

Acquisition of Eco International AB



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Eco International intends to sell the company with intellectual property rights to its two sustainable inventions Eco Land and Eco Sea

WHAT?

- Eco International AB is for sale including the intellectual property rights to the two sustainable inventions Eco Land and Eco Sea
- Eco Land and Eco Sea, one for land and one for water applications, are absorbents with unique capabilities like no other alternative on the market, they are biodegradable, more versatile, cheaper and easier to use
- The company acquisition includes

 the trade secret of the recipe with a
 patent pending
 - the unique production technique developed over 10 years
 - -CAD blueprints for required machinery
 - Existing machinery
 - Manufacturing personnel available

WHO?

- Eco International AB is a development company focusing on refining, completing and verifying early innovations to create a proof-of concept before selling the company to a suitable corporate or impact investor to commercialize it.
- Eco International focuses purely on impact innovations, building a more sustainable and environmentally friendly world for the many
- Owned by five investors, incl. CEO Thomas Gaterud and Chairman of the Board Pernilla Lindeborg who together represent the majority share of Eco International AB.

WHY?

- Eco International AB is a development company and does not have the intent to start its own large scale production and commercialize present products
- Eco International has
 - finalized the innovations
 - verified and optimized the production process and costs
 - tested, iterated and perfected the solutions towards the different markets
 - applied for patent

and is looking to sell the company to a player capable of taking the products to the market and realize the positive environmental impact on the world.



THE NEW "GOING GREEN"GENERATION ABSORBENTS



"We are extremely proud to present the 100% biodegradable absorbents Eco Land and Eco Sea to the world" - The inventors



Rare opportunity to acquire a company with two unique inventions and gain a large advantage over competitors in a growing, world wide, market

Next generation proprietary bio-absorbents	 Unique method to get rid of undesired liquid by being the only absorbent combining Outstanding performance - fast absorption, high capacity, no leakage, safe, easy to use, versatile Perfect end-result - leaves surface dry and clean, no additional clean-up required, contains odors Biodegradable - does not harm the environment, circularity from raw material to being disposed as valuable soil Affordable - is based on an abundant commodity, efficient production process, low lifecycle cost
Huge growing market driven by regulations in favor of bio alternatives	 Large existing need to remove unwanted liquids in almost all industries, incl. manufacturing, shipping, rescue services, sanitation and healthcare Global market for only industrial absorbents reached 3.9 bn USD in 2019, with a future est. growth of 5% p.a. driven by the bio absorbent segment Increased focus on biodegradability, recyclability and creating the circular economy considered main drivers for future market growth Additional untapped market potential for new bio absorbents where existing absorbents currently aren't considered suitable solutions Increasing environmental concerns puts pressure on corporates and governments to take action against liquid pollution - further driving demand
Predicted market gap with supply deficit of relevant bio alternatives	 New regulations forcing the market to shift to biodegradable methods to remove unwanted liquids creating a supply deficit the coming years as no competitors offer a product that is (1) environmentally friendly, (2) effective and efficient, (3) safe to handle and (4) does not leak An arising market gap forecasted for the coming years until supply eventually catches up
Great potential for a highly profitable business with low variable cost	 Versatile products that can cater to the broad demand from a variety of industries and purposes without adaptation Low supply risk as raw material is abundant and traded as a commodity world wide The unique recipe and production process is what creates the value in turning basic raw material into advanced absorbent, a one time investment Efficient manufacturing process and machinery has been developed to produce large volumes in a small facility requiring limited labor Competitors and existing alternatives are unrefined with regards to product sophistication and business model, large room for improvement
Rare opportunity to acquire a unique invention at the right time	 As awareness and regulations increase the overall need for absorbents while shifting the market towards environmentally friendly alternatives over the coming years there is an opportunity now to capitalize on a rare emerging market gap Eco Land and Eco Sea have taken 10 years of R&D to develop and are several years ahead of any competitors' solutions Proof of concept has been established with great market response and large scale production can be set up in a few months at low cost anywhere in the world.



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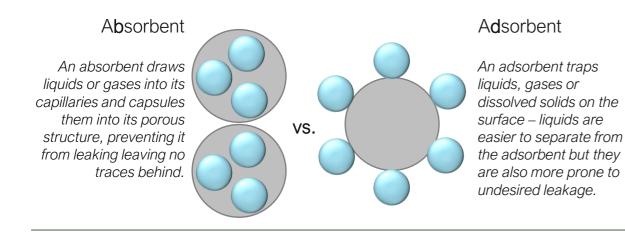
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Absorbents contain and/or remove unwanted liquids in a broad range of application areas across most industries and in various formats

The absorbent market refers to any material that removes an unwanted liquid from a surface or other liquid such as:



The absorbent market is comprised of both absorbents and adsorbents



7 (0		0	ABSORBENT MATERIAL	
		Natural organic Carbon-based (e.g. straw, hay, saw dust)	Natural inorganic Clay, perlite, vermiculite, glass wool, sand, or volcanic ash	Synthetic e.g. polyurethane, polyethylene, and polypropylene
REA	Universal	e.g. saw dust, straw, SpillFix, Eco Land	e.g. sand, gravel, Absol, Absodan	e.g. Extrasorb
APPLICATION AREA	Oil only	e.g. BioSorbe Eco Sea		e.g. SPC
APPL	ical IAT)			

Absorbents segmented both according to their purpose and makeup

Regardless of classification, absorbents can be purchased and used in many different formats depending on the purpose

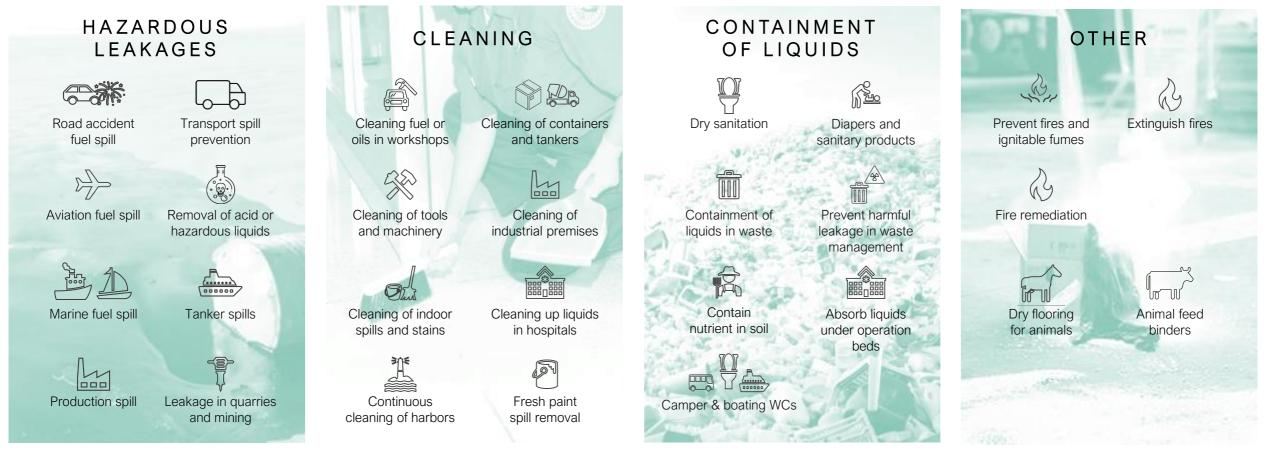




Chem

Absorbents are used everywhere for a wide range of purposes across multiple industries - for just about anyone in daily contact with liquids

Infinite application areas...

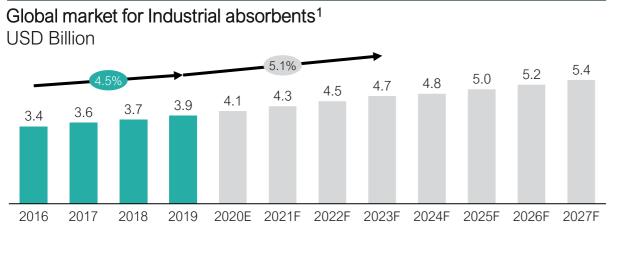


... for a wide range of industries

Manufacturing Transportation Marine & Oil, gas & airports ports & refineries	E Chemicals Healthcare	Emergency service & military Consumer goods & food	Agriculture Water & & veterinary sanitation	Waste Restaurants management & hotels	Local governments
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The market for Industrial absorbents¹ is expected to grow by 5% annually the coming years, driven by growing environmental concerns and regulations



Competitive landscape



- Despite several large scale players the global industrial absorbents market is highly fragmented. The five top players account for ~15% of total market and consolidation is not expected in the near term
- Industrial absorbent manufacturers across the world have been focusing on the development of new products by using natural and renewable raw materials that are easily degradable

MARKET OBSERVATIONS

- Growing concerns regarding environmental health and regulations regarding oil and chemical spills are major factors driving the growth of the industrial absorbents market. This trend is particularly strong in Asia/Pacific
- Biodegradability and recyclability are the key product trends driving market growth and although synthetic absorbents dominate the market, natural industrial absorbents are projected to have the highest growth
- High manufacturing costs of both synthetic and collected material absorbents poses a challenge for manufacturers, as large-scale spill situations demand huge volumes of absorbents
- In terms of end-user demand oil & gas, chemical, food processing and healthcare are all expected to increase usage intensely over the forecast period

"Manufacturers should increase awareness about recyclability amongst end-use industries to reduce environmental impact. They should invest in the development of naturally-made oil absorbents to boost international exports."

Market analyst, Transparency Market Research institute



Strong environmental trends and stricter policies expected to support high future growth for biological absorbents

Ke	ey trends	Examples
	Increased awareness and concerns for the environment	 Growing concern for the environment and increased pressure from employees, customers and society is driving new governmental, institutional and private initiatives globally Increased expectations to reduce land and ocean pollution, poisonous leakages from i.e. waste or manufacturing and threats to ground water, to take proactive measures to avoid accidents and responsibly restore the environment if they incur Players are increasingly taking action to become more sustainable throughout their operations and take responsibility for their entire value chain (<i>e.g. concerns regarding safety requirements in oil & gas industries driving players to comply with safety requirements by increasing the volume of industrial absorbents at their oil processing facilities. Estimated to dominate the industrial absorbents market with ~184 thousand tons 2027</i>)
	Higher regulations and taxes requiring companies to take more action against hazardous liquids	 Stronger legislations, requirements and taxes reinforced with greater follow-up and fines to reduce liquid pollution in Europe, Americas and around the globe demand polluters to pay the price and take care of any spill caused by their operations (<i>e.g. US Environmental Cleanup Law and Clean Water act, EU Environment Law & Policy</i>) Increasing requirements in many industries regarding the safe handling of hazardous and/or flammable liquids in the work environment Independent organizations increasingly scrutinizing corporate and governmental activities leading to a higher transparency in the compliance of environmental laws Narrower pollution quotas, increasing taxes and fines forcing governments, states and companies to prioritize and more efficiently take care of spill and waste
ß	More policies steering demand towards biodegradable absorbents	 New bans on the use of chemicals when handing spill and hazardous liquids in nature (due to the risk for secondary contamination) boost market's demand for biodegradable yet efficient absorbent alternatives Increased taxes and costs of waste handling, incineration and landfills promotes the use of compostable absorbents Leading institutions recommend the use of absorbents for spill cleanup, that require no further decontamination of the area (<i>e.g. American Chemical Society</i>) New biodegradable industrial absorbents are starting to extensively being used to clean hazardous hydrocarbon oil spills in the most environmental-friendly way <i>"In a broader perspective, the work to identify and forbid products which contain hazardous ingredients will intensify worldwide and poison free alternatives will be extremely attractive and in great demand"</i> - Marianne Kemnert, Environment- and Sustainability Director, Mobility Motors Sweden AB
	Private and public players increasingly committing to clean targets and certifications	 Increased numbers of companies, communities and nations are committing to working towards UN's Sustainable Development Goals (SDG) Businesses and governments around the world are also committing to their own goals and milestones to reduce their impact on the environment, e.g. to become carbon free, waste fee, fossil free, climate neutral, climate positive, circular by a specific year, etc. (e.g. Communities for climate neutrality 2030) Companies are prioritizing and allocating more resources to work on achieving these goals and increasing the follow-up on results through sustainability reporting. This drives a need to continuously improve ways of working and look for better alternatives (<i>it is becoming best-practice to be transparent and follow-up on environmental improvements and SDG figures in annual sustainability reports, from 20% of companies in 2011 to 72% in 2013, reaching 85% of S&P 500 in 2017)</i> Increased popularity of certifications for companies to promote working towards cleaner operations (e.g. ISO standards, etc.)
E	Transitioning to a circular economy phasing out traditional alternatives	 Expected increases in taxes on waste and incineration as well as bans on landfills further phasing out inorganic alternatives (e.g. 25 European countries have increased landfill taxes by 50% which has resulted in increased focus on composting and recyclability) Large public and private investments and research is speeding up the creation of a circular economy incl. the required infrastructure in the coming years, enabling for discarded output ("waste") to become valuable raw material in another value chain, what used to be a cost for disposal becomes a revenue. This increases competitiveness of biodegradable absorbents with a much lower lifecycle cost than non-circular alternatives, and allows for a higher market price

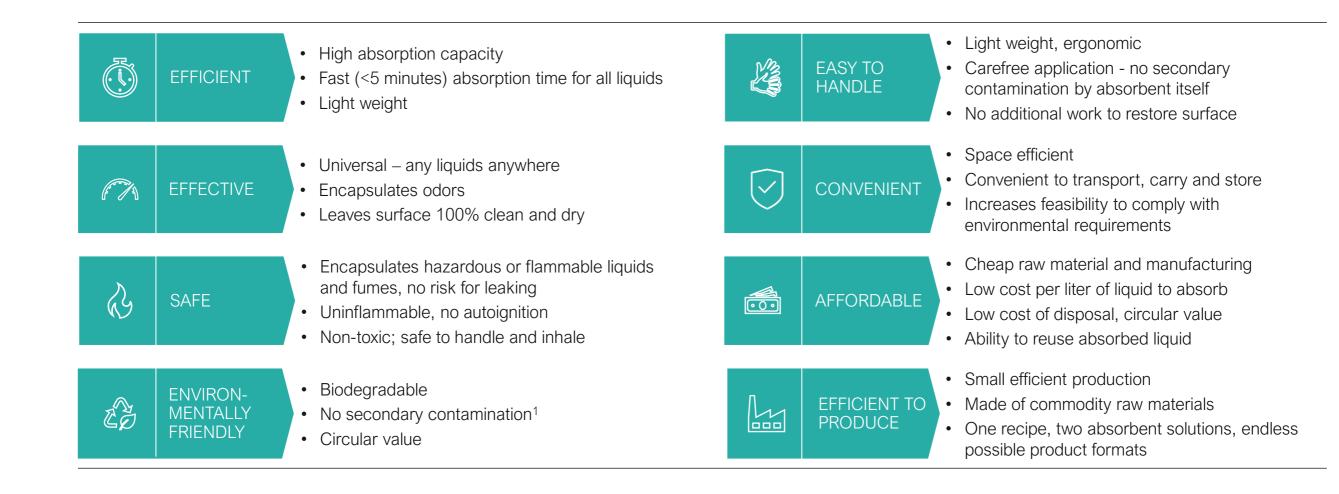
Source: ECHA (European Chemical Agency), REACH (Registration, Evaluation, Authorization and restrictions of chemical regulations), CLP (Classification, Labelling, Packaging), ACS, Marketwatch, Transparency market research, Globenewswire; Kirby and Law 2008, Environmentalintegrity, EPA, 'Enforcing EU Environmental Law', eea.europa.eu, g-a institure, IVM Netherlands



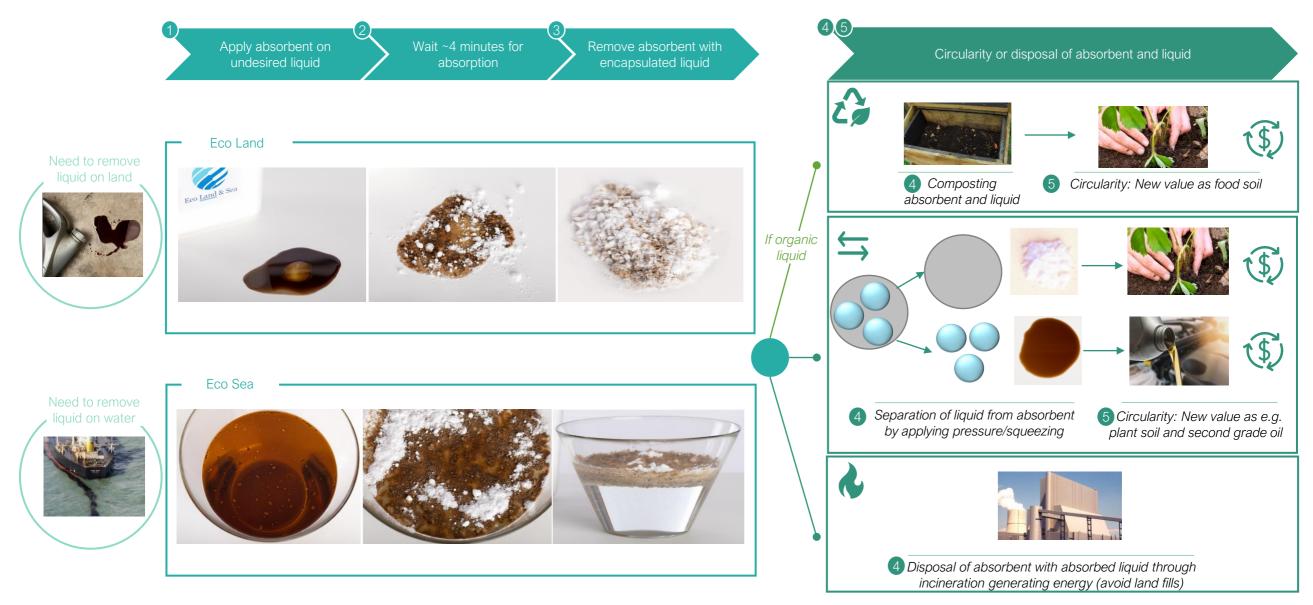
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Summary: Eco land and Eco Sea are two environment friendly absorbents that do not compromise effectiveness or affordability



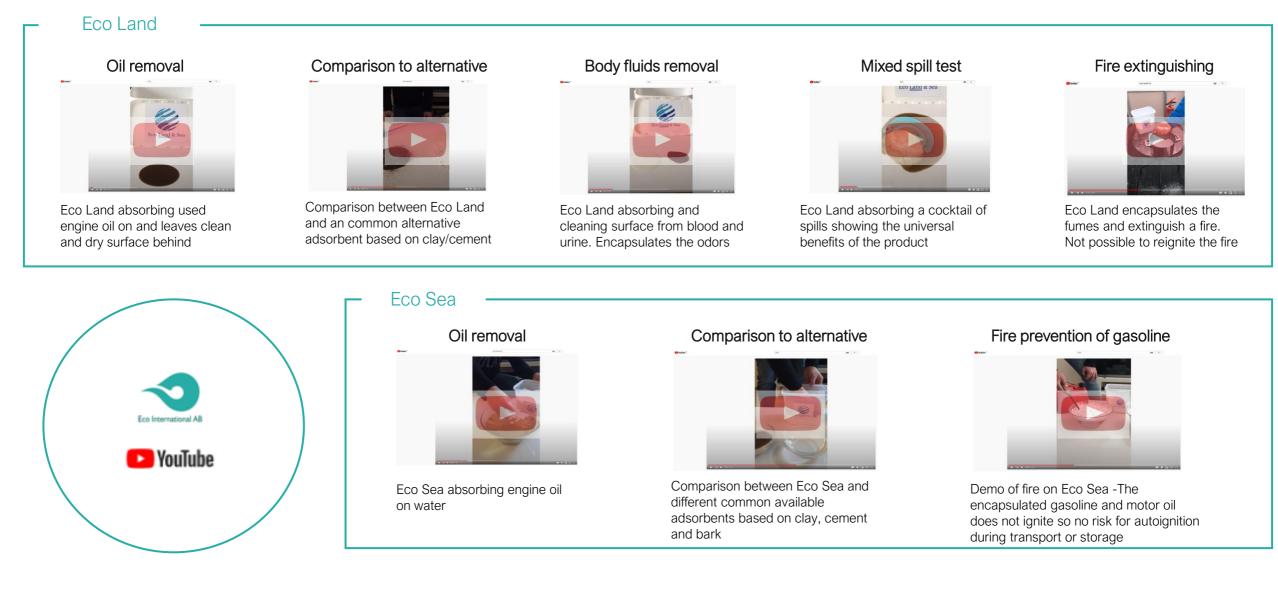
1 Secondary contamination refers to the scenario of using a non-degradable absorbent that could result in additional contamination if not fully removed from the environment. Alternatively, same absorbents require post- usage cleanup with chemicals also damaging the environment Apply, wait, remove, reuse – simple process with the ability to reuse and recycle the liquid and the used absorbent building a circular economy





Example for Eco Land and Eco Sea in granular form

The effectiveness of Eco Land and Eco Sea with different liquids is best demonstrated in action, several videos available on YouTube





Eco Land and Eco Sea are revolutionizing absorption and spill handling, outperforming other absorbents enabling a more sustainable solution

	1) Raw material and production	2 Distribution and wholesale	3 Pre-usage	4 Application	5 Absorption	6 Removal of used and excess absorbent	7 Separation of absorbent and liquid	8 Disposal and circularity
Key for competitiveness	 Access to cheap, abundant raw material Efficient production process Low costs Sustainable operations 	 Light, easy to handle Space efficient Versatile product, broad demand Low cost of transportation High pot. margins Easy to store, in most condition 	 Space efficient Light, easy always have at hand Low cost of transportation Easy to store and carry in various places and conditions No expiry 	 Light to handle and easy to apply Non-toxic to user Safe to apply excess absorbent not harming nature Cheap Suitable format to condition 	 Fast absorption time Effectiveness of absorption 100% absorption without leakage Not flammable No contamination Contain odors 	 Easy to remove Leaves surface in the same conditions as prior to spill Not leaving harmful rests or stains Stress-free, not time sensitive Does not induce any additional cost/work 	 Separation ability of absorbed liquid from the absorbent Possible reusage of absorbed liquid Minimum contamination when separated Easy to separate 	 Ability to reuse/recycle /compost the absorbent getting a new circular value Easy, convenient cheap and environmentally friendly disposal of both absorbent and liquid
Challenges with traditional absorbents	 Need for more affordable products, based on cheap accessible raw materials Heavy and bulky Few (no) good bio- based absorbents available 	 Too heavy and bulky, costly to transport and handle, takes up expensive space Need for more versatile products "one absorbent fits all" 	 Heavy and bulky absorbents, hard to carry/store –currently challenging to comply with regulations Need for more convenient products 	 Need for safer products, not harming user or environment Easy to use 	 Traditional products either harm the environment, are inefficient or ineffective Few contain odors 	 Existing alternatives require a lot of work to remove and few are degradable Leave surface wet or damaged, incurring additional costs 	 Few leak-proof alternatives able to separate absorbed liquid from absorbent in a controlled way 	 Traditional products require an expensive and inefficient disposal process Few biodegradable and compostable alternatives available
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Benefits with Eco Land & Eco Sea	 Raw material a basic commodity, endless supply One recipe two absorbents solutions Efficient production process, large quantities from small facility. Few FTEs 	 Light weight & easy to handle Easily stored in room temperature and other varieties of conditions Space efficient Extremely versatile 	 Light weight & easy to handle Easily stored in room temperature Space efficient Convenient Accessible "on-the- go" thereby higher chance of usage 	 Not harmful to user, could be held directly Easy to use, apply a small amount on spill No risk in applying excesses amount, biodegradable 	 4 minutes to absorb Absorbs 10x own weight Not flammable, No leakage nor harms the environment Contains odors 	 Easy to remove Leaves surface clean and dry – as the spill never happened Can be removed after minutes or months, does not leak or sink Biodegradable 	 Ability to squeeze out the and reuse absorbed liquid if needed 	 Absorbent is 100% compostable when separated or while containing organic liquids Affordable disposal
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Eco Land and Eco Sea beats existing products across all key buying criterias

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Most common absorbent types ¹	Туре	Absorbent/ Adsorbent	Absorption time	Absorption capacity x weight	Biodeg- radable	Flamma- ble	Possibility to extract absorbed liquid	Holds liquid and floats (over time)	Volume L to remove 1 L liquid	€ to remove 1 L liquid	Raw Material Cost	Destruction Cost / kg	Total lifecycle cost per absorbed liter
Eco Land Eco Sea	Organic	AB	Instant	>10x	ø	No	Yes	Forever	1.1	1.0	\$	\$ Q	\$ Q
Cellulose	Organic	AD	Instant	1-5x	ø	Yes	Yes	Days	1.6	1.5	\$\$	\$\$	\$\$
Sawdust, Peat	Organic	AD	>10 min	1-5x	Ø	Yes	Yes	Minutes	3.3	3.5	\$\$	\$\$	\$\$\$
Coconut shells	Organic	AB	>10 min	1-5x	Ø	Yes	Yes	Days	2.0	1.1	\$\$\$	\$\$	\$\$
MoClay granulate	Natural inorganic	AD	>10 min	<1x	No	Yes	No	No	2.0	1.3	\$\$	\$\$\$	\$\$
Sand, Cement, Lime	Natural inorganic	AD	>10 min	<1x	No	Yes	No	No	2.5	1.3	\$	\$\$\$	\$\$
Perlite	Natural inorganic	AB	Instant	1-5x	No	No	Yes	Days	1.4	1.4	\$\$\$	\$\$\$	\$\$\$



Source: Eco International, spillfix, Denios, Yxhult, Decorus Europe, Hazero, Spilldeal



Praised and endorsed by professionals across industries and areas of expertise around the globe

"

As the products are affordable, biodegradable and cause no secondary contamination I think these by far are the best available options on the market among available absorbents and adsorbents.

The products are light weight and easy to work with, they are very efficient don't leak during the removal and disposal process.

An added bonus is that Eco Land quenches fire flames in seconds with no risk for auto ignition or secondary contamination.

Eco Land and Eco Sea are the future of spill handling!

Roedolf Mias Coetzer Executive Director Masha´ al Al-Jandali &Partner Co. Saudi Arabia

"

Chemicals- and spill handling is a daily task in our workshops and we continuously strive to find and test new products in order to maintain and also improve our environment- and sustainability standards.

Eco Land and Eco Sea are unique new absorbents that fully meet our environmental standards and also offer efficient handling and removal of any type of spill in a efficient way.

Marianne Kemnert Manager Environment and Sustainability, Mobility Motors Sweden AB (20 years experience in car and repair industry)

"

Eco Sea will revolutionize the spill handling at sea with its capacity to encapsulate the spill, does not leak and not sink below water level for hours, days and even months.

President, Oil spill handling company, India

"

Now we need only one absorbent and no extra chemicals to clean and dry any surface.

Managing Director, Oil company, Russia

"

It is any hospital's dream, to clean and dry any working floor from blood, urine, vomits etc. in minutes

Sales Director, Chemical company, Saudi Arabia



Biodegradable before use



100% versatile, in all environments



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A simple and efficient production process produces advanced and revolutionizing results – large capacity from a small facility with few workers

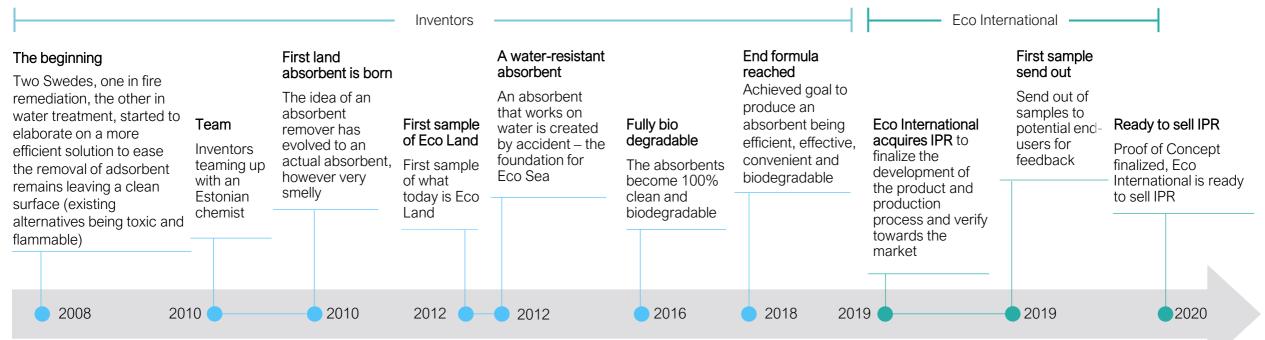
Source and prepare Shape into Production Placed in storage Shredding Distribution Drying Packaging Storage product formats raw material bags Cost estimate Raw material 2 FTE factory Shredder machine Packaging material Production Customized Shelves to dry Material and Length: 15m commodities¹ workers with machinery (max machining to shape (biodegradable) (max capacity space 200 m2 0.12€/L 200 000 L/day) capacity 50' L/day) 4 stories high into various formats and machinery some prev. exp. Example: 50' L / 8h workday Depends on product Depends Variable cost Depends CAPEX Fixed cost Fixed cost Depends on ~ 1 million L / month on market 120 k€ / month on market 300 k€ 20 k€ 15 k€ product types types and SKUs

4 days production cycle

NOTE: Total volumes produced to date by existing production equipment: ~500,000 liters, tested at maximum capacity of 50,000 liters per day 1 Urea, phosphoric acid, benzene sulphonic acid, ammonia and water 20 Source: Eco International



Inefficient removal of harmful adsorbents resulted in a new environment friendly, efficient and completely unique absorbent for both land and sea



Glue experiments

Experimented with creating a range of less-hazardous glues and sticky material

Improvement phase

Experimenting with thousands of variables to reach the optimal recipe and production technique, working on smell, consistency, hydration level, granularity, manufacturing technique, machinery and biodegradability

Development of specific manufacturing equipment

Machine in which combination with the formula makes the products unique are developed

"The long list of testing and evaluating results of these tests has gained us great experience and also trust, confidence and pride with the products ability, on land and in water, to absorb any kind of liquid spill without leaking or causing secondary contamination" – Inventor

Verification and optimization

of production technique and efficiency, reviewed methodology to increase capacity, verification of operational and production costs and time

Proof of concept

Send out of samples to potential end-users, demos and test to receive feedback from the market

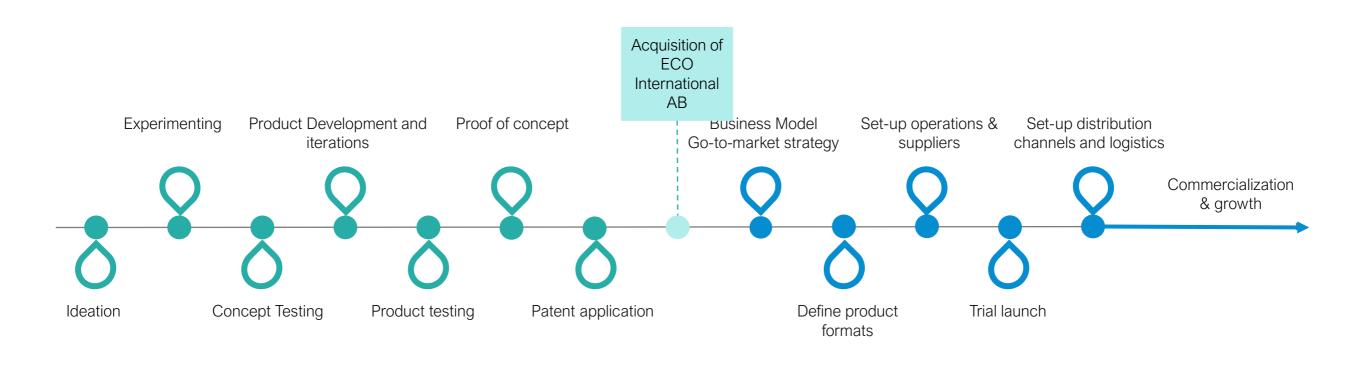
"Our objective has been to develop a biodegradable absorbent for spill handling, but after extensive testing and input from the market we discovered many alternative applications such as composting, preventing fires, cleaning, etc." – Inventor



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The R&D process is now finalized and the two inventions are ready to take on the global market, replacing the rather basic competition



10 years of R&D, prototyping and finalized proof-of-concept -

Next steps to grow Eco Land and Eco Sea into the global absorbent market and deliver environmental impact



The acquirer of Eco International AB will have all the prerequisites for an efficient commercialization and rapid sales growth

KEY COMPONENTS OF THE TRANSACTION



The formula for Eco Land and Eco Sea (specific ingredients and proportions)



CAD blueprints of production equipment (required components and suggested suppliers)



Production manual - detailed documentation of the unique manufacturing technique and how to operate the machinery

Existing production equipment as part of the transaction

OPTIONAL



Support from inventors, willing to relocate and join the acquiring company to set-up or for a longer period of time

- As of now, the production process and recipe of Eco Land and Eco Sea are protected as a trade secret
- In addition, patent application for the underlying inventions was filed in Sweden on June 4th 2020 The application remains confidential until November 2021
- Possibility to extend the patent to other geographies within 12 months from first application date
- The recipe contains a series of blockers to minimize the risk of reverse engineering



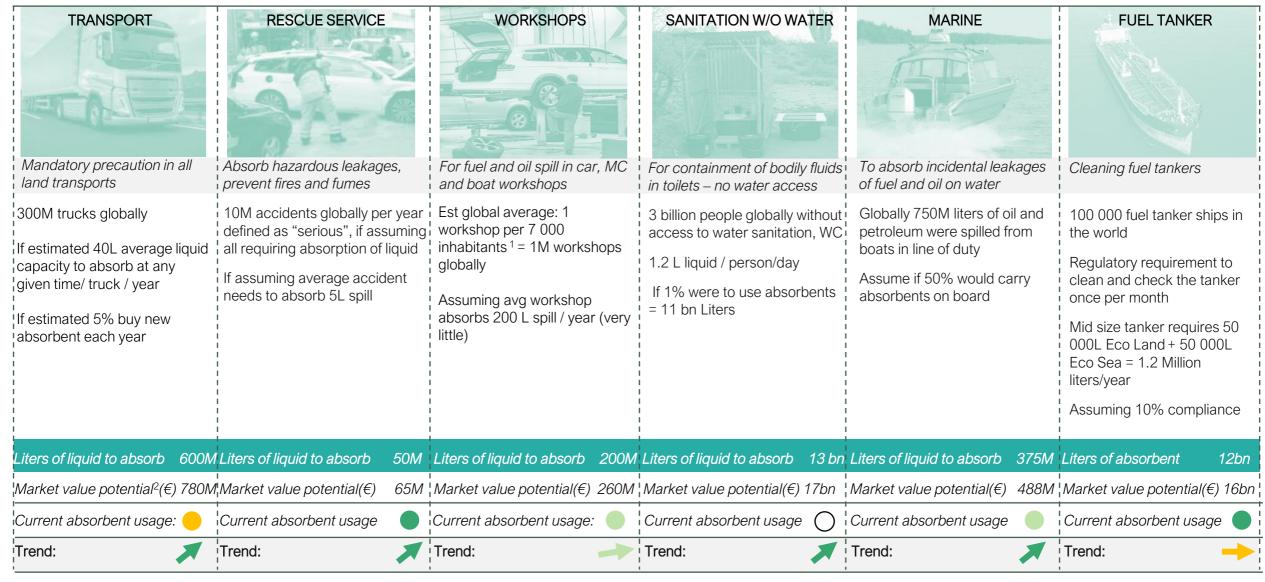
PATENT

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Broad market potential on a global level for several different industries and usage areas

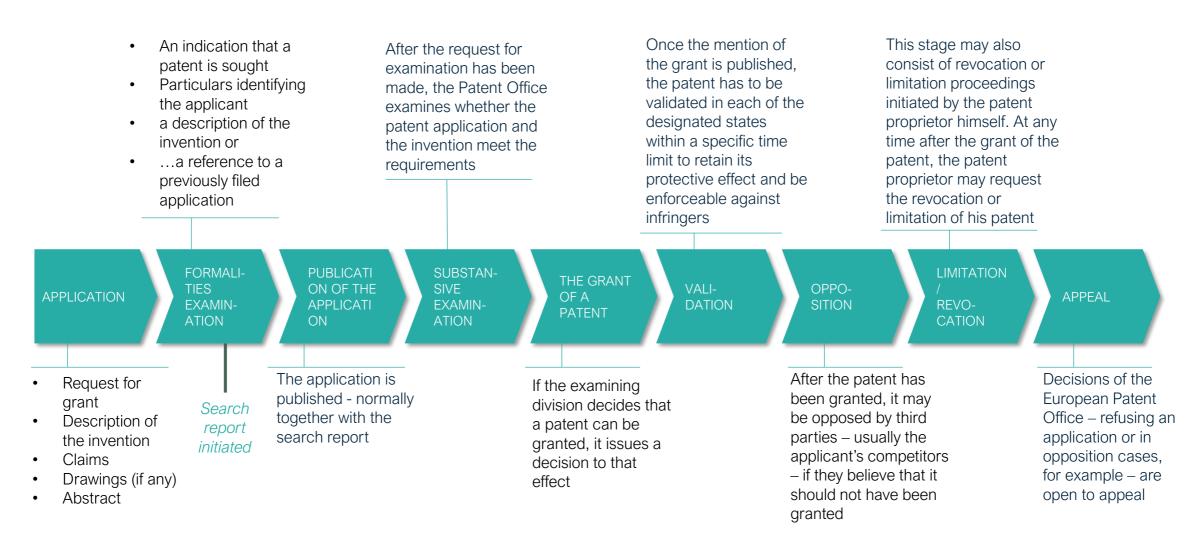


1 Calculated as an average of samples from Europe samples (1/ 2500) MEA (1/20000) and APAC (1/3500) (equally weighted) 2 Estimated average absorbent end-customer price per liter removed liquid ($1.3 \in$)

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Typical EU patent process consists of several mandatory activities, usually with a total lead time of 18 months



For more information, please visit <u>www.epo.org/applying</u>

