Cielo Mar Finans

www.cielomar.se

[MEMORANDUM]

Invitation to subscribe for shares in

CIELO MAR FINANS AB (PUBL)

Subscription period April 13 - 27, 2026

[Important information for Investors]

This Memorandum has been prepared in connection with Cielo Mar Finans AB (Publ)'s current offer for subscription of shares in the Company. The Company's board of directors decided on April 2, 2026, based on authorization from the annual general meeting on June 27, 2025, to carry out a new share issue without pre-emption rights for the Company's shareholders on the terms set forth in this Memorandum.

An investment in shares is associated with certain risks (see the section "Risk Factors"). When investors make an investment decision, they must rely on their own assessment of Cielo Mar Finans and this Memorandum, including the present circumstances and risks. Prior to making an investment decision, potential investors should engage their own professional advisors and carefully evaluate and consider the investment decision. The Memorandum has been prepared by the Company's board of directors.

DEFINITIONS

By "Cielo Mar Finans" "CMF" or "the Company" refers to Cielo Mar Finans AB (publ), org. no. 556923–6523. By "the Offer" refers to the offer to subscribe for new shares under the terms of the Memorandum. By "Aqurat" refers to Aqurat Fondkommission AB, org. no. 556736–0515. By "Euroclear" refers to Euroclear Sweden AB, org. no. 556112.-8074. Reference to "SEK" refers to Swedish kronor, reference to "EUR" refers to euros, and reference to "USD" refers to US dollars. By "K" means thousand and by "M" means million.

REGULATIONS

This Memorandum does not meet the requirements of a prospectus and has not been reviewed or approved by the Swedish Financial Supervisory Authority. This follows from Chapter 2, Section 1 of the Act (2019:414) with supplementary provisions to the EU Prospectus Regulation, which stipulates that there is no obligation to prepare a prospectus for the new share issue since the total consideration for the securities offered to investors within the European Economic Area ("EEA") over a period of twelve months does not exceed 2.5 million euros. This Memorandum is therefore not a prospectus according to Regulation (EU) 2017/1139 of the European Parliament and of the Council.

The Offer is not directed, directly or indirectly, to persons whose participation requires the preparation or registration of additional memorandum or the undertaking of any other action beyond what is required by Swedish law. The Memorandum will not be distributed and may not be mailed or otherwise sent to or distributed in any country where such action would require any such additional measures or where it would conflict with laws or regulations in that country. No shares issued by Cielo Mar Finans covered by the Offer under this Memorandum have been registered and will not be registered under the United States Securities Act of 1933, as amended, or any corresponding law in any state of the United States. The Offer also does not include persons in Canada, Australia, Japan, Hong Kong, New Zealand, Switzerland, Singapore, or South Africa or in any other country where the Offer or distribution of the Memorandum would violate applicable laws or regulations or require the preparation, registration, or undertaking of any other action beyond what is required by Swedish law. An investment in securities involves certain risks, and investors are encouraged to read the "Risk Factors" section in particular. When investors make an investment decision, they must rely on their own professional advisors and carefully evaluate and consider the investment decision. Investors may only rely on the information in this Memorandum and any supplements to this Memorandum. No person is authorized to provide any other information or make any other statements than those contained in this Memorandum. If this occurs, such information or statements shall not be deemed approved by the Company, which is not responsible for such information or statements.

ISSUING AGENT

Aqurat acts as the issuing agent in the implementation of the new share issue.

AUDITOR'S REVIEW

Unless otherwise expressly stated, no financial information in the Memorandum has been subject to audit or review by the Company's auditor. See, www.cielomar.se for 2025 annual accounts.

FORWARD–LOOKING STATEMENTS

The Memorandum contains certain forward-looking statements and opinions. This applies to statements and opinions in the Memorandum concerning future returns, plans and expectations for the Company's operations and management, future growth and profitability, as well as the general economic and legal environment and other issues relating to the Company. The forward-looking statements in the Memorandum reflect the Company's current views on future events and financial and operational developments at the time of the Memorandum's publication. Although the Company believes that the expectations described in such forward-looking statements are reasonable, there is no guarantee that this forward-looking information will materialize or prove to be correct. Forward-looking information is always subject to uncertainty as it relates to and depends on circumstances beyond the Company's direct and indirect control. Prospective investors are therefore encouraged to consider the collective information in the Memorandum, bearing in mind that future results and developments may differ materially from the Board's expectations. Therefore, no assurance is provided, either expressly or impliedly, that the assessments made in the Memorandum regarding future conditions will be realized. The Company cannot provide any guarantees regarding the future accuracy of the opinions presented, or whether the predicted developments will occur.

Due to the risks, uncertainties, and assumptions associated with forward-looking statements, it is possible that the future events mentioned in the Memorandum may not occur. The forward-looking estimates and descriptions originating from third-party studies and referenced in the Memorandum may prove to be incorrect. Actual results, implementation, or events may differ significantly from those stated in such statements due to, without limitation: changes in general economic conditions, especially economic conditions in markets where the Company or its partners operate, changes in interest rates, changes in exchange rates, changes in competition levels, and changes in laws and regulations. After the publication of the Memorandum, the Company does not undertake to update forward-looking statements or adjust these forward-looking statements based on actual events or developments.

INDUSTRY AND MARKET INFORMATION

The Memorandum contains industry and market information relevant to the Company's operations and the market in which the Company operates. Unless otherwise stated, such information is based on the Company's analysis of various sources. Industry publications or reports typically state that the information contained therein has been obtained from sources deemed reliable, but that the accuracy and completeness of such information cannot be guaranteed. Cielo Mar Finans has not verified the information and therefore cannot guarantee the accuracy of the industry and market information presented in the Memorandum, which has been obtained from or derived from industry publications or reports. Such information is based on market surveys, which by their nature are based on sampling and subjective judgments, including judgments about the types of products and transactions that should be included in the relevant market, both by those conducting the surveys and those surveyed. The Memorandum also contains estimates of market data and information derived therefrom that cannot be obtained from publications of market research institutions or any other independent sources.

Such information has been developed by Cielo Mar Finans based on third-party sources and the Company's own internal estimates. In many cases, there is no publicly available information, and such market data may come from industry organizations, authorities, or other organizations and institutions. Cielo Mar Finans believes that its estimates of market data and information derived therefrom are useful in providing investors with a better understanding of both the industry in which the Company operates and the Company's position within the industry. Third-party information has been accurately reproduced and, to the best of Cielo Mar Finans knowledge and understanding of such information, no material facts have been omitted that would make the reproduced information inaccurate or misleading. The Company's board of directors is responsible for this Memorandum and has taken all reasonable precautions to ensure that the information provided in the Memorandum is consistent with actual conditions. Although the board of directors believes these sources are reliable, no independent verification has been conducted, so the accuracy or completeness of the information cannot be guaranteed. However, to the best of the board of directors' knowledge and assurance through comparison with other information published by third parties from which the information is derived, no information has been omitted in a manner that would make the reproduced information inaccurate or misleading.

AVAILABILITY OF THE MEMORANDUM

This Memorandum can be downloaded at:
www.aqurat.se/cielo-mar-finans-ab-publ

APPLICABLE LAW AND DISPUTE RESOLUTION

Swedish law applies to the Offer and the Memorandum. Disputes arising from the Offer, the Memorandum, or related legal relationships shall be resolved in accordance with Swedish substantive law and by Swedish courts exclusively.

[Cielo Mar Finans - our role in the project and key investment metrics]

- **Cielo Mar Finans ABs** ownership in Procon Baja J.V. will increase from 7.3% to approx. 10.25% through conversion of receivables and compensation for waived commission in phase 1.
- **CMF:s increase in ownership** strengthens our position from a long-term value and exit perspective.
- **The Project** is divided into five phases and located in Baja California, Mexico, by the Pacific Ocean, comprising over 2,000 hectares and 7.2 km beachfront.
- **The land area**, valued at 50 MUSD (2021, CBRE) as raw land, has since been re-zoned to commercial use with building permits secured, significantly increasing its value.
- **The first phase** has been expanded to 206 hectares with estimated sales of approx. 666 MUSD and profit after tax of approx. 230 MUSD.
- **Upon completion**, total projected sales for all five phases are approx. 5 BUSD.
- **Cielo Mar Finans role** – strategic partner providing legal, financial and commercial advisory, including negotiations with key partners, and responsible for exit (IPO or sale).
- **To commence building in 2027**, Procon seeks 20 MUSD in Pre-IPO funding in the UK, followed by a planned IPO ~24 months thereafter.
- **The reason for targeting the UK Main Market** is current uncertainty in US financial markets.
- **The average PE ratio (price to earnings)** for property developers listed on UK Main Market is 14,7x. With a sustained profit margin of 34,5 % as forecasted in this case, the PE is likely to exceed 20x. Phase 1, being 10 % of the project - would at completion with a PE of 14,7 represent a value of 3,31 BUSD and at PE 20, a value of 4,6 BUSD.
- **Building** will be managed by an external construction partner providing construction financing; discussions are ongoing.
- **Exit Realty and NextHome** – leading North American brokerages – are responsible for sales, targeting primarily US and Canadian buyers.
- **The operation** is led by Jan Telander (CEO, 30+ years experience) with local partners.
- **Frederic Telander** acts as advisor and partner focusing on financing and exit strategy.
- **To fulfil our role**, Cielo Mar Finans is raising up to 6 MSEK through issuance of up to 960,000 shares.
- **Exit is planned for 2028–2029**, either via an IPO of the project company (Procon Baja J.V.) or sale of CMF's stake in the project.
- **Further details** are presented in the Memorandum.

[Board of Directors and Management]

Kim Björkwall, CEO and board member

Foreign Trade Education Franz Schartaus Gymnasium, Stockholm Trade, Shipping and Maritime Education at the London School of Foreign Trade Ltd, London.

Experience & ongoing assignments:

- International shipbroker 1974 – 2000, Business development at Jacobson Resonance AB.
- Now a position of trust in the Trade guild Helsinki, as well as an organizer of exclusive wine tastings.
- Kim has a large Swedish and international network and is an experienced "deal-maker".

Owns: 0 shares

Frederic Telander, advisor and partner

Experience & ongoing assignments:

- Frederic has a long history in the investment industry, having worked as a partner in EIG Venture Capital Ltd, which focuses on clean tech investments.
- Frederic was instrumental in expanding the Gas Turbine Efficiency Group and listing the company on the AIM market on the London Stock Exchange in 2005.
- Frederic has held leadership positions in SolTech Energy Sweden AB, including serving as Chairman of the Board and CEO during separate periods and leading the listing process of the company on First North at Nasdaq Stockholm in 2015. When Frederic left operations in Soltech, its market cap was over 2,5 billion SEK.
- Currently, Frederic is a board member of Sactum AB, non-executive chairman of Ambusol AB (publ), a clinical stage med-tech company, non-executive chairman of Gigasun AB (publ) and was leading in the listing process of Gigasun on First North Stockholm in 2021. Frederic is also the second largest shareholder in Cielo Mar Finans AB (publ), where he is responsible for financing, international project management and investor exit.

Owns: 1,415,225 shares

Michael Hylander, chairman of the Board

MBA from Insead, Fontainebleau, Paris 1985

Experience and ongoing assignments:

- Has held several positions within the Axel Johnson Group, including sales of industrial equipment in South America. Michael has also worked for JPMorgan in New York and Madrid. Michael is also the CEO of Repco S.L. in Madrid, a company in the food and packaging industry.

Owns: 693 955 shares

Felix Avalos Jimenez, board member

Tourism and Administration at the State University Baja California. Freestanding courses in landscape architecture, construction, hotel and tourism industry.

Experience & ongoing assignments:

- Felix is currently active as Public Relations Manager for the Mexican Association of Hotels and Motels in Mexico and a delegate for state tourism. Member of the Wine Commission for the 61st Senate Legislature, Mexico City. Felix has very good contacts with decision-makers both locally and in Mexico City.

Owns: 0 shares

Linda Byrd, board member

Experience & ongoing assignments:

- Linda Byrd is president of Allegiant Asset Management PLLC. Linda is a very experienced broker and deal-maker with great sales results over the years for Next Home and EXIT Realty Elite, two one of America's largest real estate franchises.
- Linda has more than 28 years of Business, Real Estate and Land Acquisition/Entitlement experience in the management of large scale Residential and Commercial development projects.

Owns: 0 shares

[Key Terms]

Company:	Cielo Mar Finans AB (publ)
ISIN:	SE0005424082
Share:	Common share, only one class of shares appear in the company
Share issue:	New share issue of up to 6M SEK, corresponding to a maximum of 960 000 new shares, provided a fully subscribed issue
Subscription period:	13-27 April, 2026
Notification of allotment:	Expected to be sent out after the final subscription day
Payment:	Payment instructions are sent out by Aqurat Fondkommission AB in connection with notification of allotment
Share price:	Each share is subscribed for at a price of 6,25 SEK
Company valuation:	Pre-money, approx. 68,27M SEK
Minimum investment:	500,000 SEK (80 000 shares) and thereafter in lots of 100 000 SEK (16 000 shares)
Purpose:	Investment in the project (Procon Baja JV, S.R.L De C.V.) in the form of negotiations with builders, suppliers, pay transaction fees as well as for general operational costs fulfilling Cielo Mar Finans role as key advisor in the project
Reporting:	The company reports its financial position as of each half-year, as well as audited accounts once a year
Exit:	Planned investor Exit during 2028-2029 through the sale of the Company's share in the project or through an IPO on London Stock Exchange or similar
Votes:	One vote per share
Dilution:	Fully subscribed new share issue, 6M SEK, means that existing shareholders are diluted by approx. 7,27 %
Registration:	The shares are registered with Euroclear in Sweden
Fee:	The advisor will be paid a fee by the Company after completion of the transaction, based on the outcome

[Investment highlights – the project]

AT A GLANCE

Land owned
2,023 ha
Unencumbered

Beachfront
7.2 km
Pacific coastline

Permitting status
16.5 ha
Rezoned & approved for first 48 homes

Project boundary (indicative)

WHY IT MATTERS

- Large, phased coastal development: 5 phases, with Phase 1 designed as the model phase (206 ha), representing some 10 % of the land.
- Energy-neutral, 100 % solar-powered off-grid concept with on-site storage (design intent).
- Go-to-market focused on US/Canada buyers via established real estate brokerage partners – Exit Realty and NextHome.
- Pre-IPO round targeting US$ 20m to complete pre-construction, permitting and early mobilization.
- Intended UK listing following the pre-IPO round within 24 months (subject to market conditions).

[Team & track record]

Selected completed projects (Spain)

Riviera Playa, 74 units

Las Maravillas / Corona Torre, 84 units

Rocas Del Mar, 102 units

Oasis de Calahonda, 42 units

Leadership (summary)

- **Jan Telander** - co-founder of Procon Baja JV and its CEO. A Swedish citizen that has lived in Spain since the early 1970s, where he built over 1 000 units. Sales primarily targeted Northern European and English customers via international brokers.

  Jan is responsible for operations including the building process in Baja California and the Cielo Mar project, together with his Mexican partner, **Flavio Contreras**.

  The team consolidated fragmented land from 100 individual landowners under one legal entity, encompassing a 2023-hectare area, including a coastline (beach-front) of approximately 7.2 kilometers. Jan's expertise in the construction and real estate industry has been crucial to the success of Procon's land acquisition and development projects.
- **Frederic Telander** – adds structuring, financial and IPO experience.
- **Alejandro Espinosa** - adds 30 years experience running building projects for the local government in BC.
- **Ricardo Benitez** – adds legal competence (lawyer).
- **Armando Espinosa** – adds a vast network of all landowners in the area.

[Project snapshot]

Cielo Mar (Bay of Rosario, Baja California)

Location

- Approx. 400 km south of San Diego (by road).
- Bay of Rosario / El Rosario area.
- Accessible by road; short regional flights (indicative).

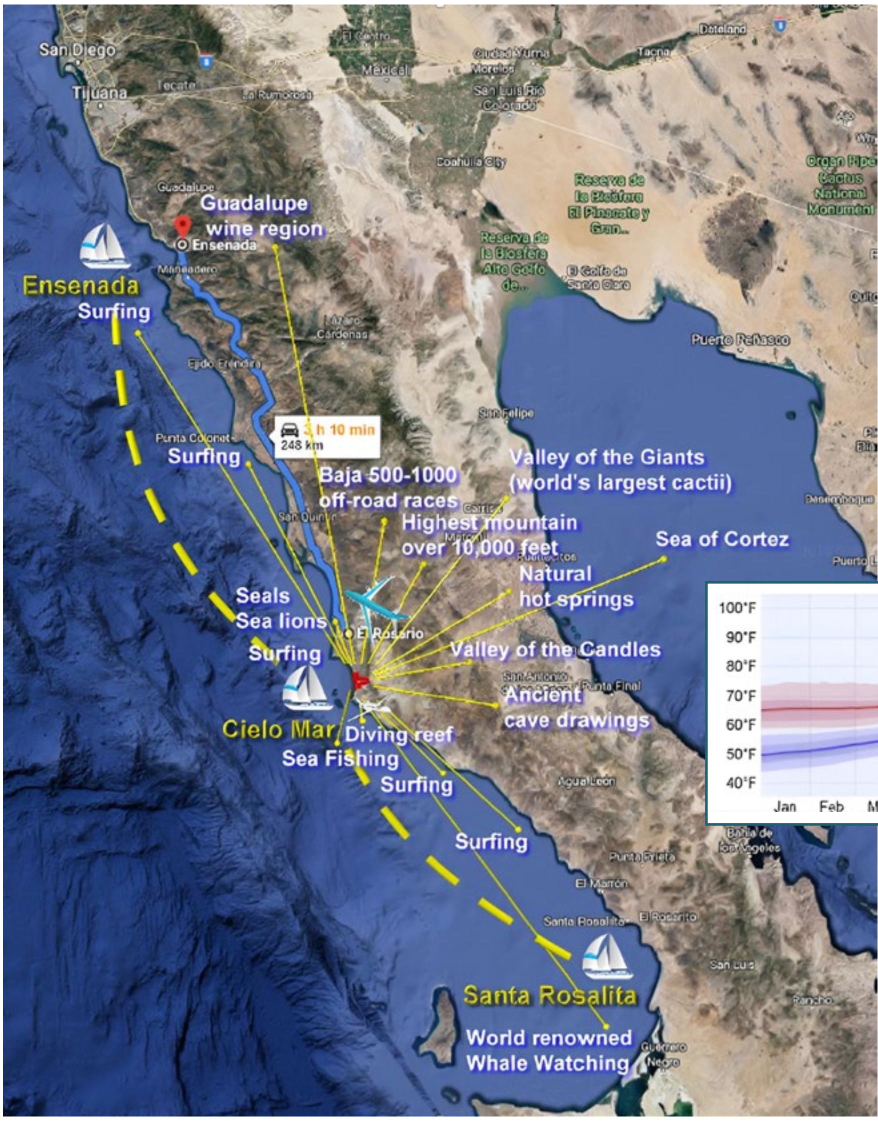
Scale

- 2,023 hectares total landholding.
- 5-phase masterplan (full build-out: 3,500 villas and 3,000 apartments – concept).
- 7.2 km Pacific beachfront.

Status (Phase 1 focus)

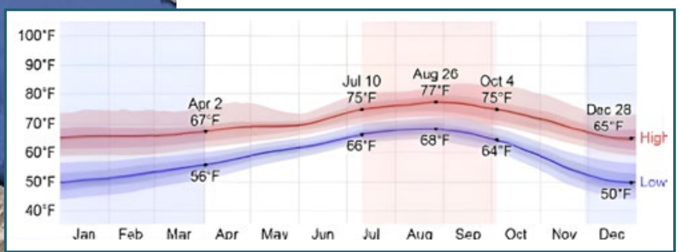
- Phase 1: 206 ha (model phase).
- Permits/rezoning granted for first 16.5 ha (48 homes).
- Additional permits expected to be pursued as construction progresses.
- Target construction start, end of Q2 2027 (indicative).

[Location & access]



Highlights

- Bay of Rosario coastline (Pacific Ocean).
- Approx. 5.5-hour drive from San Diego to El Rosario (indicative).
- Outdoor activities nearby: wine region, surfing, whale watching, hot springs and hiking.
- Mild coastal climate; strong solar irradiation across Baja California (supporting off-grid concept).



Seasonality (illustrative)

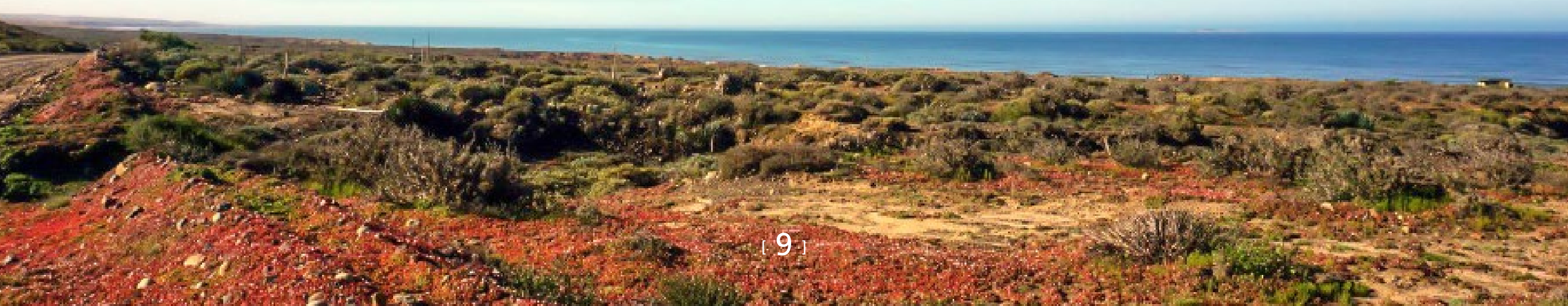
[Market tailwinds]

Why Baja California now

- Mexico continues to attract US/Canadian second-home and retirement demand, supported by proximity and air connectivity.
- Los Cabos is cited as a world-class destination welcoming 3m+ visitors per year, highlighting the region's tourism momentum.
- Real estate prices in Los Cabos average between 565-570 USD per square foot, or 6 079-6 150 USD per square meter.
- Cielo Mars properties are initially sold for approx. 3 000 USD per square meter. Over time as the project develops, prices will also go up, as it has in Los Cabos.
- Nearshoring trends and investment sentiment have increased global focus on Mexico's long-term growth potential.
- Cielo Mar is positioned as a new, sustainability-led coastal destination in northern Baja California.

> *"If you had to pick a country this might be the number one opportunity."*
>
> Jamie Dimon (reported, Bloomberg TV interview)

[Project benchmarking]



Sales prices per SQM in Cabo San Lucas are more than double that of Cielo Mars and increased by 8-10 % 2025

JAN 1ST - JUNE 30TH 2025 BAJA SUR MARKET DATA

342 HOMES SOLD	379 CONDOS SOLD	238 LAND SOLD
$525.9M USD	$232.9M USD	$88.6M USD
Average Home Sale $1.6M	Average Condo Sale $614K	Average Land Sale $350K

	CABO SAN LUCAS	SAN JOSE DEL CABO	PACIFIC	EAST CAPE	LA PAZ
HOUSES	$111,868,563	$217,446,332	$116,174,648	$28,387,400	$30,220,831
CONDOS	$102,812,792	$98,938,767	$23,028,369	$207,500	$7,815,367
LAND	$4,919,420	$37,228,832	$19,738,244	$9,627,500	$9,707,508
TOTAL	$219,600,775	$353,613,931	$158,941,261	$38,222,400	$47,743,706

SOLD: 1,038 AVERAGE: $845,947 USD TOTAL: $878M USD

[Project benchmarking - Diamante]

Diamante – Cabo San Lucas – An example of a successful development

Ocean Club Residences (One of Diamante Cabo San Lucas projects): As of the provided data, this community features 178 total residences (119 shared-ownership and 59 whole-ownership units).

Shared ownership of 119 units, equals 6 000 weeks of approx. 10 000 sold in total (price per week varying from 14K – 200K USD).

This creates revenue, occupancy, ambience and consumption.

Diamante Cabo San Lucas (General): As of October 2025, construction is ongoing with new, specific phases including Casita roads, Cardonal Villas, Sunset Hill, and Beach Estates.

Diamante Realtors: This firm has sold over 700 units in the region and recently sold out the 84-unit Torres Cantera condos.

[Cielo Mar - Vision & Masterplan]

A modern, self-sufficient coastal community

Designed as a year-round destination and retirement community with ocean views, amenities and off-grid energy.

Planned features (illustrative)

- Residential: villas + apartments across five phases.
- Resort hotel, restaurants, retail and wellness.
- Sports/racket centre, clubhouse, event & conference centre.
- Sea-water lakes and landscaped public spaces.
- Car-light internal mobility concept (electric / low-carbon).

[Phase 1 (model phase): scope & timeline]

Phase 1: 206 hectares

- 595 villas and 195 apartments (concept plan).
- Hotel resort, clubhouse, sports centre, retail and restaurants.
- Event and conference centre; ~7 ha sea-water lakes.
- First 16.5 ha approved for 48 homes; further permits pursued as build progresses.

Indicative milestones

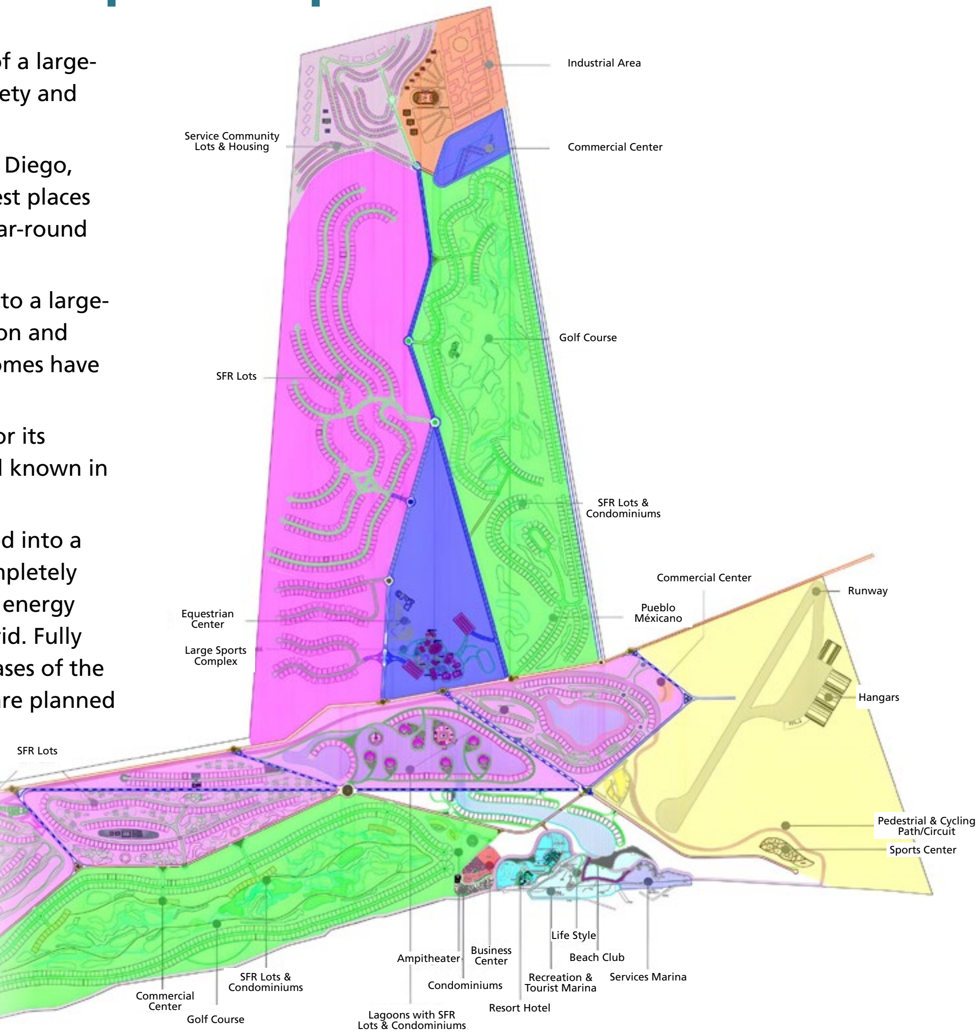
2026	Pre-IPO round (target close Q2)
2027	Construction start (end of Q2)
2028	Sales launch + initial deliveries
2032	Phase 1 completion (forecast)

Key assumptions (summary)

- Permitting taken in tranches as the build progresses.
- EPC partner selected to deliver engineering, procurement and construction.
- Construction financing expected to be pre-dominantly project-level (indicative).

[Project development plan]

- Cielo Mar was born out of a vision of a large-scale development of a modern society and tourist resort that suits everyone.
- The climate is like that found in San Diego, which is often cited as one of the best places to live, thanks to the pleasant all year-round climate.
- The plan is to develop the project into a large-scale, international tourist destination and retirement community, where all homes have views of the Pacific Ocean.
- The Baja California area is famous for its natural resources and is already well known in ecotourism.
- Cielo Mar is planned to be developed into a green fenced community that is completely self-sufficient and powered by solar energy without connection to the power grid. Fully developed and including all five phases of the project, the following installations are planned to be included:
  - **3500 villas**
  - **3000 condominiums**
  - **Hotels with up to 2000 rooms**
  - **Marina**
  - **Artificial lakes and Beach Club**
  - **Sports- and racket center**
  - **Desalination plant for tap water**
  - **Airport**
  - **Biking, walking and hiking paths**
  - **Green areas and parks**
  - **100% sustainable, off-grid**
  - **Equestrian center**
  - **Event and Conference center**
  - **Restaurants, bars, shops etc**
  - **Off grid electricity generation**
  - **Farm to grow own vegetables**



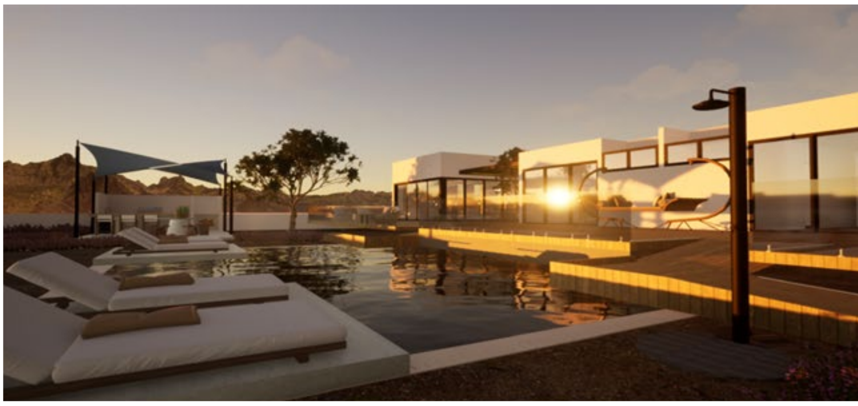
[Product: villas, condos & resort amenities (renderings)]

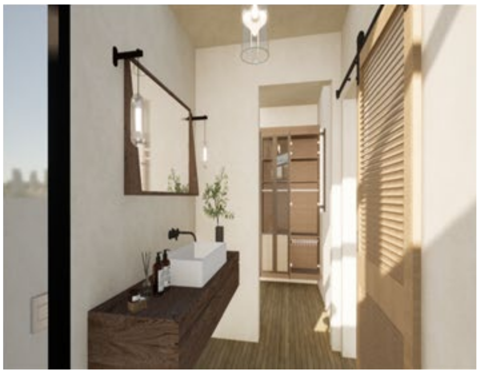

Villa terrace view


Outdoor living


Interior living space


Bedroom / ocean-view concept





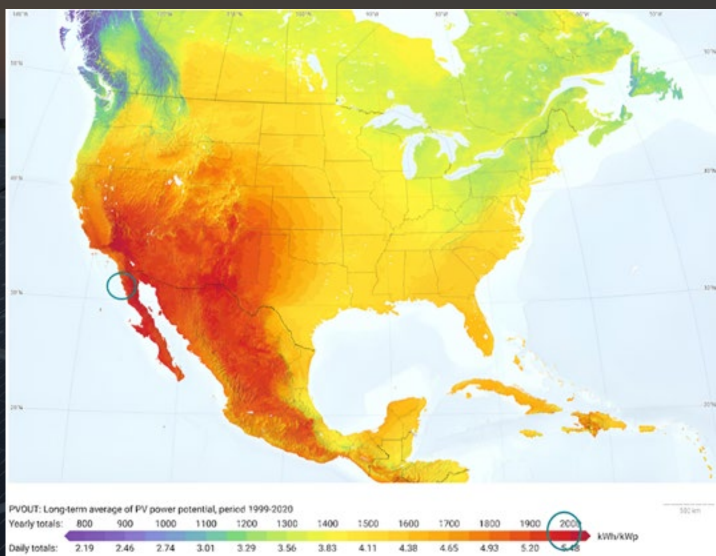
[ESG & off-grid energy concept]

Design intent

Energy-neutral, off-grid community powered by solar + storage.

- Solar generation and battery storage planned to supply the project.
- Electric, low-carbon mobility concept within the development.
- ESG lens embedded into design, procurement and operations (as the project scales).
- Solar partner identified for design and delivery of solar installations.

Solar resource (illustrative)



PVOUT long-term potential map (Global Solar Atlas)

Note

Illustrative resource potential only; detailed design and permitting will determine final system sizing.

[Go-to-market (sales strategy)]

Primary buyer focus

- US and Canadian buyers targeted initially; expansion to Mexican buyers over time.
- Broker-led distribution via established North American real estate networks.
- Mix of (i) direct property sales and (ii) Club Cielo Mar rental/membership model to support occupancy and recurring revenue.
- Digital marketing and broker enablement planned ahead of the sales launch.

Broker partners (per company)

EXIT Realty + NextHome

North American brokerage footprint; agent network used to support pre-sales and community marketing.

For reference: Next Home is reported to have 600+ offices and 5 000+ agents and Exit Realty, 500+ offices and 25 000+ agents and with mutual annual sales more than 30B USD.

Source: Residential Franchise Report, 2025

[Club Cielo Mar (rental + membership concept)]

A resort-within-the-resort

- Short-term rentals across a portfolio of studios, condos and villas (Airbnb-like flexibility, professionally managed).
- Membership model designed to drive occupancy, community feel and on-site spend.
- Target audience ranges from couples to families and corporate groups.

Indicative membership economics (Phase 1)

- One-time fee: US$ 25k–30k for a 50-year membership (concept).
- Booking allowance: US$250k total (US$ 5k/year) with discounts vs public rates (a concept that has been tested before).
- 9,200 memberships planned over time; modelled to support ~76% occupancy (company estimate).

Planned Club inventory (Phase 1)

- **75 villas**
- **100 apartments**
- **350-room hotel**

Allocation per company model; subject to design and final phasing.

[ESG factors & Project partners]

ESG-factors

- The company develops the project with a clear focus on sustainability.
- The dwellings must be self-sufficient and not connected to the electricity grid.
- The entire project will be covered by a major planned solar panel construction, for which the Chinese partner Advanced Solar Power (Hangzhou) Ltd. will project manage and act as a supplier.
- The project is identified in direct connection to 5 of the 17 global goals.

Partners

Advanced Solar Power (Hangzhou) Inc.
Chinese photovoltaic company with patented technology for CdTe based solar cells. Will deliver solar cells and resources to the Project.

Progreen US Inc.
Project owner whose sole purpose and assets are shares in Procon Baja J.V. and the development of the Project.

Cielo Mar Finans AB (publ)
Co-owner in the Project and provider of initial funding. Also a strategic partner providing legal, financial and commercial advisory, including negotiating agreements with key partners and facilitation for exit through an IPO or trade sale of the project.

Exit Realty, Next Homes USA
Two of the highest rated brokerage firms in the United States and responsible for the sale of the Project.

Rosen Law
Law firm that works together with Exit and Next Homes for legal structure in clients' purchases of real estate.

Immobilaria Contel
Mexican company representing the original + 100 landowners who sold their land to Procon Baja J.V.

Estrada Engineering & Construction
Procon Baja J.V.'s design partner company located in Mexico.

EPC building partner
Several alternatives are being evaluated at present.

AOSP 龙焱能源科技

ProGreen US

Cielo Mar Finans

EXIT

rosenlaw
Real Estate · Hospitality · Cross-Border Transactions

Contel

ESTRADA
INGENIERÍA Y CONSTRUCCIÓN
ENGINEERING AND CONSTRUCTION

[Economics and valuation - phase 1]

Metric	Value
Independent valuation (raw land basis – total 2023 ha)	**US$ 50m** (CBRE, Nov 2021)
Company view of current value (post rezoning progress)	**US$ 80m–100m** (pre-money estimate)
Projected total sales value (all phases, company estimate)	**> US$ 5.0bn**
Phase 1 sales value (company estimate)	**~US$ 666m**
Phase 1 profit after tax (company estimate)	**~US$ 230m**
Phase 1 build cost (company estimate)	**~US$ 314m**

Above numbers only refer to phase 1 of the project, representing approx. 10 % of the land. Margins are expected to increase as the project is being built out. Sales prices per square meter in Cabo San Lucas (Diamante del Mar, being a similar project to Cielo Mar) and furthest down in Baja California - is on average more than double, compared to Cielo Mar and increased by 8-10 % between 2025 and to date. This shall be seen as indicative numbers, which logically also will be applicable for Cielo Mar, and will in turn increase the overall profitability in the project.

The average PE ratio (price to earnings) for property developers listed on UK Main Market is 14,7x. With a sustained profit margin of 34,5 % as indicated above, the PE-ratio is likely to exceed 20x. Based on the above data. Phase 1, being 10 % of the project - would at completion with a PE of 14,7 represent a value of 3,31B USD and at PE 20, a value of 4,6B USD.

[Delivery model (EPC) & financing approach]

EPC structure (simplified)

Procon Baja J.V. (landowner + permits)

EPC contractor (engineering • procurement • construction)

Local subcontractors (civil • MEP • finishes)

EPC selection focus (currently in progress)

- Large-scale sustainable development track record.
- Ability to mobilise phased delivery efficiently.
- Experience integrating solar + storage systems.
- Construction financing capability preferred (company expectation).

Financing approach (indicative)

- Pre-IPO equity to fund permits, design and mobilisation.
- Project-level debt expected to fund most of the construction (company assumption).
- Pre-sales and Club memberships intended to support working capital.

[Corporate structure, funding & ownership (indicative)]

Intended structure

UK Newco Ltd
(to be re-registered as PLC at IPO)

100 % (intended)

Procon Baja J.V. (Mexico) – project company

Pre-IPO funding (target)

- Target raise: US$ 20m (timing: Q2 2026 target close).
- Use of funds (2026–27): permits, design, site planning, staffing and working capital.
- Planned investment: purchase of a ~1.8 km airstrip site (incl. land) and early procurement / mobilisation (company plan).
- Intended UK listing: ~24 months after pre-IPO completion (subject to market conditions).

Current ownership (Procon Baja J.V.)

Progreen US Inc.	**43.2 %**
Contel	**17.85 %**
Frederic Telander	**10.82 %**
Jan Telander	**8.94 %**
Flavio Contreras	**8.94 %**
Cielo Mar Finans AB (publ)	**10.25 %**
	Total: 100 %

Note

Ownership expected to roll into UK Newco via share-for-share exchange (intended).

[Terms and conditions]

The Offer

The offer comprises a maximum of 960 000 shares, all with one (1) vote per share and with the same right to the Company's profit. In the event of full subscription, the number of shares in the Company will increase from the current 10,922 941 to 11,002,941 shares. The dilution for shareholders who do not participate in the issuance will be approximately 7,27 %, calculated as the number of new shares divided by the total number of shares after full subscription. The offer has been prepared in accordance with Swedish legislation. The offer is addressed to a selected group of investors.

Pre-emption Rights to Subscription

The shares are issued without pre-emption rights for existing shareholders.

Issue Price

The new shares are issued at a price of 6.25 SEK per share. No brokerage fees or taxes are added to the amount. The issue price is determined by the board and is the same as offered to professional investors in the last round in 2025.

Subscription Unit

The shares are subscribed in minimum units of 500,000 SEK (80 000 shares) and thereafter in multiples of 100 000 SEK (16 000 shares).

Subscription Period

Subscription for new shares shall take place during April 13-27, 2026, which period can be shorter or longer at the sole discretion of the Board.

Subscription Form

The easiest way to subscribe is electronically via Bank-ID at: **www.aqurat.se/cielo-mar-finans-ab-publ**, were you also can download subscription forms and other related documents in pdf format.

Incomplete or incorrectly filled subscription forms may be disregarded. Only one (1) subscription form per individual or legal entity will be considered. If more than one subscription form is submitted, only the most recent one will be considered.

The subscription for shares is binding. Completed subscription forms must be received by Aqurat Fondkommission no later than 5:00 PM on April 27, 2026. Subscription forms sent by mail should be sent well in advance of the last day of the subscription period.

Aqurat Fondkommission AB Box 7461 SE-103 92 Stockholm | SWEDEN	Backoffice: +46 8 684 05 800 **info@aqurat.se**

Individuals who subscribe for shares must have a VP account or a custody account with a bank or other custodian to which delivery of shares can be made. Individuals who do not have a VP account or custody account must open a VP or custody account with a bank or securities institution before submitting the subscription form according to the instructions above.

Please note that it may take some time to open a VP or custody account. Also note that individuals with a custody or account with specific rules for securities transactions, such as an investment savings account (ISA) or a capital insurance account (KIA), must check with the bank/custodian managing the account, if, and if so, how, acquisition of securities within the framework of the offer is possible. In that case, the subscription should be made in agreement with the bank/custodian managing the account.

Allocation

The allocation of shares will be decided by the board of directors of Cielo Mar Finans AB (publ), according to the following principles:

In the event of oversubscription, allocation may be made with a lower number of shares than subscribed for, or may not be made at all, depending on when (on which date) the subscription application was received. Existing shareholders and/or bondholders will be given priority in the allocation.

Allocation may be decided entirely at the discretion of the board.

There is no upper limit to the number of shares an individual subscriber can apply for, within the limits of the new issuance. Notification of allocation will be sent by mail by Aqurat Fondkommission to the address provided on the subscription form, or by email if such address is provided.

Payment and Delivery of Shares

Payment shall be made according to instructions from Aqurat Fondkommission upon notification of allocation. Full payment for allocated shares shall be made in cash according to the instructions on the settlement note. Shares not paid for on time may be transferred to another party. Compensation may be claimed from those who have not paid for subscribed shares.

Delivery of Shares

As soon as the issuance has been registered with the Swedish Companies Registration Office, expected to take place during week 19 (4-8 May), 2026, the shares will be delivered to the VP or custody account with a bank or other custodian specified on the subscription form. Upon this, the subscriber will receive a VP note confirming the registration of securities on their VP account. Holders who have their holdings registered in a custody account with a bank or other custodian will receive information from their respective custodian.

Trading in the stock – Investor Exit

There is no organized trading in the stock, and such is not planned either. The Board's plan is for the exit is: A. Either through a sale of the Company's shares in Procon Baja J.V. to a buyer of the project in Mexico, after which the proceeds will be distributed to the shareholders of the Company in proportion to their shareholding, or: B. By list-ing the project company in Mexico on London Stock Exchange , or similar, after which the Company sells its shares and then distributes the proceeds to the shareholders proportionate to ownership, i.e., the same as in alternative A above. The goal is for the exit to occur between 2028-2029.

Restrictions on Participation in the Offering

Due to restrictions in securities legislation in the USA, Canada, Australia, Hong Kong, Singapore, South Africa, Switzerland, New Zealand, and Japan, the Offering to subscribe for shares is not directed at persons or entities with registered addresses in any of these countries.

Right to Dividend

The new shares entitle the holder to dividends from the record date for the dividend declared immediately after the registration of the current new share issue. All shares have the same right to dividends. There are no limitations on the right to dividends. Payment of any dividends is handled by Euroclear Sweden AB or, for nominee-registered holdings, in accordance with the procedures of the respective nominee. If shareholders cannot be reached, the shareholder's claim against the Company regarding dividend amounts remains and is limited only by statutes of limitations.

Share Register

The company is a reconciliation company registered at Euroclear. The company's share register, containing information about shareholders, is managed and maintained by Euroclear at the following address: Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden.

Announcement of Outcome in the Offering

The outcome of the Offering will be announced through a press release on May 11, 2026. The press release will be published on the Company's website.

Additional Information

The Memorandum has been prepared by the Company's board of directors, which is also responsible for the marketing of the share issue. The shares in Cielo Mar Finans are not subject to offers resulting from mandatory bids, redemption rights, or liquidation obligations. There have been no public takeover offers during the current or preceding fiscal year. Newly issued shares entitle holders to the same share of the Company's profit and any dividends, even in the event of liquidation, as existing shares. All shares in the Company carry the same voting rights, i.e., one (1) vote per share held. Shareholders' rights regarding dividend distribution, voting rights, preferential rights in the event of subscription for new shares, etc., are governed by the Company's articles of association.

[Risk Factors]

Several risk factors may have a negative impact on the Company's operations. It is therefore important to consider relevant risks. Below risk factors are described without any particular order and without claiming to be exhaustive or comprehensive. All risk factors cannot be described without a comprehensive evaluation of other information in this Memorandum together with a general assessment of the external environment. In addition to the risk factors described below, all other information in this Memorandum should also be considered. There may also be risks that are currently unknown to the Company and that may have a significant impact on the Company and its development.

BUSINESS AND INDUSTRY-RELATED RISKS

The need for third-party performance

The Company owns a certain number of shares in Procon Baja J.V. Procon owns the Cielo Mar project in Baja California, Mexico, which encompasses a land area equivalent to 2023 hectares with a 7.2-kilometer-long stretch of beach. The project is divided into five different phases, and Procon's plan is to develop the land area with energy-neutral homes powered entirely by solar energy, thereby not needing to connect the project to the grid. It is a very ambitious project that requires external capital infusion, ongoing project management, logistics handling, continuous material deliveries, subcontractor procurement, permitting, unit sales, etc. Even though the Company's assessment is that Procon, given the circumstances, is being run correctly by individuals with the right skills, experience, and networks, there are several potential risks that could affect the outcome. Some of these risks include; Lack of external capital, construction and material-related delays in the project, illnesses, suppliers not fulfilling their commitments to Procon, weather fluctuations causing delays, price adjustments on homes due to changes in material and/or market conditions, permitting issues that may in turn create delays, project exits taking longer than anticipated, etc. Although these risks are anticipated and a management plan is in place, it still represents a risk. Despite Procon and its management possessing significant expertise in the field and having succeeded thus far, there is no guarantee of future success, which the Company relies on for its own exit from the investment in Procon Baja J.V.

Suppliers

Procon relies partially on its main suppliers primarily a building partner but also other main suppliers such as for insulated building blocks, solar energy/energy storage, seawater desalination, sewage solutions, and in sales. Although these suppliers can all be replaced, it may lead to delays in the project, which in turn can adversely affect the Company's ability to divest its ownership in the project.

Unforeseen Events Resulting from Acquisitions and Collaborations

Procon's planned collaborations and potential future acquisitions of additional land areas, including a nearby airstrip, pose risk factors until greater knowledge has been gained about the impact of these measures on Procon's operations and consequently on the Company's operations as well. These factors may contribute to a deterioration of the Company's operations and financial position.

Competition

Although Procon's project is unique with its modern design, optimized construction costs, efficient energy solutions, and thus attractiveness in the market for customers, there is no guarantee that one or more competitors will not emerge. It may turn out that the market prefers the homes of these competitors or that these or other companies over time develop new methods and/or housing concepts that gain better acceptance than the solutions offered by Procon, which would then negatively affect the Company's operations and financial position.

Global Economic Conditions

Despite Procon operating in a growing market for recreational construction in Baja California and Procon's sales partner, Exit Realty and Next Home, being two of the leading real estate agencies in North America, sales in Procon's project may be negatively affected by fluctuations in the economy. Procon's operations also to some extent follow the fluctuations in the construction industry, which is known to be sensitive to economic downturns. While these downturns may lead to lower costs for procuring components and services, they can also result in longer lead times due to a more limited availability of components and personnel. This could consequently have a negative impact on the Company.

The armed conflict between Russia and Ukraine, depending on its future developments, and other potential conflicts that might emerge, may also negatively impact the Company. This could occur through increased general global economic uncertainty, which in turn affects Procon and the project through reduced sales or various types of delays.

Political Decisions and Legislation

Procon operates in an area where greater consideration is given to environmental aspects in the construction of properties. Although Procon holds the necessary permits to commence construction of part of the first phase of the project in Baja California, Mexico, including an environmental assessment - there is no guarantee that local or central authorities in the future may not require a different type of review with new permit requirements. Although the likelihood of this is limited, in the event of such occurrences, it could negatively affect the Company through longer lead times, resulting, for example, in a delayed investor exit.

Business Risks

Before sales in Procon's project in Baja California have commenced and are well established with customers, there is a risk that the market may not perceive the project and concept to be as attractive as Procon and its sales partners, Exit Realty and Next Home, have predicted. This, in turn, could lead to a lower sales rate and lower prices for the units sold, thereby negatively impacting the Company through reduced revenues and a potential delay in investor exit.

FINANCIAL RISKS

Need for Additional Capital

Procon's project is in an initial commercialization phase, and the houses to be constructed have not yet been commercially sold to external customers. There is thus a risk that these may not be accepted by the market in the positive manner and to the extent that Procon and the Company have assessed. Therefore, it cannot be ruled out that additional capital, beyond what is outlined in this Memorandum, may need to be provided by the Company to finance its part of Procon's operations. If the Company obtains such funding by issuing shares or share-related instruments, the Company's shareholders may experience dilution, while debt financing, if available to the Company, may include restrictive terms that could limit the Company's flexibility. It cannot be guaranteed that capital can be raised when needed or on terms acceptable to the Company.

Cash Flow Shortage

There is a risk that Procon may not meet its short-term payment obligations due to a cash flow shortage. This could negatively affect Procon by deteriorating its relationships with its suppliers, which in turn would be detrimental to the Company as a shareholder of Procon, as it may lead to delays in the project.

Changes in Currency Exchange Rates and Market Interest Rates

Concern in the currency market poses currency risks as Procon operates in an international market and purchases components in currencies other than the Mexican peso. The agreements that the Company enters with Procon are denominated in Swedish kronor, which eliminates the direct risk for the Company regarding repayment of loans provided and ongoing interest payments on these. For Procon, a weakening of the Swedish krona compared to primarily the Mexican peso and the US dollar means that it can repay loans and pay ongoing interest at a proportionally lower cost than when these were taken out. However, if the krona strengthens, it goes the other way, becoming more expensive for Procon with increased risk as a result.

As the main markets for the sale of residences in Procon's project are the USA and Canada, customers in these markets are affected by currency movements between the Mexican peso and the US and Canadian dollars. A stronger peso against these two currencies means higher prices for these customers. Even though the residences offered in Procon's project are attractive and competitively priced, a strong peso poses a risk through increased prices for the units sold, which may negatively affect customers' purchasing willingness, thereby impacting the Company's financial performance and position through longer project durations and deteriorated exit opportunities for the investment. Increasing market interest rates can also individually and/or in combination with the above affect customers' purchasing willingness, which in turn can negatively impact the Company's investment in Procon.

Credit Risk

The credit risks in the Company are associated with accounts receivable for the units sold through the Company's own organization and/or local real estate agents in Baja California. Procon has historically not experienced customer losses as sales have not yet commenced and currently sees no heightened risk. However, this does not guarantee that Procon may not suffer customer losses in the future, which could be significant and thereby negatively affect the Company's financial position.

STOCK AND STOCK RELATED RISKS

The company's stock is currently not traded on any market, resulting in limited or no liquidity (turnover) in the stock. There are no planned listings of the stock either.
As an investor in the company exit is planned either by selling all or part of Procon's project in Baja California, which would also involve selling the company's shares in Procon. The proceeds from the sale would then be distributed to the shareholders of the company in proportion to their ownership. Alternatively, exit could occur by listing the project company, Procon, on UK Main Market or similar.

This would create liquidity in the company's holdings, which could then be sold off, and the proceeds distributed to the company's shareholders according to the same principle as above, i.e., in proportion to their ownership in the company.

The possibility of selling the shares before the intended exit as described above is therefore very limited. Current and potential investors in the company should consider that investing in the company is associated with risk, and there are no guarantees that the stock price will develop positively. As indicated in this section, the development of the stock price depends on several factors that the company cannot influence.

Dividend

The company has not distributed any dividends so far, and there are no guarantees that dividends will be distributed in the future. The board assesses that dividend distribution will not be considered in the coming years, as the intended exit is planned to occur between 2028–2029. This means that the return on investment in the company is currently entirely dependent on the investor exit as planned and described above.

Risks associated with the offer

There are no guarantees that the current offer will be fully subscribed. This means that there is a risk that the Company may not raise the desired capital and may therefore be forced to seek additional capital, with the uncertainty that entails, both in terms of the possibility of finding additional capital and the conditions under which this will occur. There are also no guarantees that subsequent capitalizations through new share issues may not need to be carried out at lower prices and/or under different conditions than those currently being implemented.

Cielo Mar Finans

CIELO MAR FINANS AB (PUBL)
Box 5299
SE - 102 46 Stockholm
SWEDEN

info@cielomar.se
www.cielomar.se

[Contact Information]

ISSUER

Cielo Mar Finans AB (publ)
Box 5299
SE - 102 46 Stockholm | SWEDEN
Tel: +46 70-525 16 03

ISSUING INSTITUTION

Aqurat Fondkommission AB
Kungsgatan 58
SE - 111 22 Stockholm | SWEDEN
Tel: +46 8 684 058 00

ACCOUNT-HOLDING INSTITUTION

Euroclear Sweden AB
Box 191
SE - 101 12 Stockholm | SWEDEN
Tel: +46 8 402 90 00