	–
New share issue		25	1,225	–	–	–
Total transactions with owners		25	1,225	–	–	1,250
Closing balance, 30 June 2021		125	1,225	–48	–399	902
Opening balance 1 January 2022		142	41,044	–48	–3,389	37,749
Profit/loss for the period		–	–	–	–12,303	–12,303
Other comprehensive income for the period		–	–	–	–	–
Comprehensive income for the period		–	–	–	–12,303	–12,303
Adjustment of previous year's profit/loss		–	–	–3,389	3,389	–
Bonus issue		425	–425	–	–	–
Option premium		–	57	–	–	57
Total transactions with owners		–425	–368	–	–	57
Closing balance 30 June 2022		567	40,677	–3,438	–12,303	25,503

The parent company's cash flow statement

Amounts in SEK thousands	Note	2022	2021
		1 January – 30 June	1 January – 30 June
Operating activities			
Operating profit/loss		–12,299	–398
Non-cash items		5	–
Cash flow from operating activities before working capital		–12,294	–398
Operating receivables (+ decrease)		–22,485	–71
Operating liabilities (+ increase)		13,308	168
Cash flow from working capital		–9,178	97
Cash flow from operating activities		–21,471	–301
Investing activities			
Investments in property, plant and equipment		–32	–
Acquisition of operations and participations		–100	–
Cash flow from investing activities		–132	–
Financing activities			
New share issue		–	1,250
Option premium		57	–
Interest paid		–4	–1
Cash flow from financing activities		53	1,249
Cash flow for the period		–21,550	948
Cash and cash equivalents at beginning of the period		38,063	74
Cash and cash equivalents at period-end		16,514	1,021

Notes

Note 1 General information

Cinis Fertilizer is a Swedish greentech company that will produce an environmentally friendly mineral fertilizer, potassium sulphate (SOP), by recycling industrial residues from the pulp and paper industry and from electric car battery production. The Parent Company, Cinis Fertilizer AB, with corporate registration number 559154-0322, is a Swedish limited liability company with its registered office in Örnköldsvik. The Parent Company's participations in group companies as of 30 June 2022 consisted of the wholly owned subsidiary Asset SK AB (559322-4156). The Group was formed on 23 December 2021.

Note 2 Accounting principles

The Group's consolidated financial statements for Cinis Fertilizer AB have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, the Swedish Annual Accounts Act (ÅRL) and RFR 1 "Supplementary Accounting Rules for Groups", issued by the Swedish Financial Reporting Board. The Parent Company's financial statements have been prepared in accordance with the Annual Accounts Act and RFR 2, "Accounting for Legal Entities".

This interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting".

The accounting principles and calculation methods applied are consistent with those described in the 2021 annual report. New standards and interpretations that had entered into force as of 1 January 2022 have not had any effect on the Group's or the Parent Company's financial statements for the interim period.

Property, plant and equipment

Depreciation periods applied	Number of years
Equipment, tools, fixtures and fittings	3

Note 3 Significant risks and uncertainties

Cinis Fertilizer's operation and financial position is affected by a number of internal factors that the Company controls combined with a number of external factors where the possibilities to affect the outcome is limited. As a relatively young company with no commercial production, the Company is exposed to a number of operational and financial risks. The Company's financial position is affected by, among other things, the price of the final product potassium sulphate, SOP, and the input product potassium chloride, MOP. An account of the Company's significant risks and risk management can be found in the Company's annual report 2021.

Note 4 Financial instruments

All financial assets and liabilities have been measured at amortised cost, which in all cases is considered the same as fair value.

Note 5 Significant events after the end of the financial year

- The environmental permit application for the planned production plant in Skellefteå was announced at the Land and Environmental Court
- A credit facility agreement for the Company's first production facility has been entered into with Nordea and the Swedish Export Credit Corporation (Sw. *Svensk Exportkredit*).

Note 6 Segment reporting

Cinis AB's CEO, who is the highest decision-maker, monitors and analyses the performance and financial position of the Company as a whole and thus the Company only consists of one reporting segment.

Note 7 Operating expenses

Operating expenses consist essentially of personnel costs and other external expenses relating to the launch of operations.

Note 8 Prepaid expenses

Prepaid expenses essentially consist of fees for electricity connection and financing costs.

Note 9 Seasonal effects

There are currently no apparent seasonal variations that will affect Cinis Fertilizer's sales.

Note 10 Warrants

In 2021 the shareholders' meeting decided to issue 70,000 warrants in the Company. In 2021, 41,000 and in 2022, 1,000 warrants were transferred to employees of Cinis Fertilizer. The transfers were made based on the market price according to the Black-Scholes model. Each warrant entitles the holder, after remeasurement, to subscribe for 1 share in the Company at a subscription price of SEK 750 per share. The warrants can be exercised to subscribe for shares from 1 October 2024 to 31 October 2024. Since the Company is reporting negative earnings, the outstanding warrants will not give rise to any dilution.

Note 11 Transactions with related parties

1 November 2019, a patent was transferred "Process for production of fertilizer comprising potassium sulfate with application number 3004882 in Canada" from Arotech Engineering AB to Cinis Fertilizer. The transfer was documented on 15 February 2022 in a separate agreement.

Under the shareholder agreement between the Cinis Fertilizer shareholders, dated 1 April 2021, patent 1451569-5 in Sweden (SE 537 954) "Process for production of fertilizer comprising potassium sulfate" as well as patent 3004882 in Canada has been transferred to Cinis Fertilizer from Arotech Engineering. The transfer was documented on 20 January 2022 in a separate agreement.

Arotech Engineering AB is owned by Jakob Liedberg (CEO and shareholder in Cinis Fertilizer AB).

No goods or services have been purchased from senior executives or from any other parties related to the Group, nor have there been any sales of this nature.

Auditor's Review Report

Independent auditor's report on review of financial interim information

To the board of directors of Cinis Fertilizer AB (publ), corp. reg. no. 559154–0322

Introduction

We have reviewed the condensed interim financial information, included on pages F-2–F-8 of this prospectus, for Cinis Fertilizer AB (publ) as of June 30 2022 and for the six-month period ending at that date. The interim financial information comprises the following reports:

- condensed income statement for the group and the parent company during the six-month period ending on 30 June 2022;
- condensed statement on comprehensive income for the group and the parent company during the six-month period ending on 30 June 2022;
- condensed statement of financial position for the group and the parent company as of 30 June 2022;
- condensed statement on cash flows for the group and the parent company during the six-month period ending on 30 June 2022; and
- supplementary information to the interim financial information.

It is the board of directors and the managing director who are responsible for preparing and fairly presenting the condensed financial information in accordance with IAS 34 and RFR 2. Our responsibility is to express a conclusion on the Condensed Financial Information based on our review.

Focus and scope of the review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and other generally accepted auditing standards, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The expressed conclusion based on a review does not therefore have the degree of assurance as an expressed conclusion based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial information as of 30 June 2022 and for the six-month period ending at that date, has not, in all material respects, been prepared in accordance with IAS 34 for the Group and in the case of the parent company, in accordance with RFR 2.

Stockholm, 13 October 2022

Mazars AB

Michael Olsson
Authorised Public Accountant

Financial information for financial years 2021, 2020 and 2019

The Group's consolidated statement of comprehensive income for the nine-day period ended 31 December 2021

Amounts in SEK thousands	Note	23 December–31 December 2021
Operating income		
Net sales		–
Operating expenses		
Other external expenses	3	–19
Personnel costs	4	–28
Operating profit/loss		–47
Profit/loss before tax		–47
Tax	5	–
Profit/loss for the period		–47
Comprehensive profit or loss for the period is attributable in its entirety to:		
– owners of the parent company		–47
– non-controlling interests		–
Consolidated statement of comprehensive income		
Profit/loss for the period		–47
Other comprehensive income for the period		–
Comprehensive income for the period		–47
Profit or loss for the period attributable in its entirety to:		
– owners of the parent company		–47
– non-controlling interests		–

The Group's consolidated statement of financial position for the nine-day period ended 31 December 2021

Amounts in SEK thousands	Note	31 December 2021
Assets		
Current assets		
Other current receivables		527
Cash and cash equivalents	6	38,063
Total current assets		38,591
TOTAL ASSETS		38,591
Equity and liabilities		
Equity		
Share capital	9	142
Other capital contributions		41,144
Retained earnings including net profit for the year		-3,538
Equity attributable to owners of parent company		37,749
Non-controlling interests		-
Total equity		37,749
Liabilities		
<i>Current liabilities</i>		
Accounts payable		568
Other current liabilities		169
Accrued expenses		106
Total current liabilities		843
Total liabilities		843
TOTAL EQUITY AND LIABILITIES		38,591

The Group's consolidated statement of changes in equity for the nine-day period ended 31 December 2021

Equity attributable to owners of parent company

Amounts in SEK thousands	Note	Share capital	Other capital contributions	Retained earnings	Total equity
Opening balance, 23 December 2021		142	41,144	-3,491	37,796
Profit/loss for the period		-	-	-47	-47
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	-47	-47
Closing balance 31 December 2021		142	41,144	-3,538	37,749

The Group's consolidated cash flow statement for the nine-day period ended 31 December 2021

Amounts in SEK thousands	Note	23 December–31 December 2021
Operating activities		
Operating profit/loss		-47
Non-cash items		-
Income tax paid		-
Cash flow from operating activities before working capital		-47
Operating receivables (+ decrease)		15
Operating liabilities (+ increase)		-17
Cash flow from working capital		-2
Cash flow from operating activities		-49
Cash flow for the period		-49
Cash and cash equivalents at beginning of the period		38,112
Cash and cash equivalents at period-end	6	38,063

The parent company's statement of comprehensive income

Amounts in SEK thousands	Note	1 January– 31 December 2021	1 January– 31 December 2020	1 January– 31 December 2019
Operating income				
Net sales		–	–	–
Operating expenses				
Other external expenses	3	–3,030	–58	–40
Personnel costs	4	–358	–	–
Operating profit/loss		–3,388	–58	–40
Profit/loss from financial items				
Interest expense and similar profit/loss items		–1	–	0
Profit/loss after financial items		–3,389	–58	–40
Tax	5	–	–	–
Profit/loss for the year		–3,389	–58	–40
Parent Company's statement of comprehensive income				
Profit/loss for the year		–3,389	–58	–40
Other comprehensive income for the year		–	–	–
Comprehensive income for the year		–3,389	–58	–40

The parent company's statement of financial position

Amounts in SEK thousands	Note	31 December 2021	31 December 2020	31 December 2019
Assets				
Non-current assets				
<i>Financial non-current assets</i>				
Participations in group companies	7	25	–	–
Total financial non-current assets		25	–	–
Total non-current assets		25	–	–
Current assets				
<i>Other current receivables</i>				
		503	5	16
Total current receivables		503	5	16
<i>Cash and cash equivalents</i>				
Cash and bank balances		38,063	74	98
Total cash and cash equivalents	6	38,063	74	98
Total current assets		38,566	79	114
TOTAL ASSETS		38,591	79	114
Equity and liabilities				
	9			
Equity				
<i>Restricted equity</i>				
Share capital		142	100	100
Total restricted equity		142	100	100
<i>Unrestricted equity</i>				
Share premium reserve		41,044	–	–
Retained earnings		–48	10	50
Profit/loss for the year		–3,389	–58	–40
Total unrestricted equity		37,607	–48	10
Total equity		37,749	52	110
Liabilities				
<i>Current liabilities</i>				
Accounts payable		568	23	4
Other current liabilities		169	–	–
Deferred income and accrued expenses		105	4	–
Total current liabilities		842	27	4
Total liabilities		842	27	4
TOTAL EQUITY AND LIABILITIES		38,591	79	114

The parent company's statement of changes in equity

Amounts in SEK thousands	Note	Restricted equity		Unrestricted equity		Total equity
		Share capital	Share premium reserve	Retained earnings	Profit for the year	
Opening balance, 1 January 2019		100	–	100	–50	150
Profit/loss for the year		–	–	–	–40	–40
Other comprehensive income for the year		–	–	–	–	–
Comprehensive income for the year		–	–	–	–40	–40
Disposal of previous year's profit/loss		–	–	–50	50	–
Closing balance, 31 December 2019		100	–	50	–40	110
Opening balance, 1 January 2020		100	–	50	–40	110
Profit/loss for the year		–	–	–	–58	–58
Other comprehensive income for the year		–	–	–	–	–
Comprehensive income for the year		–	–	–	–58	–58
Disposal of previous year's profit/loss		–	–	–40	40	0
Closing balance, 31 December 2020		100	–	10	–58	52
Opening balance, 1 January 2021		100	–	10	–58	52
Profit/loss for the year		–	–	–	–3,389	–3,389
Other comprehensive income for the year		–	–	–	–	–
Comprehensive income for the year		–	–	–	–3,389	–3,389
Disposal of previous year's profit/loss		–	–	–58	58	–
New share issue		42	41,195	–	–	–
Issue costs		–	–340	–	–	–
Option premium		–	190	–	–	–
Total transactions with owners		42	41,044	–	–	41,086
Closing balance, 31 December 2021		142	41,044	–48	–3,389	37,749

The parent company's cash flow statement

Amounts in SEK thousands	Note	1 January– 31 December 2021	1 January– 31 December 2020	1 January– 31 December 2019
Operating activities				
Operating profit/loss		-3,388	-58	-40
Non-cash items		-	-	-
Income tax paid		-	-	-
Cash flow from operating activities before working capital		-3,389	-58	-40
Operating receivables (+ decrease)		-498	11	-3
Operating liabilities (+ increase)		815	23	4
Cash flow from working capital		318	34	1
Cash flow from operating activities		-3,071	-25	-39
Investing activities				
Investments in property, plant and equipment		-	-	-
Acquisition of operations and participations		-25	-	-
Cash flow from investing activities		-25	-	-
Financing activities				
New share issue		40,896	-	-
Option premium		190	-	-
Interest paid		-1	-	0
Cash flow from financing activities		41,085	-	-
Cash flow for the year		37,989	-25	-39
Cash and cash equivalents at beginning of year		74	98	138
Cash and cash equivalents at year-end		38,063	74	98

Notes

Note 1 General information

The Parent Company Cinis Fertilizer AB, corporate registration number 559154-0322 is a Swedish limited liability company with its registered office in Örnsköldsvik. At the end of 2021 the Cinis Group consisted of two companies in Sweden. Annual financial statements and consolidated financial statements will be presented at the annual general meeting.

Note 2 Accounting principles

Conformity with laws and standards.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as approved by the European Commission for application within the EU. The Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups has also been applied. The Parent Company applies the same accounting principles as the Group except as stated below in the section "Parent company accounting principles".

The most important accounting principles applied in the preparation of these consolidated financial statements are presented below. These principles have been applied consistently for all years presented unless otherwise indicated.

Conditions when preparing the Group's financial statements.

Cinis Fertilizer AB's consolidated financial statements are based on historical acquisition cost, other than for non-current assets held for sale. Non-current assets held for sale are recognised at the lower of the carrying amount and fair value after deducting selling costs. Offsetting of receivables and liabilities and of income and costs is only done if this is required or expressly permitted according to IFRS.

The preparation of the financial statements in accordance with IFRS requires management to make assessments, estimates and assumptions that affect the application of the accounting principles and thus also the carrying amounts. Estimates and assumptions are based on historical experience and a number of other factors that are considered reasonable based on the circumstances. The results of these estimates and assumptions are then used to assess the carrying amounts of assets and liabilities that are not clearly apparent from other sources. Actual results may differ from these estimates and assessments. Estimates and assumptions are reviewed on a regular basis.

There are no critical assessments or material sources of uncertainty in the estimates as of the report date that would involve a material risk of significant adjustments being required to recognised amounts of assets and liabilities in future financial years.

New IFRS that entered into force in 2021.

The new IFRS that entered into force during the 2021 financial year have not had any material impact on the Groups financial statements.

New IFRS that are not yet being applied.

A number of new IFRS have not entered into force for the 2021 financial year and have therefore not been applied in the preparation of these financial statements. The Company's does not expect any of these new IFRS to have any material impact on the consolidated financial statements.

Classification

The Group's non-current assets and non-current liabilities consist, in all material respects, of amounts that are expected to be recovered or paid more than twelve months

after the balance sheet date. The Group's current assets and current liabilities consist, in all material respects, only of amounts that are expected to be recovered or paid within twelve months of the balance sheet date.

Consolidated financial statements

The consolidated financial statements have been prepared in accordance with the Group's accounting principles and include reporting for the Parent Company, Cinis Fertilizer AB, and all Group companies. Group companies are consolidated from the date the Group gains control of or a controlling influence over the company. The Group controls a company when the Group is exposed or has the right to variable returns from its holding in the company and has the ability to affect those returns through its control over the company. Divested companies are included in the consolidated financial statements until the date the Group loses control or its controlling influence over them.

Subsidiaries

Subsidiaries are companies over which Cinis Fertilizer has a controlling influence. The purchase method is applied in consolidated accounting. With this method, an acquisition of a subsidiary is considered a transaction through which the Group indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities.

The consolidation cost is established in an acquisition analysis performed in connection with the acquisition. This analysis establishes the cost of participations or operations, and the fair value on the acquisition date of acquired identifiable assets and assumed liabilities and contingent liabilities. The cost of a participations or operations is calculated as the total, at the acquisition date, of the fair value of assets acquired plus liabilities that have arisen or been taken over, as well as equity instruments issued as payment in return for the acquired net assets. Any contingent considerations are measured at fair value. If cost exceeds the fair value of the acquired company's net assets, the difference is recognised as goodwill. If cost is less than the fair value of the acquired company's net assets, the difference is recognised directly in operating profit or loss. Acquisition-related expenses are recognised directly in operating profit or loss. In connection with remeasurement of the fair value of a contingent consideration, the amount is recognised in operating profit or loss.

Transactions eliminated upon consolidation

Intra-group receivables and liabilities, revenue and costs, as well as gains and losses arising in intra-group transactions, are eliminated in their entirety when the consolidated accounts are prepared.

Employee benefits

Salaries, benefits and other remuneration for employees are recognised as an expense in operating profit or loss as and when the employees perform services in return for remuneration.

Taxes

Income taxes consist of current and deferred tax. Income taxes are recognised in profit or loss unless the underlying transaction is directly recognised in other comprehensive income or directly in equity, in which case the related tax effect is recognised in other comprehensive income or equity, respectively.

Current tax is tax to be paid or received in the current year applying the tax rates enacted or substantively enacted as of the balance sheet date. This includes adjustment of current tax relating to previous periods.

Deferred income tax is calculated according to the balance sheet method based on temporary differences between the carrying amount of assets and liabilities and their value for tax purposes. The deferred tax amount is based on how carrying amounts of assets or liabilities are expected to be realised or settled, and on tax rules that are enacted or substantively enacted as of the balance sheet date. Deferred tax assets pertaining to deductible temporary differences and loss carryforwards are only recognised to the extent it is likely that they will be used. The amount of deferred tax assets is reduced if it is no longer deemed likely that they can be used.

Financial assets

The Group's financial assets consist of cash and cash equivalents. Purchases and sales of financial assets are recognised on the transaction date, i.e., the date the Group undertakes to purchase or sell the asset. Accounts receivables are recognised when the invoice has been dispatched. Financial assets are derecognised from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred, and the Group has transferred essentially all risks and benefits associated with owning the assets.

Financial assets are initially recognised at fair value plus transaction expenses.

Financial assets measured at amortised cost

Financial assets in this category have a business model involving receiving contractual cash flows, and that the assets' contractual cash flows consist solely of payment of principal and interest. Assets in this category consist of cash and cash equivalents.

Impairment of financial assets measured at amortised cost

Impairment of financial assets is based on expected future credit losses. A simplified method is applied for accounts receivable whereby calculation of the loss reserve is based on anticipated credit losses for the remaining time until maturity. The impairment amount includes future changes in anticipated credit losses recognised in the Group's operating profit or loss.

The Group in general defines credit-deteriorated assets as assets that are overdue by more than 90 days or assets where there is observable data indicating that there will be a measurable decrease in estimated future cash flows.

Non-current assets/disposal groups held for sale and discontinued operations

Discontinued operations consist of significant operations that have been disposed of or that constitute a disposal group held for sale and of subsidiaries that have been acquired to be sold on. Profit after tax from discontinued operations including changes in value is recognised on a separate line in the income statement.

The implication of a group of assets and liabilities being classified as held for sale is that their carrying amounts will be largely recovered when they are sold and not through use. All assets in the group are presented on a separate line among assets and all of the liabilities in the group are presented on a separate line among liabilities. The group is measured at the lower of carrying amount and fair value after deducting selling costs.

Financial liabilities

The Group's financial liabilities consist of accounts payable. Financial liabilities are recognised in the balance sheet when the counterparty has performed and there is a contractual obligation to pay. Accounts payable are recognised once an invoice has been received. Financial liabilities are derecognised from the balance sheet when

the contractual obligation is met or in another way extinguished.

Financial liabilities are initially recognised at fair value plus transaction expenses.

Financial liabilities measured at amortised cost

The Group's other financial liabilities are recognised in this category. Other financial assets are measured at amortised cost. Accounts payable have short expected maturity and are therefore measured at a nominal amount with no discount.

Provisions

A provision is recognised in the balance sheet among current and non-current liabilities when the Company has a legal or constructive obligation as a result of an event that has occurred and it is likely that an outflow of financial resources will be required to settle the obligation and the amount can be reliably estimated.

Contingent liabilities

Information is provided on a contingent liability when there is a possible obligation stemming from past events, the occurrence of which depends on one or more uncertain future events, or where there is an obligation that is recognized as a liability or provision because it is not likely that an outflow of resources will be required or if the amount cannot be estimated with sufficient reliability.

Cash flow statement

The cash flow statement shows incoming and outgoing payments. The indirect method has been applied for operating activities. In addition to cash and bank balances, the category of cash and cash equivalents includes short-term, liquid investments with an original maturity of less than three months.

Parent Company accounting principles

The Parent Company applies the Annual Accounts Act (ÅRL) and RFR 2 Accounting for Legal Entities, issued by the Swedish Financial Reporting Board. The differences between the Group's and the Parent Company's accounting principles are presented under the headings below. The accounting principles for the Parent Company described below have been applied consistently for all periods presented in the Parent Company's financial statements.

Changed accounting principles

The Parent Company started to apply RFR 2 in 2021. The transfer date was 1 January 2019. Previously the Swedish Accounting Standards Board's general guidelines (BFNAR 2016:10) on annual reporting for smaller entities were applied. The changes to the accounting principles have not had any effect on the Parent Company's accounting, other than that additional financial statements are provided in accordance with RFR 2.

Presentation format

The income statement and balance sheet are presented according to the Annual Account Act's presentation format. This means that there are differences compared with the consolidated financial statements, in particular differences in financial income and expense, and equity.

Participations in subsidiaries

Participations in subsidiaries are recognised at cost after deducting any impairment losses. Cost includes the purchase consideration paid for the shares as well as acquisition costs. Any capital contributions are added to cost as they arise. The value of subsidiaries is tested if there is any indication of impairment.

Note 3 Auditor's fees

Mazars AB	Group	Parent Company		
	2021	2021	2020	2019
Audit services	7	50	–	–
Audit-related activities besides the audit assignment	–	–	–	–
Tax advisory services	–	–	–	–
Other services	–	–	–	–
Total	7	50	–	–

Audit assignment fees constitute the auditor's compensation for the statutory audit. The assignment involves examining the annual financial statements, the consolidated financial statements and the accounting records, the administration of the Company by the board of directors and CEO, and fees for audit advisory services provided in connection with the audit.

Note 4 Payroll expenses

Average number of employees	Group	Parent Company		
	2021	2021	2020	2019
Men	0	0	–	–
Women	–	–	–	–
Total	0	0	–	–

On 31 December 2021 the number of employees was one person who is employed in Sweden

Board members and other senior executives as of the balance sheet date	Group	Parent Company		
	2021	2021	2020	2019
<i>Women;</i>				
Board members	3	3	–	–
Other senior executives	–	–	–	–
<i>Men;</i>				
Board members	3	3	1	1
Other senior executives	1	1	–	–
Total	7	7	1	1

Payroll expenses	Group	Parent Company		
	2021	2021	2020	2019
Salaries and other remuneration	18	240	–	–
Social security contributions	6	75	–	–
Pension benefits	–	–	–	–
Total	24	315	–	–

Breakdown of salaries and other remuneration between senior executives and other employees	Group	Parent Company		
	2021	2021	2020	2019
Salaries and other remuneration to senior executives	18	240	–	–
Of which bonuses or similar compensation for senior executives	–	–	–	–
Salaries and other remuneration to other employees	–	–	–	–
Total salaries and other remuneration within the Parent Company	18	240	–	–

No fees were paid to the board of directors of the Parent Company in 2019, 2020 or 2021.

Note 4 Payroll expenses, cont.

Remuneration for senior executives 2021	Basic salary / fee	Variable remuneration	Other benefits	Pensions	Total
Jakob Liedberg, Chief Executive Officer	240	–	–	–	240
Other senior executives (0 individuals)	–	–	–	–	–
Total remuneration for senior executives	240	–	–	–	240

Remuneration for senior executives 2020	Basic salary / fee	Variable remuneration	Other benefits	Pensions	Total
Jakob Liedberg, Chief Executive Officer	–	–	–	–	–
Other senior executives (0 individuals)	–	–	–	–	–
Total remuneration for senior executives	–	–	–	–	–

A mutual notice period of six months applies between the Company and the CEO.

Warrants

The Group's incentive programme is described in Note 9.

Note 5 Tax on profit for the year

Reconciliation of tax for the year	Group	Parent Company		
	2021	2021	2020	2019
Recognised profit before tax	–47	–3,389	–58	–40
Tax based on the current tax rate	10	698	12	9
Effect of non-deductible expenses	–	–5	–	–1
Effect of non-taxable income	–	–	–	–
Effect of costs expensed in equity	–	70	–	–
Effect of deficit for which no deferred tax has been recognised	–10	–763	–12	–8
<i>Total</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Adjustments recognised in current year for tax from previous years	–	–	–	–
<i>Tax expensed recognised for the year</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>

No tax has been recognised directly in equity or other comprehensive income.

Tax loss carried forward for the Group as of 31 December 2021 = SEK 3,872,413

Deficits can be utilised without a time limit but may be affected by changes in ownership or capital injection and depending on in which jurisdiction the taxable gains arise.

Note 6 Cash and cash equivalents

	The Group	Parent Company		
	2021	2021	2020	2019
Bank balances	38,063	38,063	74	98
Total	38,063	38,063	74	98

Note 7 Participations in Group companies

	Parent Company		
	2021	2020	2019
Opening balance	–	–	–
Acquisitions	25	–	–
Closing balance	25	–	–
Book value – closing balance	25	–	–

The Parent Company has participations in the following subsidiaries:

Company, corporate registration number	Registered office	31 December 2021	31 December 2021
		Share of capital %	Carrying amount
Asset SK AB 559322-4156	Örnsköldsvik	100%	25

Note 8 Patents

In 2021 Cinis Fertilizer applied for three patents: “Process for treatment of a sodium sulfate containing residue process stream of a battery manufacturing facility” (25 May 2021), “Process for treatment of a sodium sulfate containing residue process stream from steel production plant” (25 November 2021) and “Process for treatment of a sodium sulfate containing residue process stream of battery recycling facility” (13 December 2021).

Note 9 Equity

As of 31 December 2021, the registered share capital consisted of 1,416,610 ordinary shares with a quota value of SEK 0.1/share. No shares are held by the Company itself or by its subsidiaries

Class of share	Number of votes	Amount
A	10	38,000
B	1	1,378,610

The shareholders' meeting decided on 17 September 2021 to issue 70,000 warrants in the Company. In 2021, 42,000 warrants were transferred to board members and employees of Cinis Fertilizer. The transfers were made based on the market price according to the Black-Scholes model. Each warrant entitles the holder, after remeasurement, to subscribe for 1 share in the Company at a subscription price of SEK 750 per share. The warrants can be exercised to subscribe for shares from 1 October 2024 to 31 October 2024.

Note 10 Capital management

The Group defines capital as equity as the Group currently has no debt financing. The Group's goal with respect to capital management is to ensure that the Group is able to operate and grow the business, and in the future to generate reasonable returns for the shareholders and benefits for other stakeholders. Changes in the Group's capital structure are presented in the consolidated statement of changes in equity.

Note 11 Financial risks

The main factors impacting the Company's financial risks are:

Market risk consists of interest rate risk and currency risk:

Interest rate risk: Cinis Fertilizer AB is not exposed to any material interest rate risk relating to financial assets as the Company's investments consist of bank deposits. *Currency risk:* Cinis Fertilizer AB has not had any sales, nor does it have any exposure to other currencies.

Credit risk: Cinis Fertilizer has not had any sales in 2021 nor has it been exposed to any counterparty with respect to accounts receivable.

Liquidity and financing risk: Cinis Fertilizer has reported a negative cash flow since the business was launched and the cash flow is expected to remain negative until Cinis Fertilizer generates revenue from production of SOP. The plan is for this to happen in Q1 2024. The planned expansion requires the Company to generate the financing needed to build production plants and to invest in processing equipment, and to have the environmental permit approved by the Swedish Land and Environmental Court.

Note 12 Transactions with related parties

On 1 November 2019 the patent entitled “Process for production of fertilizer comprising potassium sulfate with application number 3004882 in Canada” was transferred from Arotech Engineering AB to Cinis Fertilizer. The transfer was documented on 15 February 2022 in a separate agreement.

On 24 June 2020 the patent “Process for production of a fertilizer comprising potassium sulfate” in Finland was transferred from Arotech Engineering AB to Cinis Fertilizer.

Under a shareholder agreement between the Cinis Fertilizer shareholders dated 1 April 2021, the patent in Sweden (SE 537 954) “Process for production of fertilizer comprising potassium sulfate” has been transferred to Cinis Fertilizer from Arotech Engineering. The transfer was documented on 20 January 2022 in a separate agreement.

Arotech Engineering AB is owned by Jakob Liedberg (CEO and shareholder in Cinis Fertilizer AB).

No goods or services have been purchased from senior executives or from any other parties related to the Group, nor have there been any sales of this nature. No salary has been paid to and no transactions have taken place with related parties.

Information on remuneration for senior executives is presented in Note 4.

Note 13 Pledged assets and contingent liabilities

	The Group	Parent Company		
	31 December 2021	31 December 2021	31 December 2020	31 December 2019
Pledged assets	None	None	None	None
Contingent liabilities	None	None	None	None

Note 14 Significant events after the end of the financial year

- Henrik Andersson took up the position as CFO on 1 January 2022.
- Charlotte Becker took up the position as IR, Communications and Marketing Director on 1 January 2022.
- Pirkko Westin took up the position as Project Director on 10 January 2022.
- In March 2022 the Board of Directors decided on the Company's future operational and financial targets.
- Addendum agreement has been entered into with Northvolt for the purchase of sodium sulphate from Northvolt's planned facility in Borlänge.
- A non-binding financing offer regarding loans for the company's first production facility has been received from the Swedish Export Credit Corporation (Sw. *Svensk Exportkredit*) and Nordea.
- A Letter of intent has been entered into with a company within the BASF Group regarding the intent to purchase sodium sulphate to the production plants.
- A letter of intent has been entered into with K+S regarding that Cinis Fertilizer shall purchase MOP from K+S and that K+S shall purchase produced sodium chloride and SOP from Cinis Fertilizer.
- The environmental permit application for the first production facility in Örnsköldsvik was announced at the Land and Environment Court
- Cinis Fertilizer was granted a construction permit for the production plant in Örnsköldsvik
- The environmental permit application for the planned production facility in Skellefteå was announced at the Land and Environment Court
- A credit facility agreement for the Company's first production facility has been entered into with the Swedish Export Credit Corporation (Sw. *Svensk Exportkredit*) and Nordea

Note 15 Appropriation of profit

The following funds are at the disposal of the annual general meeting (SEK):

Share premium reserve	41,044,499
Retained earnings	-48,499
Profit for the year	-3,389,084
	<hr/>
	37,606,916

The board of directors proposes that the earnings be distributed as follows:

Carried forward	37,606,916
	<hr/>
	37,606,916

Note 16 Performance measure definitions

Equity/assets ratio

Adjusted equity as a percentage of total assets

Return on equity

Profit/loss after financial items as a percentage of average adjusted equity

Return on total capital

Operating profit/loss plus financial income as a percentage of average total assets

Cash ratio

Current assets excl. inventories as a percentage of current liabilities

Auditor's Review Report

Auditor's report on historical financial information

Independent auditor's report

To the board of directors of Cinis Fertilizer AB (publ), corp. reg. no. 559154-0322

Opinions

We have audited the financial statements for Cinis Fertilizer AB (publ) (the parent company) for the period of three financial years ending on 31 December 2021 as well as the consolidated financial statements for the company and its subsidiaries (the group) for the nine-day period ending on 31 December 2021. The financial statements for the parent company and the consolidated financial statements for the group are included on pages F-10–F-22 in this document.

In our opinion, the financial statements for the parent company have been prepared in accordance with the Annual Accounts Act (1995:1554), and present fairly, in all material respects, the financial position of the parent company as of 31 December 2019, 31 December 2020 and 31 December 2021, and of its financial performance and cash flow for the each of the three financial years ending on 31 December 2021 in accordance with the Annual Accounts Act (1995:1554). In our opinion the consolidated financial statements for the Group have been prepared in accordance with the Annual Accounts Act (1995:1554) and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and its financial performance and cash flow for the nine-day period ending on 31 December 2021 in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the section Auditor's responsibility. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the board of directors and the chief executive officer

The board of directors and chief executive officer are responsible for ensuring that the financial statements for the parent company and the consolidated financial statements for the Group are prepared and provide a true and fair view according to the Annual Accounts Act and, for the consolidated financial statements, according to IFRS as adopted by the EU.

The board of directors and the chief executive officer are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements for the parent company and the consolidated financial statements for the group, the board of directors and the chief executive officer are responsible for the assessment of the parent company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to the going concern and using the going concern basis of accounting. The going concern basis of accounting is, however, not applied if the board of directors and the chief executive officer intend to liquidate the company or cease operations, or have no realistic alternative but to do so.

The Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements for the parent company and consolidated financial statements for the group as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the parent company's and the group's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors and the chief executive officer.
- Conclude on the appropriateness of the board of directors' and the chief executive officer's use of the going concern basis of accounting in preparing the financial statements. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are

required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion about the financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company or a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the parent company and the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our opinions.

We must inform the board of directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Stockholm, 13 October 2022

Mazars AB

Michael Olsson
Authorised Public Accountant

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