



Year-end report 2023
January 1 – December 31, 2023

CINIS FERTILIZER READY FOR COMMISSIONING OF THE PRODUCTION FACILITY IN ÖRNSKÖLDSVIK

A year ago, Cinis Fertilizer broke ground for its first production facility. During 2023, the company has invested and built a production facility for environmentally friendly potassium sulfate in Örnsköldsvik, Sweden. During the first quarter of 2024, the installation work will be completed, and the equipment will be tested with commissioning planned for the end of March. Production of potassium sulfate and sodium chloride will begin a few weeks after the completion of the test period, and deliveries to customers will begin in the second quarter of 2024. In parallel, pre-design of Cinis Fertilizer's production facility in Kentucky, USA, has begun.

October – December

- Net sales amounted to SEK 0.0 million (0.0)
- Operating profit/loss amounted to SEK -14.0 million (-8.8)
- Profit/loss after financial items amounted to SEK -11.3 million (-8.2)
- Earnings per share, before and after dilution, amounted to SEK -0.16 (-0.11)
- Cash flow from operating activities after changes in working capital amounted to SEK -19.9 million (19.9)

Significant events during the quarter

- Following the extensive investments now being made in green industrial projects in North America, Cinis Fertilizer has decided to prioritize the construction of its planned plant in Hopkinsville, Kentucky, USA, before the one in Skellefteå, Sweden
- The production facility in Örnsköldsvik, Sweden, was connected to the electricity grid with access to fossil-free electricity

Full year 2023

- Net sales amounted to SEK 0.0 million (0.0)
- Operating profit/loss amounted to SEK -32.6 million (-24.1)
- Profit/loss after financial items amounted to SEK -32.6 million (-23.6)
- Earnings per share, before and after dilution, amounted to SEK -0.45 (-0.32)
- Cash flow from operating activities after changes in working capital amounted to SEK 10.7 million (-9.1)

Significant events after the quarter

- Cinis Fertilizer has signed a letter of intent with the Japanese company Itochu Corporation with the goal of establishing operations in Asia. The companies intend to cooperate in order to enter into binding sales and delivery agreements and to study the conditions for producing environmentally friendly mineral fertilizers in Asia
- Cinis Fertilizer has secured supplies of inputs for the start of production according to plan and for full production during the rest of the year
- In February, Cinis Fertilizer completed the recruitment of around thirty employees for the production facility in Örnsköldsvik, Sweden
- The Board of Directors proposes that no payment of dividend will be made for 2023

About Cinis Fertilizer

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

FNCA Sweden AB is Certified Adviser. For further information, please visit www.cinis-fertilizer.com.



CEO'S COMMENT

CINIS FERTILIZER'S PRODUCTS AN IMPORTANT PART OF THE GREEN TRANSITION



Jakob Liedberg,
CEO Cinis Fertilizer AB.

A year ago, we broke ground to mark the start of construction for our facility in Örnsköldsvik, Sweden. Since then, the work has progressed according to plan thanks to the great commitment of the entire organization and of all our partners. I am proud of what we achieved in 2023! Now we are looking forward to starting production and taking the next step to establish Cinis Fertilizer as a significant player in several markets.

Cinis Fertilizer contributes to reduced dependence on fossil fuels and reduction of the climate impact that results from the production of mineral fertilizers, such as emissions of greenhouse gases. The green transition happening all over the world will have a major impact on raw material flows globally and in this new landscape we will become the obvious alternative for the production of potassium sulfate when all manufacturers strive to "remove the carbon from the process industry" and switch to fossil-free production of fertilizers and other chemicals. Our business model will create profitable growth and provide our stakeholders better opportunities to reach their goals for a sustainable future. Our fossil-free and energy efficient process for producing potassium sulfate reduces carbon footprint and increases the yield in food production, especially important in areas with an arid climate.

Commissioning in Örnsköldsvik

The construction of our facility in Örnsköldsvik is ongoing. We have kept a high pace since the start and managed to keep the time and investment framework. During the fourth quarter, we continued to tick off important milestones, one of which was the connection of the facility to the electricity grid so that we now receive fossil-free electricity at a competitive price.

In the process building, the installation of machinery is ongoing. In a few weeks, various tests will begin, and commissioning is planned for the end of March. In the days to come, the work begins with the final inspection of the various parts of the facility. After we have received the notification that Cinis Fertilizer can put the production facility into use, we are transitioning from project and construction organization to operational organization, ready for commissioning at the end of March and start of production a few weeks later.

Without talented employees, no company is successful, and I am very happy to have met several of my new colleagues in the past weeks. We have recently recruited all employees essential to start our facility in Örnsköldsvik. It has been an extensive recruitment process, and I am happy and proud that we received so many more expressions of interest from people with the right skills than we could have hoped for. I thank everyone who contacted us and those we have met for interviews. To those whom we have unfortunately not had the opportunity to hire, I would like to say that we are grateful that you applied for employment with us and wish you all the best in your future career.



Production of potassium potash

An important part of our production of environmentally friendly mineral fertilizer is that we receive deliveries of sodium sulfate. At the end of 2023, our partner Northvolt told us that they had suffered production delays. This affects their deliveries of sodium sulfate to us, and we have therefore signed agreements with additional suppliers who can deliver sodium sulfate, as a raw material as well as a residual product from their manufacturing. The agreements entail slightly increased costs for the purchase of inputs and the flows of raw material will be phased out in line with increasing deliveries with sodium sulfate as a residual product. However, the company's profitability is mainly dependent on our product's price premium compared to the input product sodium chloride (MOP), where we see a stable positive price trend since autumn 2023. Cinis Fertilizer's projected production volumes for the full year 2024 amount to around 65,000 tons of potassium sulfate and around 40,000 tons of sodium chloride.

Cinis Fertilizer strengthen its cooperation with battery manufacturers

The past year has strengthened my belief that Cinis Fertilizer will be an important partner for several producers of batteries of various types, including lithium-ion and sodium-ion batteries. Our patent portfolio includes granted patents regarding the production process as well as the recently granted patent for the treatment of residual products containing sodium sulfate from sodium ion battery manufacturing which we expect to be a new major future source of residual material. We also have patent applications regarding the treatment of residual products containing sodium sulfate from battery manufacturing facilities, battery recycling facilities and steel production facilities.

The market for the production of electric vehicle batteries is growing rapidly in North America as a result of the favorable government incentive programs introduced in the United States and Canada. Work on our planned facility in Kentucky is proceeding at a high pace. We have strong support in our partner Ascend Elements and have been met with great interest from all the contacts we have made at the local and state level. In the coming months, we are focusing on pre-design and establishing collaborations with local design and construction companies to establish time schedules and investment frames.

We receive frequent evidence that Cinis Fertilizer's competence and unique process for the production of environmentally friendly mineral fertilizers arouses interest in several countries, even outside Europe. In January, we signed a letter of intent with the Japanese corporation Itochu. We will cooperate in matters such as purchasing and sales as well as potential establishment in Asia. Itochu has a broad business that includes agriculture, chemicals and mineral fertilizers and I see great opportunities to jointly achieve good results through our know-how combined with Itochu's focus on sustainability, their broad network and financial resources.

Financing

To ensure that Cinis Fertilizer can complete ongoing investment in its first plant, we have an arrangement with existing lenders, Nordea, SEK (Swedish Export Credit Corporation) and EKN to extend the credit facility with SEK 50 million and an overdraft facility from Nordea of SEK 30 million.

The next exciting phase of our journey will soon begin, and you are most welcome to join!

Jakob Liedberg, CEO



CLEARLY DEFINED GROWTH PLAN

About Cinis Fertilizer

Cinis Fertilizer is a Swedish green tech company. The business concept is to produce a sustainable and environmentally friendly water-soluble mineral fertilizer, potassium sulfate, by recycling industrial waste from the manufacture of electric car batteries and battery materials and from the pulp and paper industry.

Operational targets

Cinis Fertilizer has a clear plan for the company's growth. The company has operational targets to reach annual installed production capacity and production volume of potassium sulfate totaling 1.5 million tons by the end of 2030. The company intends to achieve the targets by building six production facilities. See also table below.

The first production facility, in Örnsköldsvik, is soon ready to start production, the second in the order will be built in Hopkinsville and is planned to be commissioned at the end of 2025. The third location indicated will be built in Skellefteå with planned commissioning at the end of 2026. Another three production facilities during the period 2026–2030 are planned to be built in locations that meet requirements such as access to cost-effective logistics, fossil-free electricity and competent employees.

In order to take advantage of secured contracts and handle supplies of inputs in an efficient manner, Cinis Fertilizer's production facilities will be located in strategic locations, with access to fossil-free electricity at favorable prices, close to, for example, electric car battery manufacturers and pulp mills to simplify the transport of inputs and to harbors to simplify logistics.

Circular strategy

Cinis Fertilizer is part of the circular economy. It is about using materials efficiently with reduced extraction of new raw materials and where landfilling of waste is avoided, so the lifetime and value of the materials increases in order to conserve the earth's resources. Cinis Fertilizer's products contribute to reducing agricultural emissions of greenhouse gases and strengthening global food production.

The circular strategy also means that Cinis Fertilizer intends to develop new and complementary offers to strengthen the business of existing and new customer categories.



Cinis Fertilizer will commission its first production facility in Örnsköldsvik at the end of March. The facility will produce approximately 100,000 tons of potassium sulfate and 65,000 tons of sodium chloride per year at full production. Deliveries to the customer will begin in the second quarter of 2024.

	Örnsköldsvik Sweden	Hopkinsville USA	Skellefteå Sweden	Plant 4	Plant 5	Plant 6
Production scheduled to start	Q1/Q2-2024	Q4-2025	Q4-2026	2026-2028	2029	2030
Production capacity, tons per year	100,000	300,000	200,000	300,000	300,000	300,000
Potassium sulfate offtake	100% ¹⁾	100% ²⁾	100% ¹⁾	–	–	–
Sodium sulfate/ ESP dust intake	100% ^{3, 4)}	100% ⁵⁾	100% ^{3, 4)}	–	–	–
Potassium chloride intake	100% ⁶⁾	100% ⁶⁾	100% ⁶⁾	–	–	–

- 1) Signed agreement with Van Iperen for sales and distribution of potassium sulfate
- 2) Signed LOI with K+S for sales and distribution of potassium sulfate
- 3) Signed long-term agreement with Northvolt for sodium sulfate intake

- 4) Signed long-term agreement with BASF for sodium sulfate intake
- 5) Signed long-term agreement with Ascend Elements for sodium sulfate intake
- 6) Signed agreement with K+S for potassium chloride



THE MARKET

Customers

Cinis Fertilizer has signed an agreement to sell all potassium sulfate production from the first two Swedish production facilities to Van Iperen International for 10+5 years. The price of potassium sulfate is locked to the spot price of water-soluble potassium sulfate with a discount. The company's revenue will be approximately 98 percent made up of revenue generated from the sale of water-soluble potassium sulfate. Additional income comes from the sale of sodium chloride (industrial salt).

In the third quarter of 2023, Cinis Fertilizer signed a letter of intent with K+S Minerals and Agriculture for the sale of all production of potassium sulfate from Cinis Fertilizer's facility to be built in Hopkinsville, Kentucky.

Suppliers

The company has signed a supply agreement with electric car battery manufacturer Northvolt for supplies of their residual product, sodium sulfate, for a period of 10+10 years and with battery manufacturer BASF for supplies of sodium sulfate for a period of 10+10 years. In the third quarter of 2023, Cinis Fertilizer signed an agreement with Ascend Elements, a leading US producer of battery materials, regarding the supply of sodium sulfate from their facility in Hopkinsville, Kentucky, for a period of 10+5 years.

In addition to manufacturers of batteries and battery materials, Cinis Fertilizer will sign agreements with complementary suppliers who offer sodium sulfate as a residual stream from their operations. As a result of delays in planned deliveries from Northvolt, Cinis Fertilizer will initially also purchase raw materials from foreign suppliers. These flows will be phased out in line with increasing deliveries with sodium sulfate as a residual product.

Cinis Fertilizer has signed a long-term agreement with K+S to purchase the input product potassium chloride for the company's two Swedish production facilities and has a letter of intent with K+S for them to supply Cinis Fertilizer's US facility.

Potassium sulfate

The mineral fertilizer potassium sulfate is usually produced via a chemical process where potassium chloride is used as an input. As potassium chloride is an input in the production of Cinis Fertilizer's mineral fertilizer, the company's product price is dependent on the pricing of potassium chloride. Potassium sulfate is a premium product and is thus traded at a price premium compared to potassium chloride. This price premium is the basis for the company's profitability.

The price of potassium sulfate also rose sharply in the latter part of 2022 due to the high price of potassium chloride, and then followed it downwards. Since August 2023, the price of standard bulk potassium sulfate in Northwest Europe is in an upward trend. At the end of the year, the price amounted to 575 euros per ton, an increase of 17 percent from September 30, 2023. Water-soluble potassium sulfate has an additional price premium of approximately 20 percent compared to standard potassium sulfate.



Potassium chloride

Potassium chloride is a naturally occurring mineral fertilizer produced by mining. The largest deposits are in Canada, Russia and Belarus, followed by China, Germany and the USA. Potassium chloride is a necessary input in the majority of all production of potassium sulfate, so also for Cinis Fertilizer's main product.

With Russia and Belarus accounting for just over 30 percent of the world's potash sales, and since sanctions have been imposed on these countries, prices rose sharply in 2022. Over the past year, prices have steadily moved towards levels corresponding to those just before Russia's invasion. At the end of 2023, the price for Standard potassium chloride in bulk, Northwest Europe, was 287 euros per ton, a decrease of 8 percent from September 30, 2023.

Pricing

The war in Ukraine has had a major impact on commodity markets, with rising and more volatile prices. The major anxiety we saw in the market at the start of autumn 2022 has been replaced with pricing in line with pre-Russian invasion levels.

The graph below shows the price development on the world market for potassium sulfate and potassium chloride as bulk goods. The price of potassium sulfate is the basis for the pricing of the water-soluble product that Cinis Fertilizer will produce.

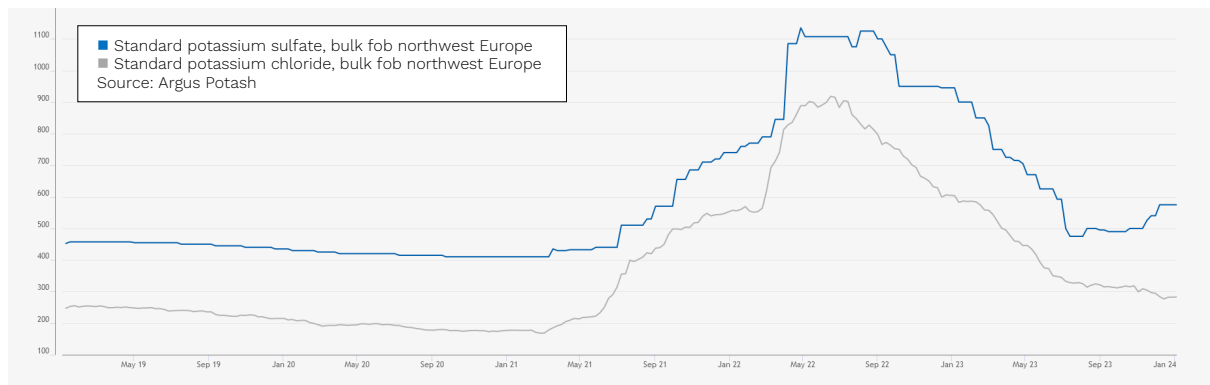
Potassium sulfate is, compared to potassium chloride, a premium product and is priced accordingly. Historically, potassium sulfate has traded at a premium to potash of approximately EUR 250 per ton. Water-soluble potassium sulfate is also traded at a premium of 20 percent over ordinary potassium sulfate. In the long term, Cinis Fertilizer also sees an opportunity to charge a higher price as a result of the product's environmentally friendly profile, but the company has initially chosen to sign long-term contracts without an environmental premium to secure future income in order to achieve a quick impact on the market.

Cinis Fertilizer's profitability is linked to the price difference (spread) between the input potassium chloride and the end-product potassium sulfate.

Historically, the price has co-varied over time and the price premium on potassium sulfate of EUR 200–300 per ton has been maintained.

The spread on December 31, 2023, amounted to EUR 288 per ton.

Price development January 3, 2019 – December 31, 2023.





THE GROUP'S FINANCIAL DEVELOPMENT

GROUP

October – December 2023

Net sales and earnings

Net sales amounted to SEK 0.0 million (0.0).

Operating profit/loss amounted to SEK -14.0 million (-8.8).

Interest expenses and similar profit/loss items amounted to SEK 2.6 million (0.5).

Profit/loss after financial items amounted to SEK -11.3 million (-8.8).

Cash flow

Cash flow for the fourth quarter amounted to -215,2 million, with investments in ongoing new facilities.

Cash flow from operating activities after changes in working capital amounted to SEK -19.9 million (19.9), whereof the change in working capital amounted to SEK -5,9 million (28.7).

Cash flow from investing activities amounted to SEK -198.2 million (-45.7).

Cash flow from financing activities amounted to SEK 2.8 million (422.8).

GROUP

Full year 2023

Net sales and earnings

Net sales amounted to SEK 0.0 million (0.0).

Operating profit/loss amounted to SEK -36.1 million (-24.1).

Interest expenses and similar profit/loss items amounted to SEK 3.5 million (0.5).

Profit/loss after financial items amounted to SEK -32.6 million (-23.6).

Cash flow

Cash low in 2023 amounted to SEK -273.7 million, with investments in ongoing new facilities.

Cash flow from operating activities after changes in working capital amounted to SEK 10.7 million (-9.1), whereof the change in working capital amounted to SEK 46.8 million (15.0).

Cash flow from investing activities amounted to SEK -585.1 million (-49.3).

Cash flow from financing activities amounted to SEK 300.7 million (422.9).

Cash flow for the year amounted to SEK -273.7 million (364.5)

Financial position

Cinis Fertilizer has an arrangement with existing lenders, Nordea, SEK (Swedish Export Credit Corporation) and EKN, for an extended credit facility of SEK 50 million and an overdraft facility with Nordea of SEK 30 million.

At the end of the year, cash and cash equivalents amounted to SEK 128.8 million (402.5). The equity/assets ratio was 51.4 percent (94.6) and the net gearing ratio was 0.94 times (0.06).

Equity amounted to SEK 404.7 million (436.5).

Equity per share amounted to SEK 5.6 (6.0).

Deferred tax claim

The Group has unused loss carry forwards in Sweden amounting to SEK 97.7 million (27.3), where the tax effect has not been reported as a deferred tax asset in the balance sheet. The deductions have no further time limit for utilization.

Investments

Investments in tangible fixed assets in the fourth quarter amounted to SEK -198.2 million. Accumulated as per 31 December 2023, investments amounted to SEK 634.4 million, attributable to capitalization of expenses for the company's first production facility. As a result of the weakening of the SEK against mainly the EUR and high inflation in Sweden during the construction period, the investment cost for the first production facility has increased slightly and is expected to amount to approximately SEK 700 million, which is within the total investment framework of SEK 710 million.

PARENT COMPANY

Full year 2023

The Parent company's net sales during the fourth quarter, Oct–Dec 2023, amounted to SEK 0.0 million (0.0). Operating profit/loss for the quarter amounted to SEK -11.6 million (-8.8) and the profit/loss after financial items amounted to SEK -10.2 million (-8.2).

The Parent company's net sales for the full year 2023 amounted to SEK 0.0 million (0.0). Operating profit/loss amounted SEK -32.8 million (-24.1) and the profit/loss after financial items amounted to SEK -30.5 million (-23.6).

The Group's operations are essentially run by the Parent company, while the investment in the first production facility is mainly run by its subsidiary Cinis Sweden AB.



FINANCIAL SUMMARY AND KEY FIGURES

SEK million	GROUP		PARENT COMPANY	
	Full year 2023	Full year 2022	Full year 2023	Full year 2022
Installed production capacity, tons**	–	–	–	–
Net sales	–	–	–	–
Balance sheet total	786.7	461.6	414.7	461.6
EBITDA	-36.1	-24.1	-32.8	-24.1
EBITDA-margin (%)*	Neg	Neg	Neg	Neg
Profit/loss after financial items	-32.6	-23.6	-32.6	-23.6
Cash flow from investment activities	-585.1	-49.3	-332.3	-45.7
Equity	404.7	436.5	406.8	436.5
Equity/assets ratio (%)	51.4	94.6	98.1	94.7
Net debt (+) / Net cash (-)	167,6	-402,5	-26.5	-402,4
Net debt/EBITDA (times)*	-4,6	16.7	0.8	16.7

* Operational and financial targets as of 2024

DEFINITIONS

Installed production capacity, tons

Installed annual production capacity

EBITDA

Operating profit before depreciation and write-downs on tangible fixed assets and intangible fixed assets

EBITDA-margin (%)

EBITDA in relation to net sales plus other operating income

Net debt (+) / Net cash (-)

Non-current and current interest-bearing liabilities less cash and cash equivalents

Net debt/EBITDA (times)

Non-current and current interest-bearing liabilities reduced by cash and cash equivalents in relation to the operating profit according to the income statement, before depreciation and write-downs of intangible and tangible assets

Equity/assets ratio

Equity divided by total assets

OPERATIONAL TARGETS

By the end of 2030, the company will have six production facilities with a total annual production volume of 1,500,000 tons.

FINANCIAL TARGETS

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



OTHER INFORMATION

FINANCIAL CALENDAR

Annual Report 2023

Week commencing
April 22, 2024

Interim report

January – March 2024
May 8, 2024

Annual General Meeting 2024

May 23, 2024

Interim report

January – June 2024
August 22, 2024

Interim report

January – September 2024
November 14, 2024

Year-end report 2024

Januari – December 2024
February 13, 2025

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This information is such information that Cinis Fertilizer is obliged to make public pursuant to the EU's Market Abuse Regulation. This report has been prepared with a Swedish and an English version. In the event of any discrepancies between the two, the Swedish version applies. This information was published, through the agency of the contact persons above, February 14, 2024, at 8.00 a.m. CET.

This report, as well as additional information, is available on the Cinis Fertilizer website, www.cinis-fertilizer.com

FNCA Sweden AB is Certified Adviser. ABG Sundal Collier is liquidity provider.

Personnel and organization

The average number of employees in the full year 2023 amounted to 9.8 (8). At the end of December, the number of employees amounted to 11 (9), whereof 30 percent (35) women and 70 percent (65) men.

Warrant program

The purpose of share incentive programs is to encourage, through long-term financial interests, an ownership interest in the company in order to strengthen the ties between shareholders and employees. Cinis Fertilizer has established a share incentive program based on capital-taxed warrants. As per December 31, 2023, the company had three warrant programs outstanding. More information about the warrants can be found in the Annual Report 2022 and in the notice to the Extraordinary General Meeting.

Annual General Meeting 2024

The Annual General Meeting of Cinis Fertilizer AB ("AGM") will take place on May 23, 2024, at 4.00 p.m. CEST, in Stockholm, Sweden. Further information about the procedure at the AGM will be published in the notice to the AGM.

Dividend proposal

According to the Cinis Fertilizer's dividend policy the board of directors intends to allow the company to carry forward any profits to invest in the business and therefore does not anticipate that any dividends will be paid in the near future. Cinis Fertilizer's board proposes to the annual general meeting not to pay a dividend to the shareholders for the financial year 2023. The proposal is submitted against the background that the company is in an expansive growth phase.

Comparative figures

Comparative figures for income statement items refer to the corresponding period of the previous financial year. Comparative figures for balance sheet items refer to the end of the previous fiscal year.



This Year-end report contains forward-looking statements that reflect the company's current expectations. Although the company believes that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that the expectations will prove to be correct because they are subject to risks and uncertainties that could mean that actual results differ significantly depending on a number of different factors. Such factors include, but are not limited to, changes in the ability of suppliers, customer demand, changed conditions regarding the economy, market and competition, limitations in purchasing and production, exchange rate changes, developments regarding product liability disputes, changes in the regulatory environment and other government actions. Forward-looking statements represent expectations only as of the date they were made, and, except as required by applicable law, the company undertakes no obligation to update any of them in the event of new information or future events.

Signatures

The board and the CEO assure that this Year-end report provides a fair overview of the company's operations, position, and results.

Örnsköldsvik, February 14, 2024

Roger Johansson
Chair

Viktoria Bergman
Board member

Sten Hedbäck
Board member

Åsa Källenius
Board member

Morgan Sadarangani
Board member

Anna-Maria
Tuominen-Reini
Board member

Jakob Liedberg
CEO

This report has not been subject to review by the company's auditors.



FINANCIAL REPORTS IN BRIEF

CONSOLIDATED INCOME STATEMENT

SEK million	Note	Oct–Dec 2023	Oct–Dec 2022	Full year 2023	Full year 2022
Net sales		0.0	–	0.0	–
Other operating income		0.3	0.0	1.4	0.0
Other external expenses	7	-8.3	-4.8	-20.3	-12.4
Personnel costs		-5.4	-4.0	-14.5	-11.6
Depreciation/amortization		0.0	0.0	0.0	0.0
Other operating expenses		-0.7	0.0	-2.7	-0.1
Operating profit/loss		-14.0	-8.8	-36.1	-24.1
Interest income		2.8	0.5	3.8	0.5
Interest expenses		-0.2	0.0	-0.3	0.0
Profit/loss after financial items		-11.3	-8.2	-32.6	-23.6
Tax		–	–	–	–
Total profit/loss for the period		-11.3	-8.2	-32.6	-23.6
Profit or loss for the period attributable to:					
Owners of the Parent company		-11.3	-8.2	-32.6	-23.6

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Note	Oct–Dec 2023	Oct–Dec 2022	Full year 2023	Full year 2022
Profit/loss for the period		-11.3	-8,2	-32,6	-23,6
Other comprehensive income		–	–	–	–
Comprehensive income for the period		-11.3	-8,2	-32,6	-23,6
Comprehensive income for the period attributable to:					
Owners of the Parent company		-11.3	-8.2	-32.6	-23.6
Earnings per share before and after dilution, SEK*		-0.16	-0.11	-0.45	-0.32
Number of shares		72,526,468	72,526,468	72,526,468	72,526,468
Average number of shares**		72,526,468	68,276,094	72,526,468	59,591,183

* The Group hold warrants, however as the result is negative, no dilution effect will be caused by the program

** Share split 40 1 implemented on May 30, 2022



CONSOLIDATED BALANCE SHEET

SEK million	Note	Dec 31, 2023	Dec 31, 2022
Assets			
<i>Non-current assets</i>			
<i>Property, plant, and equipment</i>			
Construction in progress and advance payment for property, plant, and equipment	8	634.4	49.3
Equipment		0.0	0.0
<i>Total property, plant, and equipment</i>		<i>634.4</i>	<i>49.3</i>
<i>Total non-current assets</i>		<i>634.4</i>	<i>49.3</i>
<i>Current assets</i>			
Other current receivables	9	22.7	8.2
Prepaid expenses and accrued income	10	0.8	1.6
Cash and cash equivalents	12	128.8	402.5
<i>Total current assets</i>		<i>152.3</i>	<i>412.3</i>
Total assets		786.7	461.6
Equity and liabilities			
<i>Equity</i>			
Share capital		0.7	0.7
Other capital contributions		463.6	462.9
Retained earnings		-27.0	-3.5
Profit/loss for the period		-32.6	-23.6
<i>Equity attributable to owners of Parent company</i>		<i>404.7</i>	<i>436.5</i>
Total equity		404.7	436.5
Liabilities			
<i>Non-current liabilities</i>			
Interest-bearing liabilities	12	296.4	–
<i>Total non-current liabilities</i>		<i>296.4</i>	<i>–</i>
<i>Current liabilities</i>			
Accounts payable		73.8	23.3
Other current liabilities		1.7	1.1
Deferred income and accrued expenses		10.0	0.7
<i>Total current liabilities</i>		<i>85.6</i>	<i>25.1</i>
<i>Total liabilities</i>		<i>382.0</i>	<i>25.1</i>
Total equity and liabilities		786.7	461.6



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to owners of Parent company

SEK million	Note	Share capital	Other capital contributions	Retained earnings	Profit/loss for the period	Total equity
Opening balance, January 1, 2022		0.1	41.1	-3.5	0.0	37.7
Profit/loss for the year		-	-	-	-23.6	-23.6
Other comprehensive income		-	-	-	-	-
<i>Comprehensive income for the year</i>		-	-	-	-23.6	-23.6
<i>Retained earnings</i>				0.0	0.0	
Bonus issue		0.4	-0.4			
New share issue		0.1	459.9			
Issue costs		-	-37.7			
Option premiums		-	0.1			
<i>Total transactions with shareholders</i>		0.6	421.8	0.0	0.0	422.3
Closing balance, December 31, 2022		0.7	462.9	-3.5	-23.6	436.5
Opening balance, January 1, 2023		0.7	462.9	-3.4	-23.6	436.5
Profit/loss for the year		-	-	-	-32.6	-32.6
Other comprehensive income		-	-	-	-	-
<i>Comprehensive income for the year</i>		-	-	-	-32.6	-32.6
<i>Retained earnings</i>				-23.6	23.6	
Option premiums			0.8			
<i>Total transactions with shareholders</i>		0.0	0.8			0.8
Closing balance, December 31, 2023		0.7	463.6	-27.0	-32.6	404.7



CONSOLIDATED CASH FLOW STATEMENT

SEK million	Note	Oct–Dec 2023	Oct–Dec 2022	Full year 2023	Full year 2022
Operating activities					
Operating profit/loss		-14.0	-8.8	-36.1	-24.1
Adjustments for non-cash items		0.0	0.0	0.0	0.0
Cash flow from operating activities before changes in working capital		-14.0	-8.8	-36.1	-24.1
Operating receivables (+ decrease)		1.8	13.2	-13.6	-9.3
Operating liabilities (+ increase)		-7.7	15.6	60.6	24.2
<i>Cash flow from working capital</i>		-5.9	28.7	47.0	15.0
Cash flow from operating activities		-19.9	19.9	-10.9	-9.1
Investing activities					
Investments in property, plant, and equipment		-198.2	-45.7	-585.2	-49.3
Cash flow from investing activities		-198.2	-45.7	-585.2	-49.3
Financing activities					
New share issue		–	422.3	0.0	422.3
Option premiums		0.0	–	0.8	0.1
Loans raised, net transaction costs		–	–	296.2	–
Interest received		2.8	0.5	3.8	0.5
Interest paid		-0.2	0.0	-0.2	0.0
Cash flow from financing activities		2.8	422.8	300.6	422.9
Cash flow for the period		-215.2	397.1	-273.7	364.5
Cash and cash equivalents for the period		344.0	5.5	402.5	38.1
Cash and cash equivalents at end of period		128.8	402.5	128.8	402.5



PARENT COMPANY INCOME STATEMENT

SEK million	Note	Oct–Dec 2023	Oct–Dec 2022	Full year 2023	Full year 2022
Net sales		0.0	–	0.0	–
Other operating income		0.0	–	0.5	0.0
Other external expenses	7	-6.2	-4.8	-18.0	-12.4
Personnel costs		-5.4	-4.0	-14.5	-11.6
Depreciation/amortization		0.0	0.0	0.0	0.0
Other operating expenses		0.0	0.0	-0.8	-0.1
Operating profit/loss		-11.6	-8.8	-32.8	-24.1
Interest income and similar profit/loss items		1.4	0.5	2.3	0.5
Interest expense and similar profit/loss items		0.0	0.0	0.0	-0.0
Profit/loss after financial items		-10.2	-8.2	-30.5	-23.6
Tax		–	–	–	–
Total profit/loss for the period		-10.2	-8.2	-30.5	-23.6

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK million	Note	Oct–Dec 2023	Oct–Dec 2022	Full year 2023	Full year 2022
Profit/loss for the period		-10.2	-8.2	-30.5	-23.6
Other comprehensive income for the period		–	–	–	–
Comprehensive income for the period		-10.2	-8.2	-30.5	-23.6



PARENT COMPANY BALANCE SHEET

SEK million	Note	31 Dec, 2023	31 Dec, 2022
Assets			
<i>Non-current assets</i>			
<i>Property, plant, and equipment</i>			
Construction in progress and advance payment for property, plant, and equipment	8	1.6	49.3
Equipment		0.0	0.0
<i>Total property, plant, and equipment</i>		1.6	49.3
<i>Financial non-current assets</i>			
Participations in Group companies	11	380.1	0.1
<i>Total financial non-current assets</i>		380.1	0.1
<i>Total non-current assets</i>		381.7	49.4
<i>Current receivables</i>			
Receivables from Group company	9	5.4	0.8
Other current receivables	9	0.4	8.2
Prepaid expenses and accrued income	10	0.7	0.7
<i>Total current receivables</i>		6.6	9.8
<i>Cash and cash equivalents</i>			
Cash and bank equivalents		26.5	402.4
<i>Total cash and cash equivalents</i>		26.5	402.4
<i>Total current assets</i>		33.0	412.2
Total assets		414.7	461.6
Equity and liabilities			
<i>Share capital</i>			
Share capital		0.7	0.7
<i>Total restricted equity</i>		0.7	0.7
<i>Unrestricted equity</i>			
Share premium reserve		463.6	462.8
Retained earnings		-47.3	-3.4
Profit/loss for the period		-10.2	-23.6
<i>Total unrestricted equity</i>		406.0	435.8
Total equity		406.8	436.5
Liabilities			
<i>Current liabilities</i>			
Accounts payable		3.9	23.3
Other current liabilities		1.7	1.1
Deferred income and accrued expenses		2.3	0.7
<i>Total current liabilities</i>		8.0	25.1
Total liabilities		8.0	25.1
Total equity and liabilities		414.7	461.6



CINIS FERTILIZER'S SHAREHOLDERS AND SHARE

THE COMPANY'S 10 LARGEST SHAREHOLDERS AS PER DECEMBER 31, 2023

SHAREHOLDER*	NUMBER OF SHARES	SHARE OF CAPITAL AND VOTES, %
Jakob Liedberg	26,400,000	36.4
Roger Johansson	13,947,427	19.2
Thomas Ranje	11,075,676	15.3
Molindo Energy	2,387,457	3.3
Livförsäkringsbolaget Skandia	1,590,344	2.2
Schroders	1,401,399	1.9
Åsa Källenius	1,005,733	1.4
Poularde AB	862,068	1.2
Nash Invest AB	707,833	1.0
GADD & Cie	682,617	0.9
<i>Other shareholders</i>	<i>12,465,914</i>	<i>17.2</i>
Total	72,526,468	100.0

* including holding through related parties, endowment insurance and ISK (Investment savings account) Sources: Modular Finance and Cinis Fertilizer

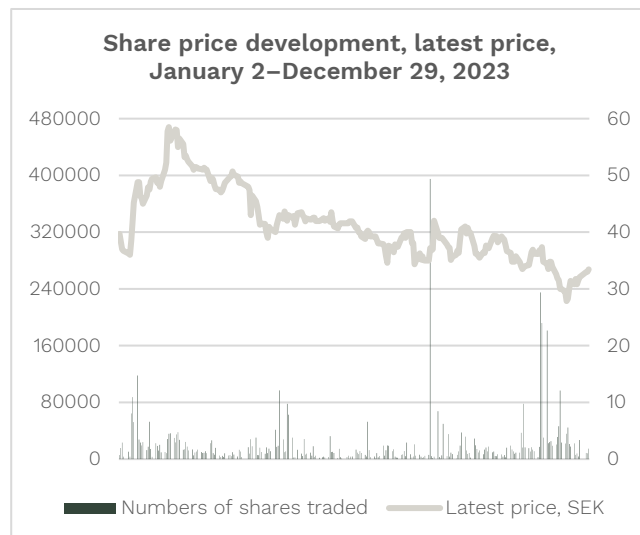
On December 31, 2023, Cinis Fertilizer had 72,526,468 outstanding shares. Each share corresponds to one vote.

The share development

The share at opening on October 21, 2022 was SEK 29. At close of trading on December 29, 2023, the prices for one share in Cinis Fertilizer amounted to SEK 33.45.

Highest paid price at closing amounted to SEK 58.51 SEK on February 9, 2023. Lowest closing price, SEK 27.85, was noted on December 12, 2023.

During the period October 1–December 31, 2023 trading in the share amounted to an average of 27,166 shares.





NOTES

Note 1 General information

Cinis Fertilizer is a Swedish green-tech company that will produce an environmentally friendly mineral fertilizer, potassium sulfate, by recycling industrial waste from the manufacture of electric car batteries and from the pulp and paper industry. The parent company Cinis Fertilizer AB with corporate identity number (559154-0322) is a Swedish limited liability company based in Örnsköldsvik. The parent company's holdings of shares in group companies as of December 31, 2023, consist of the wholly owned subsidiary Cinis Sweden AB (559322-4156), Asset-KH (559379-9132) and Cinis Fertilizer LLC (EIN: 36-5087250). The Group was formed on December 23, 2021.

Note 2 Accounting principles

Consolidated accounts for Cinis Fertilizer AB have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, the Swedish Annual Accounts Act (ÅRL) and the Swedish Financial Reporting Council RFR 1 "Supplementary accounting rules for groups". The parent company's financial reports are prepared in accordance with the Annual Accounts Act and RFR 2, "Accounting for legal entities".

This interim report has been prepared in accordance with IAS 34 "Interim reporting".

The accounting principles and calculation methods that are applied are in accordance with those described in the annual report for 2022. New standards and interpretations that came into force from and including January 1, 2023, have not had any effect on the Group's or Parent company's financial reports for the interim period.

Note 3 Significant risks and uncertainties

Cinis Fertilizer's operations and financial position are affected by internal factors that the company controls as well as a number of external factors where the ability to influence the course of events is limited. As a relatively young company without commercial production, the company is exposed to operational and financial risks. The company's financial position is affected, among other things, by the price of the end-product potassium sulfate, and the input potassium chloride. An account of the company's significant risks and risk management can be found in the company's annual report 2022.

Note 4 Financial instruments

All financial assets and liabilities have been valued at amortized cost, which in all cases is deemed to be consistent with fair value.

Note 5 Events after the end of the period

Cinis Fertilizer has signed a letter of intent with the Japanese company Itochu Corporation with the goal of establishing operations in Asia. The companies intend to cooperate in order to enter into binding sales and delivery agreements and to study the conditions for producing environmentally friendly mineral fertilizers in Asia.

Cinis Fertilizer has secured supplies of inputs for the start of production according to plan and for full production during the rest of the year.

In February, Cinis Fertilizer completed the recruitment of around thirty employees for the production facility in Örnsköldsvik, Sweden.

Note 6 Segment reporting

The CEO of Cinis Fertilizer, as the highest executive, follows up and analyses the results and financial position of the company as an entity, whereupon the company only consists of one reporting segment.



Note 7 External expenses

Operating expenses essentially consist of personnel expenses and other external expenses attributable to the start-up of the business.

SEK million	GROUP		PARENT COMPANY	
	Full year 2023	Full year 2022	Full year 2023	Full year 2022
Legal fees	5.3	2.8	5.3	2.8
Consulting services	4.7	1.9	3.6	1.9
Process consultants	0.1	1.8	0.1	1.8
Investor relations	0.7	0.9	0.7	0.9
Travel expenses	1.4	0.7	1.4	0.7
Insurance fees	1.6	0.6	1.6	0.6
Rental storage and offices	0.8	0.3	0.8	0.3
Other	5.4	3.5	4.4	3.5
Total	20.2	12.4	18.0	12.4

Note 8 Construction in progress and advance payment for property, plant, and equipment

SEK million	Dec 31, 2023	Dec 31, 2022
Opening balance	49.3	–
Sourcing	585.1	49.3
Closing balance	634.4	49.3
Örnsköldsvik production plant	632.8	48.4
Skellefteå production plant	1.6	0.8

Investments in property, plant, and equipment in fourth quarter 2023 amounted to SEK 634.4 million, related to capitalization of expenses for the company's first production plant. The total investment needed for the first production plant is expected to amount to around SEK 700 million, which is within the total investment framework of SEK 710 million.

Note 9 Other current receivables

SEK million	GROUP		PARENT COMPANY	
	Full year 2023	Full year 2022	Full year 2023	Full year 2022
VAT receivable	22.6	8.2	0.4	8.2
Receivables from Group company	–	–	5.4	0.8
Accounts receivable	0.0	–	0.0	–
Other current receivables	0.1	–	0.0	–
Tax account	0.0	0.0	0.0	0.0
Total	22.7	8.2	5.8	9.0



Note 10 Prepaid expenses and accrued income

SEK million	GROUP		PARENT COMPANY	
	Full year 2023	Full year 2022	Full year 2023	Full year 2022
Rent	0.1	0.0	0.0	0.0
Insurance	0.4	0.0	0.4	0.0
Legal fee	–	0.5	–	0.5
Other	0.3	1.0	0.3	0.2
Total	0.8	1.6	0.7	0.7

Note 11 Participation in Group companies

SEK million	Dec 31, 2023	Dec 31, 2022
Opening balance	0.1	–
Acquisitions	0.0	0.1
Shareholders' contributions	380.0	–
Closing balance	380.1	0.1

The Parent company's holdings and participations in subsidiaries

2023

Company, Corporate Identity No.	Registered office	Equity share, %	Reported value, SEK m
Cinis Sweden AB, 559322-4156	Örnsköldsvik	100	380.0
Asset-KH AB, 559379-9132	Örnsköldsvik	100	0.1
Cinis Fertilizer LLC, 36-5087250	Delaware	100	0.0

Note 12 Financing

SEK million	GROUP		PARENT COMPANY	
	Full year 2023	Full year 2022	Full year 2023	Full year 2022
Cash held on reserved accounts	46.4	–	–	0.0
Cash and cash equivalents	82.4	–	26.5	402.4
Total	128.8	–	26.5	402.4

Cash held on reserved accounts consist of SEK 46.4 million, of which SEK 15.1 million is "Debt Service Reserve" and SEK 31.3 million is "Contingency reserve". "Debt Service Reserve" contains reserved funds for the payment of interest on the loans for the next 12 months. "Contingency reserve" are reserved funds to be able to complete the project according to the project description.



Note 12 Financing, continued

Interest-bearing liabilities	GROUP		PARENT COMPANY	
	Full year 2023	Full year 2022	Full year 2023	Full year 2022
SEK million				
Non-current liabilities to credit institutions	296.4	–	–	–
Current liabilities to credit institutions	–	–	–	–
Total liabilities to credit institutions	296.4	–	–	–

Terms and repayment dates	GROUP		PARENT COMPANY	
	Full year 2023	Full year 2022	Full year 2023	Full year 2022
SEK million				
Nordea/SEK	296.4	–	–	–
Total liabilities to credit institutions	296.4	–	–	–

Cinis Sweden AB has a loan agreement with Nordea Bank Abp and AB Svensk Exportkredit (SEK) corresponding to SEK 300 million. Financing costs of SEK 3.7 million. Cinis Fertilizer has an arrangement with existing lenders, Nordea, SEK Swedish Export Credit Corporation) and EKN, for an extended credit facility of SEK 50 million and an overdraft facility with Nordea of SEK 30 million. Amortization six years, starting six months after “Commercial operation date”.

Note 13 Seasonal effects

Currently, no significant seasonal variations are visible for Cinis Fertilizer’s sales.

Note 14 Pledged assets and contingent liabilities

	GROUP		PARENT COMPANY	
	Full year 2023	Full year 2022	Full year 2023	Full year 2022
SEK million				
Corporate mortgages	100.0	–	–	–
Pledged shares	–	–	380.0	–
Pledged fixed assets*	25.0	–	–	–
Pledged cash and cash equivalents and cash held on reserved accounts	46.4	–	–	–
Total	171.4	–	380.0	–

* Pledged fixed assets was registered in October 2023.

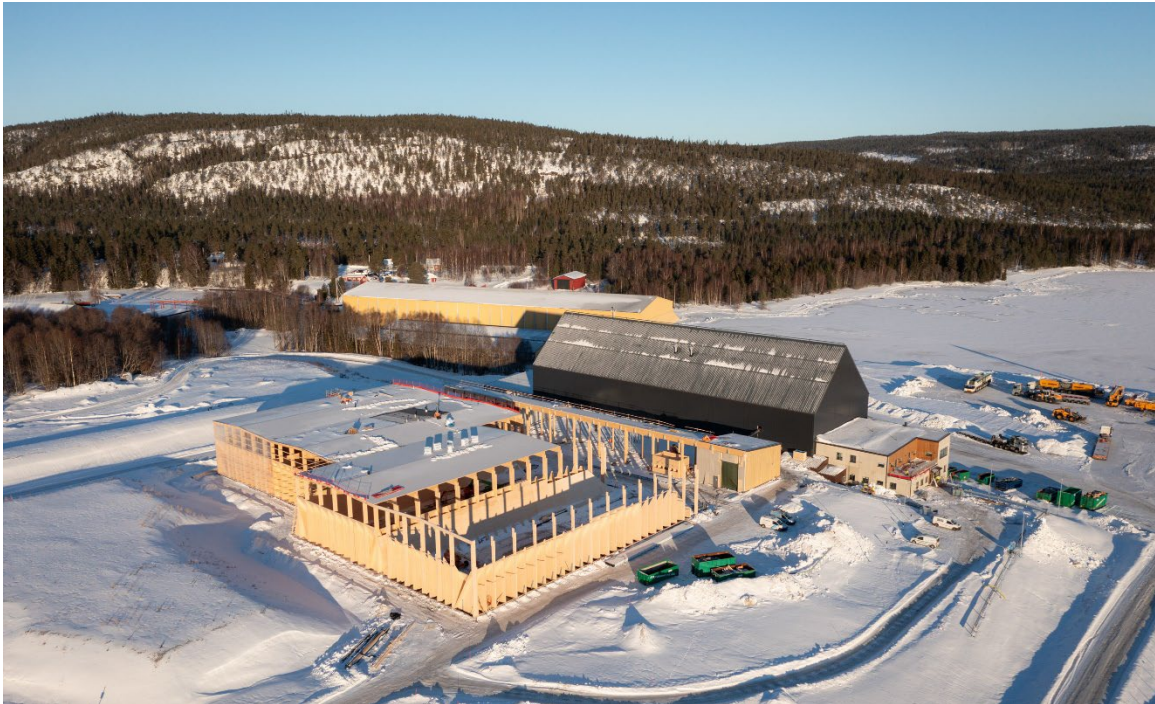
Note 15 Warrants

In 2021, the Extra General Meeting decided on the issue of 70,000 warrants in the company. During 2021, 41,000 and during 2022, 1,000 warrants have been transferred to members of the Board and employees of Cinis Fertilizer. The transfers have taken place at market price according to the Black & Scholes valuation model. Each warrant entitles, after conversion, to the subscription of 40 shares in the company at a subscription price of SEK 18.75 per share. The warrants can be used to subscribe for shares during the period from and including October 1, 2024, to and including October 31, 2024.

In 2023, the Extraordinary General Meeting decided on the issue of 500,000 warrants in the company. During the third quarter of 2023, 500,000 warrants have been transferred to the newly elected board member and new employees in Cinis Fertilizer. The transfers have taken place at market price according to the Black & Scholes valuation model. Each warrant entitles to one share in the company at a subscription price of SEK 80.00 per share. The warrants can be used to subscribe for shares during the period from and including October 3, 2023, to and including October 31, 2026.

Note 16 Transactions with related parties

Cinis Fertilizer has an agreement with Thomas Ranje regarding advice on financial matters. During 2023, the fee amounted to SEK 0.5 million. No other compensation was paid for senior executives, or purchases of services or goods from senior executives or others related to the Group, nor have there been any sales of this nature.

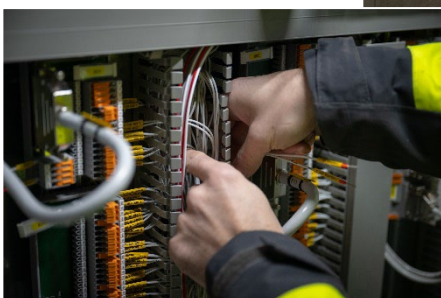


Process facility and salt warehouse at the end of January 2024. The last part of the roof for the salt warehouse was placed at the beginning of February and deliveries to the warehouse will begin end of the month.
 Photos: Leif Wikberg and Pirkko Westin



Inspiring view from the office part, overlooking the Nätra-fjord and the harbor in Köpmanholmen.

The work is ongoing with a focus on the installation of pipes, pumps, and electricity before commissioning at the end of the first quarter of 2024.



See the latest film from Örnsköldsvik and read more about Cinis Fertilizer's projects on the company's [website](#).