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Örnsköldsvik

Press release 13 October 2022

## **Cinis Fertilizer announces offering of shares and publishes prospectus in connection with listing on Nasdaq First North Growth Market**

**On 10 October 2022, Cinis Fertilizer AB (“Cinis Fertilizer” or the “Company”), a company with the mission to produce the world’s most sustainable mineral fertilizer, announced its intention to conduct an offering of the Company’s shares (the “Offering”) as well as listing of the Company’s shares on Nasdaq First North Growth Market (the “Listing”). The Company has prepared a prospectus which today has been approved by the Swedish Financial Supervisory Authority (the “SFSA”) (Sw. *Finansinspektionen*) and published on the Company’s website.**

### The Offering in brief

- The price per share in the Offering is SEK 29 (the “Offering Price”), corresponding to a total market value of all outstanding shares in the Company of approximately SEK 2,043 million after the completion of the Offering, excluding potential over-allotment option.
- The Offering comprises 13,793,103 newly issued shares in the Company, corresponding to approximately SEK 400 million, before deduction of costs related to the Offering, corresponding to 19.6 percent of the total number of shares and votes in the Company after completion of the Offering, excluding potential over-allotment option.
- In order to cover any over-allotment in relation to the Offering, the Company has undertaken to issue up to 2,068,965 additional shares, corresponding to a maximum of 15 percent of the total number of shares in the Offering (the “Over-Allotment Option”).
- Provided that the Over-Allotment Option is exercised in full, the Offering will comprise of 15,862,068 shares, corresponding to approximately SEK 460 million.
- Livförsäkringsbolaget Skandia, Ömsesidigt, Molindo Energy, Thomas Ranje<sup>1</sup>, GADD & Cie, Strand Kapitalförvaltning, Cicero Fonder, Poularde, SEB Investment Management as well as certain board members and existing shareholders<sup>2</sup> have, subject to certain conditions, committed to acquire shares in the Offering for a total amount of approximately SEK 291 million. These commitments represent 13.8 percent of the Company’s shares and votes after completion of the Offering, and 63.3 percent of the shares in the Offering, provided that the Over-Allotment Option is exercised in full.
- The founders of the Company, i.e. the CEO and the Chairman of the Board, intend to enter undertakings to not sell shares (“Lock-up Undertakings”) for a period of 540 days from the first day of trading on Nasdaq First North Growth Market. Other board members, members of the management and the Company’s senior advisor, Thomas Ranje, intend to enter Lock-up Undertakings for a period of 360 days and other existing shareholders for a period of 180 days from the same date.

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<sup>1</sup> Private and through Ranje Kapital AB

<sup>2</sup> Roger Johansson (Chairman of the Board), Åsa and Paul Källenius, Sten Hedbäck (through related party’s endowment insurance) and Investment AB Jarlen



- The shares will be offered to the general public in Sweden and to institutional investors in Sweden and other jurisdictions in accordance with applicable laws and exemptions.
- The application period for the general public in Sweden and institutional investors is expected to be between 14 October - 20 October 2022.
- The first day of trading on Nasdaq First North Growth Market is expected to be 21 October 2022 under the ticker "CINIS". Settlement is expected to take place on 25 October 2022.
- Full terms, conditions, and instructions for the Offering are included in the prospectus which today has been approved by the Swedish Financial Supervisory Authority. The prospectus is available in Swedish and English on the Company's website, [www.cinis-fertilizer.com](http://www.cinis-fertilizer.com).

### **Background and reasons for the Offering**

The purpose of the Offering and Listing on Nasdaq First North Growth Market is to finance the equity share of the Company's construction of production plant 1. The Company estimates that the total cost for production plant 1 is around SEK 600 million, including a buffer for capital investments, installation and operation until the Company reaches a positive cash flow. The Company's wholly-owned subsidiary Cinis Sweden AB has 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 the debt share for 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 to: (i) finance production plant 1 and (ii) to strengthen the Company's balance sheet. The Company intends to finance production plants 2-4 through internally generated cash flows and loans.

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.

### **About Cinis Fertilizer**

Cinis Fertilizer was founded with the mission to produce the world's most sustainable mineral fertilizer and thus contribute to a 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 using residues from the electric car battery industry and the pulp industry.

Using a proven production technology that has existed since the mid-1950s, Cinis Fertilizer will produce potassium sulphate (SOP). The process that Cinis Fertilizer will use is protected by a patent family (with patent in Sweden, Finland and Canada) and four additional ongoing 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.

Cinis Fertilizer has entered long-term agreements exceeding ten years with key actors in the supply chain. The Company has entered an agreement with Northvolt for the supply of residues from electrical car battery manufacturing, both from Northvolt's plant in Skellefteå and the



plant that will be constructed in Borlänge. The Company has also entered an agreement with the customer Van Iperen International for the purchase of the Company's product, water-soluble SOP. As such, the Company has secured both the entire supply of residues necessary for production plant 1 and 2, as well as the majority necessary for production plant 3 combined with the sale of the entire produced volume of SOP from production plant 1 and 2 (at a value of around SEK 3.3 billion annually<sup>3</sup>) has been secured.

### Prospectus and application

A prospectus (in Swedish with an English translation), containing the Offering's complete terms and conditions, has been published today on Cinis Fertilizer's website ([www.cinis-fertilizer.com](http://www.cinis-fertilizer.com)), ABG Sundal Collier's website ([www.abgsc.com](http://www.abgsc.com)), Nordea's website ([www.nordea.se](http://www.nordea.se)), Pareto Securities' website ([www.paretosec.se](http://www.paretosec.se)), Avanza's website ([www.avanza.se](http://www.avanza.se)) and Nordnet's website ([www.nordnet.se](http://www.nordnet.se)). Applications from the general public in Sweden should be made through digital channels at Pareto Securities ([www.paretosec.se](http://www.paretosec.se)), Avanza ([www.avanza.se](http://www.avanza.se)) and Nordnet ([www.nordnet.se](http://www.nordnet.se)).

### Preliminary timetable

Application period for the general public in Sweden	14 October – 20 October 2022
Application period for institutional investors	14 October – 20 October 2022
First day of trading of the Company's shares	21 October 2022
Settlement date	25 October 2022

### Stabilisation measures

In connection with the Offering, ABG Sundal Collier AB ("**ABG Sundal Collier**") may, in its capacity as the Sole Global Coordinator and stabilisation manager, effect transactions aimed at supporting the market price of the share at levels above those which might otherwise prevail on the market. Such stabilisation transactions may be effected on Nasdaq First North Growth Market, in the over-the-counter market or otherwise, at any time during the period starting on the date of commencement of trading in the shares on Nasdaq First North Growth Market and ending no later than 30 calendar days thereafter. Stabilisation transactions aims at supporting the market price of the securities during the stabilisation period.

ABG Sundal Collier is not required to undertake any stabilisation transactions and there is no assurance that stabilisation will be undertaken. Stabilisation, if undertaken, may be discontinued at any time. In no event will stabilisation transactions be effected at levels above the Offering Price. ABG Sundal Collier shall, no later than by the end of the seventh trading day after stabilisation transactions have been undertaken, disclose information about the stabilisation transactions in accordance with Article 5(4) in the Market Abuse Regulation (EU) 596/2014. ABG Sundal Collier will, within one week of the end of the stabilisation period, make public whether or not stabilisation transactions were undertaken, the date at which the stabilisation transaction was undertaken, including the date at which stabilisation last occurred and the price range within which stabilisation transactions were carried out, for each of the dates during which stabilisation transactions were carried out.

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



## Advisors

ABG Sundal Collier is acting as Sole Global Coordinator and Joint Bookrunner. Nordea Bank Abp, branch in Sweden, ("**Nordea**") and Pareto Securities AB, ("**Pareto Securities**"), together with ABG Sundal Collier ("**Joint Bookrunners**") are Joint Bookrunners. Advokatfirman Schjødt is legal advisor to Cinis Fertilizer. Baker & McKenzie Advokatbyrå KB is legal advisor to Joint Bookrunners. Avanza Bank AB ("**Avanza**") and Nordnet Bank AB ("**Nordnet**") are Retail Managers in connection with the Offering.

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*Cinis Fertilizer is a Swedish green tech company aiming to produce the world's most environmentally friendly mineral fertilizer, potassium sulphate (SOP), by recycling industrial waste products from the pulp & paper industry as well as the car battery manufacturing industry. The patent protected technology will use half as much energy as today's production methods and the result is a fossil-free fertilizer with a close to zero carbon footprint, a unique and circular contribution enabling sustainable agriculture.*

## Important information

The release, announcement or distribution of this press release may, in certain jurisdictions, be subject to restrictions and the recipients of this press release in jurisdictions where this press release has been published or distributed shall inform themselves of and follow such legal restrictions. The recipient of this press release is responsible for using this press release, and the information contained herein, in accordance with applicable rules in each jurisdiction. This press release does not constitute an offer, or a solicitation of any offer, to buy or subscribe for any securities in the Company in any jurisdiction, neither from the Company nor from anyone else.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into the United States, Australia, Canada, Hong Kong, Japan, South Africa or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. A prospectus has been prepared and been scrutinized and approved by the Swedish



Financial Supervisory Authority (Sw. *Finansinspektionen*) which is the national competent authority in Sweden with regard to the Prospectus Regulation and thereafter been made public by the Company. A possible investment decision regarding the shares in the Company should only be taken on the basis of information in a prospectus which has published by the Company.

In the United Kingdom, this press release and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" (within the meaning of the United Kingdom version of the EU Prospectus Regulation (2017/1129/ EU) which is part of United Kingdom law by virtue of the European Union (Withdrawal) Act 2018) who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**relevant persons**"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

This press release does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new securities. Any investment decision to acquire or subscribe for securities in connection with the Offering must be made on the basis of all publicly available information relating to the Company and the Company's securities. Such information has not been independently verified by the Joint Bookrunners. The Joint Bookrunners are acting for the Company in connection with the Offering and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Offering or any other matter referred to herein.

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

### **Forward-looking statements**

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's and the Group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company and the Group operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies, and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the



assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or the Nasdaq First North Growth Market Rulebook.

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### **Information to distributors**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Company's securities have been subject to a product approval process, which has determined that such securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**EU Target Market Assessment**"). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the securities in the Company has led to the conclusion that: (i) the target market for such securities is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of such securities to eligible counterparties and professional clients are appropriate (the "**UK Target Market Assessment**" and, together with the EU Target Market Assessment, the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Company's securities may decline and investors could lose all or part of their investment; the Company's securities offer no guaranteed income and no capital protection; and an investment in the Company's securities is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an



appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Sole Global Coordinator will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II or UK MiFIR; 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 Company's securities.

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