



Interim report
January 1 – March 31, 2024

2024

SWEDEN'S FIRST PRODUCTION OF A GREEN MINERAL FERTILIZER ON AN INDUSTRIAL SCALE IS NOW STARTING UP

The first quarter of 2024 was intense, and a lot has happened in Örnsköldsvik, Sweden. During the first months of the year, work on completing Cinis Fertilizer's first production facility continued at a high pace, and in the middle of the second quarter we have now been able to start up the production of potassium sulfate. With a fossil-free production method, we are the first in the world to produce an environmentally friendly potassium sulfate with a low carbon footprint using industrial waste products as one of the inputs. It is not only an important contribution to reducing the carbon footprint from agriculture, but also to strengthening Sweden's and Europe's self-sufficiency through local fertilizer production.

January – March 2024

- Net sales amounted to SEK – million (–)
- Operating profit/loss amounted to SEK -13.8 million (-5.7)
- Profit/loss after financial items amounted to SEK -14.2 million (-4.7)
- Earnings per share, before and after dilution, amounted to SEK -0.20 million (-0.07)
- Cash flow from operating activities after changes in working capital amounted to SEK -6.2 million (-0.1)

Significant events during the quarter

- Cinis Fertilizer signed a letter of intent with the Japanese company Itochu Corporation with the aim of establishing operations in Asia.
- Cinis Fertilizer secured supplies of inputs for the start of production according to plan and for full production during the rest of the year. The delays at a collaboration partner affect neither the company's planned start of production nor the production volumes for 2024, as the company has agreements with complementary suppliers of the input product sodium sulfate.
- All employees required to run the business in Örnsköldsvik were hired and began their duties.

Significant events after the quarter

- The Annual and Sustainability report was published.
- Sweden's first production of green mineral fertilizer on an industrial scale is starting up.

About Cinis Fertilizer

Cinis Fertilizer is a Swedish green-tech company producing an environmentally friendly mineral fertilizer, potassium sulphate (SOP), by recycling 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 low 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

SWEDEN'S FIRST PRODUCTION OF A GREEN MINERAL FERTILIZER ON AN INDUSTRIAL SCALE IS NOW STARTING UP



Jakob Liedberg,
CEO Cinis Fertilizer AB.

The first quarter of 2024 was intense, and a lot has happened in Örnsköldsvik. During the first months of the year, work on completing Cinis Fertilizer's first production facility continued at a high pace, and in the middle of the second quarter we have now been able to start up the production of potassium sulfate. With a fossil-free production method, we are the first in the world to produce an environmentally friendly potassium sulfate with a low carbon footprint using industrial waste products as one of the inputs. It is not only an important contribution to reducing the carbon footprint from agriculture, but also to strengthening Sweden's and Europe's self-sufficiency through local fertilizer production.

I am incredibly impressed by our employees and partners who in all essentials have managed to keep the very tough schedule. From the ground-breaking ceremony to starting up the production, it took just under fifteen months, which is a very short time and a historic achievement when it comes to the construction and establishment of a brand-new production facility.

During March 2024, commissioning began together with our main supplier Evatherm. Step by step, the equipment and installation were checked and then tested. In April, a cold-water run was first started and followed by a hot water run towards the end of the month, which means that the entire production plant is test run with the right temperature and conditions before dosing inputs. Now we have dosed the input materials and started up the production process to shortly have a finished potassium sulfate to deliver. All potassium sulfate production from the plant in Örnsköldsvik is to be delivered to our customer Van Iperen International and during the second quarter we expect to send the first delivery. Then we also enter the next phase of our journey – to be a producing company with sales revenue. We expect to be able to have full production for the second half of 2024.

Due to production delays at our partner, we will initially have to buy in produced sodium sulfate to supplement their residual streams and ensure our production volumes. This temporarily means a lower proportion of residual flows into the process than planned, but the main environmental benefit – a fossil-free production process with significantly lower energy consumption – remains. We are working intensively with the supplier mix to reduce the effects on the current year and create the best possible conditions in order to reach maximum circularity and cost efficiency for 2025.



We continue to the assessment that we will reach a positive cash flow from operational activities during the summer. Cinis Fertilizer's long-term financial goals remain.

Even in successful construction and establishment projects, unexpected problems are encountered along the way, and you are forced to come up with new, smarter solutions. Our production facility is no exception. All the lessons learned during pre-design, construction, and start-up, we are now bringing into the work with the next production facility, Hopkinsville, Kentucky. I am incredibly proud of how we managed to realize this first green industrial project in such a short time. With production starting up, Cinis Fertilizer will be able to contribute to agriculture's green transition already this year. I would like to say a big thank you to everyone who has been involved and made this possible: employees, partners, and financiers, to name just a few.

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 metric tons by the end of 2030. The company intends to achieve the targets by building six production facilities. See also table below.

The production of potassium sulfate in the company's first plant is starting up. The second plant will be built in Hopkinsville and is planned to be commissioned at the end of 2025. The third designated plant will be built in Skellefteå with planned commissioning at the end of 2026. Three additional production facilities are planned to be built during the period 2026–2030, 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 ports to simplify the distribution of sold products.

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 disposal of waste at sea/land 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's plant in Örnsköldsvik is up and running. The production capacity amounts to approximately 100,000 metric tons of potassium sulfate or 65,000 metric tons of sodium chloride per year at full production. Production and deliveries to customers will begin in the second quarter of 2024.

Cinis Fertilizer has three strategic focus areas for reaching its operational and financial targets:

- Expand the inflow of raw materials from existing and new industries as well as extend sales to existing and new customers
- Expand production by constructing new production plants
- Expansion of circular products to customers with stable demand

	Örnsköldsvik Sweden	Hopkinsville USA	Skellefteå Sweden	Plant 4	Plant 5	Plant 6
Production started/ scheduled to start	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% ²⁾	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 and purchase of potassium chloride
- 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 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).

Cinis Fertilizer has 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, USA.

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. Cinis Fertilizer also has agreements with the battery manufacturer BASF for the supply of sodium sulfate for a period of 10+10 years and a leading American manufacturer of battery materials, Ascend Elements, for 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. Following delays at one collaboration partner, Cinis Fertilizer will initially also purchase raw materials from other established 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 March 2024, the price amounted to 605 euros per ton, an increase of 5.2 percent from 31 December 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 sales of potash 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 of Ukraine. At the end of March 2024, the price for Standard potash in bulk, Northwest Europe, was 259 euros per ton, a decrease of 8.2 percent from 31 December 2023.

Pricing

The price for Cinis Fertilizer's potassium sulfate is based on the prevailing market price and quarterly agreement between seller and buyer.

The price is based on the spot price of water-soluble potassium sulfate with a discount of ten percent (water-soluble potassium sulfate has a price premium of about 20 percent over the standard type).

The graph below shows the price development on the world market for potassium sulfate and potassium chloride as bulk goods. The graph does not imply a direct correlation to the prices Cinis Fertilizer receives.

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 metric ton. Water-soluble potassium sulfate is also traded at a premium of 20 percent over ordinary potassium sulfate.

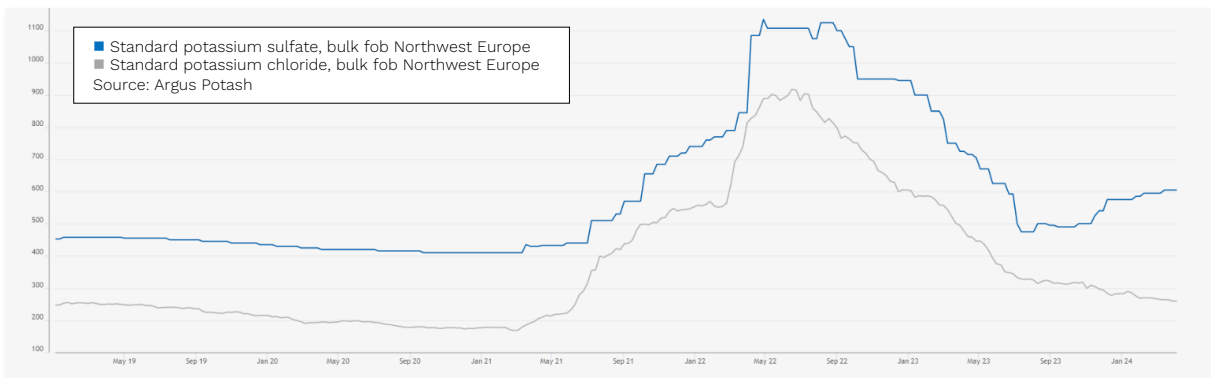
In the long term, Cinis Fertilizer also sees an opportunity to charge a higher price as a result of the product's environmentally friendly profile, but the company has initially chosen to sign long-term contracts without an environmental premium to secure future income in order to achieve a quick impact 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 metric ton has been maintained.

The spread on March 31, 2024, amounted to EUR 346 per metric ton.

Price development January 3, 2019 – March 31, 2024.





THE GROUP'S FINANCIAL DEVELOPMENT

GROUP

January – March 2024

Net sales and earnings

Net sales amounted to SEK – million (-).

Operating profit/loss amounted to SEK -13.8 million (-5.7).

Interest expenses and similar profit/loss items amounted to SEK -0.4 million (0.9).

Profit/loss after financial items amounted to SEK -14.2 MSEK (-4.7).

Cash flow

Cash flow for the first quarter 2024 amounted to SEK -94.1 million, with investments in ongoing new facilities.

Cash flow from operating activities after changes in working capital amounted to SEK -6.2 million (-0.1), whereof the change in working capital amounted to SEK 7.5 million (5.5).

Cash flow from investing activities amounted to SEK -110.6 million (-94.9).

Cash flow from financing activities amounted to SEK 22.7 million (0.9).

Financial position

As of March 31, 2024, the Group's total available loan facilities, including overdraft, amounted to SEK 82 million.

At the end of the period, cash and cash equivalents amounted to SEK 34.7 million (308.4). The equity/assets ratio was 47.6 percent (91.8) and the net gearing ratio was 1.10 times (0.09).

Equity amounted to SEK 390.5million (431.7).

Equity per share amounted to SEK 5.4 SEK (6.0).

Deferred tax claim

The Group has unused loss carry forwards in Sweden amounting to SEK 111.7 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 first quarter 2024 amounted to SEK -128.6 million. Accumulated as per 31 March 2024, investments amounted to SEK 743.2 million, attributable to capitalization of expenses for the company's first production facility.

As a result of the weakening of SEK against mainly EUR and high inflation in Sweden during the construction period, the investment cost for the company's production facilities increased during the period. This, in combination with costs in connection with the installation and commissioning of the company's first facility, means that the total investment as of March 31, 2024, amounted to SEK 745.0 million.

PARENT COMPANY

January – March 2024

The Parent company's net sales during the fourth quarter 2024, amounted to SEK 0.0 million (0.0). Operating profit/loss for the quarter amounted to SEK -9.2 million (-5.7) and the profit/loss after financial items amounted to SEK -9.2 million (-4.7).

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		
	Jan–Mar 2024	Jan–Mar 2023	Full year 2023	Jan–Mar 2024	Jan–Mar 2023	Full year 2023
Installed production capacity, tons*	–	–	–	–	–	–
Net sales	–	–	–	–	–	–
Balance sheet total	820.0	470.3	786.7	409.9	470.3	414.7
EBITDA	-13.8	-5.7	-36.1	-9.2	-5.7	-32.8
EBITDA-margin (%)*	neg	neg	neg	neg	neg	neg
Profit/loss after financial items	-14.2	-4.7	-32.6	-14.2	-4.7	-32.6
Cash flow from investment activities	-131.1	-94.9	-585.1	-2.7	-94.9	-332.3
Equity	390.5	431.7	404.7	397.6	431.7	406.8
Equity/assets ratio (%)	47.6	91.8	51.4	947.5	91.8	98.1
Net debt (+) / Net cash (-)	73.0	-269.7	167.6	6.8	-269.7	-26.5
Net debt/EBITDA (times)*	-5.3	47.7	-4.6	-0.7	47.7	0.8

* Operational and financial targets as of 2024

DEFINITIONS

Installed production capacity, metric 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 metric 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 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

January – 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, May 8, 2024, at 8.00 a.m. CEST.

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 first quarter 2024 amounted to 22 (9). At the end of March, the number of employees amounted to 39 (9), whereof 18 percent (33) women and 92 percent (67) 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 March 31, 2024, the company had three warrant programs outstanding. More information about the warrants can be found in the Annual Report 2023.

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 is published in the notice to the AGM, published on April 23, 2024, available on the company's web site.

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 Interim 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 Interim report provides a fair overview of the company's operations, position, and results.

Örnsköldsvik, May 8, 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

Expansion of circular products to customers with stable demand.



FINANCIAL REPORTS IN BRIEF

CONSOLIDATED INCOME STATEMENT

SEK million	Note	Jan–Mar 2024	Jan–Mar 2023	Full year 2023
Net sales		–	–	–
Other operating income		0.8	0.3	1.4
Raw materials and consumables		-0.1	–	–
Other external expenses	7	-6.8	-2.3	-20.3
Personnel costs		-6.9	-3.2	-14.5
Depreciation/amortization		-0.6	0.0	0.0
Other operating expenses		-0.1	-0.5	-2.7
Operating profit/loss		-13.8	-5.7	-36.1
Interest income		0.1	0.9	3.8
Interest expenses		-0.5	0.0	-0.3
Profit/loss after financial items		-14.2	-4.7	-32.6
Tax		0.0	–	–
Total profit/loss for the period		-14.2	-4.7	-32.6
Profit for the period attributable to:				
Owners of the Parent company		-14.2	-4.7	-32.6

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Note	Jan–Mar 2024	Jan–Mar 2023	Full year 2023
Profit/loss for the period		-14.2	-4.7	-32.6
Other comprehensive income		–	–	–
Comprehensive income for the period		-14.2	-4.7	-32.6
Comprehensive income for the period attributable to:				
Owners of the Parent company		-14.2	-4.7	-32.6
Earnings per share before and after dilution, SEK*		-0.20	-0.07	-0.45
Number of shares		72,526,468	72,526,468	72,526,468
Average number of shares		72,526,468	72,526,498	72,526,468

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



CONSOLIDATED BALANCE SHEET

SEK million	Note	31 Mar 2024	31 Mar 2023	31 Dec 2023
Assets				
<i>Non-current assets</i>				
Right-of-use assets	10	18.0	0.0	0.0
Construction in progress and advance payment for property, plant, and equipment	8	745.0	144.2	634.4
Equipment		0.0	0.0	0.0
<i>Total property, plant, and equipment</i>		762.9	144.2	634.4
<i>Financial assets</i>				
Participation in associated companies		–	–	–
Deferred tax assets		0.0	0.0	0.0
<i>Total financial assets</i>		2.5	0,0	0,0
<i>Total non-current assets</i>		763.0	144,2	634,4
<i>Current assets</i>				
Accounts receivables		0.7	0.0	0.0
Current tax receivables		0.1	0.0	0.0
Other current receivables	9	20.8	12.9	22.7
Prepaid expenses and accrued income		0.8	4.9	0.8
Cash and cash equivalents	12	34.7	308.4	128.8
<i>Total current assets</i>		57.0	362.2	152.3
Total assets		820.0	470.3	786.7
Equity and liabilities				
<i>Equity</i>				
Share capital		0.7	0.7	0.7
Other capital contributions		463.6	462.7	463.6
Retained earnings		-59,6	-27.0	-48.3
Profit/loss for the period		-14.2	-4.7	-11.3
<i>Equity attributable to owners of Parent company</i>		390.5	431.7	404.7
Total equity		390.5	431.7	404.7
Liabilities				
<i>Non-current liabilities</i>				
Interest-bearing liabilities	12	307.1	0.0	296.4
Lease liabilities		14.7	–	–
<i>Total non-current liabilities</i>		321.8	0.0	296.4
<i>Current liabilities</i>				
Interest-bearing liabilities		12.5	0.0	0.0
Accounts payable		88.2	36.8	73.8
Lease liabilities		3.0	–	–
Other current liabilities		1.8	0.8	1.7
Deferred income and accrued expenses		2.2	1.0	10.0
<i>Total current liabilities</i>		107.7	38.6	85.6
<i>Total liabilities</i>		429.5	38.6	382.0
Total equity and liabilities		820.0	470.3	786.7



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to owners of Parent company

SEK million	Share capital	Other capital contributions	Retained earnings	Profit/loss for the period	Total equity
Opening balance, January 1, 2023	0.7	462.8	-3.4	-23.6	436.5
Profit/loss for the period	–	–	–	-4.7	-4.7
Other comprehensive income	–	–	–	–	–
<i>Comprehensive income for the period</i>	–	–	–	-4.7	-4.7
<i>Retained earnings</i>			-23.6	23.6	
Option premiums		0.0			
<i>Total transactions with shareholders</i>	0.0	0.0	-23.6	23.6	0.0
Closing balance, March 31, 2023	0.7	462.7	-27.0	-4.7	431.7
Opening balance, January 1, 2024	0.7	463.6	-27.0	-32.6	404.7
Profit/loss for the period	–	–	–	-14.2	-14.2
Other comprehensive income	–	–	–	–	–
<i>Comprehensive income for the period</i>	–	–	–	-14.2	-14.2
<i>Retained earnings</i>			-32.6	32.6	
Effect of recalculation of balance sheet item			0.0		
<i>Total transactions with shareholders</i>	0.0	0.8	-32.6	32.6	0.0
Closing balance, March 31, 2024	0.7	463.6	-59.6	-14.2	390.5



CONSOLIDATED CASH FLOW STATEMENT

SEK million	Note	Jan–Mar 2024	Jan–Mar 2023	Full year 2023
Operating activities				
Operating profit/loss		-13.8	-5.7	-36.1
Adjustments for non-cash items		0.1	0.0	0.0
Cash flow from operating activities before changes in working capital		-13.7	-5.7	-36.1
Operating receivables (+ decrease)		1.1	-8.0	-13.7
Operating liabilities (+ increase)		6.4	13.5	60.5
<i>Cash flow from working capital</i>		7.5	5.5	46.8
Cash flow from operating activities		-6.2	-0.1	-10.7
Investing activities				
Investments in property, plant, and equipment		-110.6	-94.9	-585.1
Cash flow from investing activities		-110.6	-94.9	-585.1
Financing activities				
New share issue		–	–	–
Option premiums		–	–	0.8
Loans raised, net transaction costs		23.1	–	296.2
Interest received		0.1	0.9	3.8
Interest paid		-0.5	0.0	-0.1
Cash flow from financing activities		22.7	0.9	300.7
Cash flow for the period		-94.1	-94.2	-273.7
Cash and cash equivalents for the period		128.8	402.5	402.5
Cash and cash equivalents at end of period		34.7	308.4	128.8



PARENT COMPANY INCOME STATEMENT

SEK million	Note	Jan–Mar 2024	Jan–Mar 2023	Full year 2023
Net sales		–	–	0.0
Other operating income		0.0	0.3	0.5
Other external expenses	7	-4.2	-2.3	-18.0
Personnel costs		-5.1	-3.2	-14.5
Depreciation/amortization		0.0	0.0	0.0
Other operating expenses		0.0	-0,5	-0.8
Operating profit/loss		-9.2	-5.7	-32.8
Interest income and similar profit/loss items		0.0	0.9	2.3
Interest expense and similar profit/loss items		0.0	0.0	0.0
Profit/loss after financial items		-9.2	-4.7	-30.5
Tax		–	–	–
Total profit/loss for the period		-9.2	-4.7	-30.5

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK million	Note	Jan–Mar 2024	Jan–Mar 2023	Full year 2023
Profit/loss for the period		-9.2	-4.7	-30.5
Other comprehensive income		–	–	–
Comprehensive income for the period		-9.2	-4.7	-30.5



PARENT COMPANY BALANCE SHEET

SEK million	Note	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023
Assets				
<i>Non-current assets</i>				
Construction in progress and advance payment for property, plant, and equipment	8	1.7	144.2	1.6
Equipment		0.0	0.0	0.0
<i>Total property, plant, and equipment</i>		1.7	144.2	1.6
<i>Financial non-current assets</i>				
Participations in Group companies	11	380.1	0.1	380.1
<i>Total financial non-current assets</i>		380.1	0.1	380.1
Other non-current liabilities		2.5	–	–
<i>Total non-current assets</i>		384.4	144.3	381.7
<i>Current receivables</i>				
Receivables from Group company	9	18.3	2.1	5.4
Other current receivables	9	0.6	12.9	0.4
Prepaid expenses and accrued income		1.1	2.8	0.7
<i>Total current receivables</i>		20.0	17.8	6.6
<i>Cash and cash equivalents</i>				
Cash and bank equivalents		5.5	308.3	26.5
<i>Total cash and cash equivalents</i>		5.5	308.3	26.5
<i>Total current assets</i>		25.5	326.0	33.0
Total assets		409.9	470.3	414.7
Equity and liabilities				
Share capital		0,7	0,7	0,7
<i>Total restricted equity</i>		0,7	0,7	0,7
<i>Unrestricted equity</i>				
Share premium reserve		463,6	462,7	463,6
Retained earnings		-57,5	-27,0	-47,3
Profit/loss for the period		-9,2	-4,7	-10,2
<i>Total unrestricted equity</i>		396,8	431,0	406,0
Total equity		397,6	431,7	406,8
Liabilities				
<i>Current liabilities</i>				
Accounts payable		9.2	36.8	3.9
Other current liabilities		2.7	0.8	1.7
Deferred income and accrued expenses		0.4	1.0	2.3
<i>Total current liabilities</i>		12.3	38.6	8.0
Total liabilities		12.3	38.6	8.0
Total equity and liabilities		409.9	470.3	414.7



CINIS FERTILIZER'S SHAREHOLDERS AND SHARE

THE COMPANY'S 10 LARGEST SHAREHOLDERS AS PER MARCH 31, 2024

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	1,540,344	2.1
Schroders	1,433,658	2.0
Åsa Källenius	1,005,733	1.4
Poularde AB	862,068	1.2
GADD & Cie	682,617	0.9
SEB Funds	678,974	0.9
<i>Other shareholders</i>	<i>12,512,514</i>	<i>17.3</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

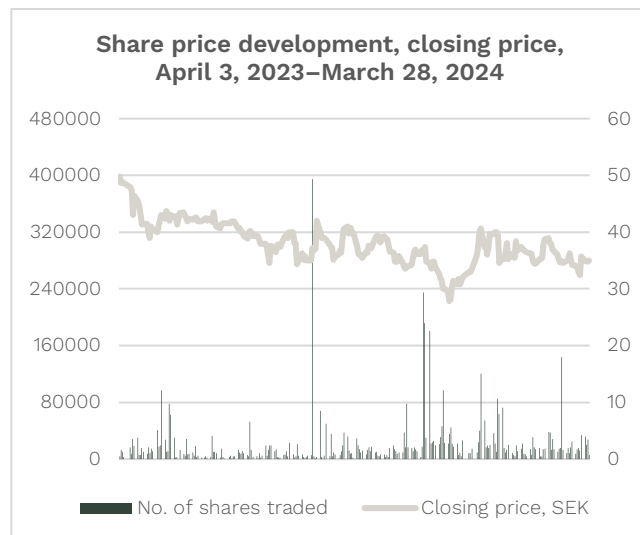
On March 31, 2024, Cinis Fertilizer had 72,526,468 outstanding shares. Each share corresponds to one vote.

The share development

The share at opening on October 21, 2022 was SEK 29.00. At close of trading on March 28, 2024, the price for one share in Cinis Fertilizer amounted to SEK 35.00 SEK.

Highest paid price at closing amounted to SEK 40.65 on Januari 4, 2024. Lowest closing price amounted to SEK 32.45 on March 21, 2024.

During the period January 1–March 31, 2024, daily trading in the share amounted to an average of 22,690 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 March 31, 2024, 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 2023. New standards and interpretations that came into force from and including January 1, 2024, have not had any effect on the Group's or Parent company's financial reports for the interim period.

Leasing

The Group's leasing contracts (right-of-use agreements) are divided into the following types of machinery and other technical facilities. A right-of-use contract is recognized as an asset and a corresponding liability from the date the leased asset is available to the Group. A lease payment is split between debt amortization and interest expense. The interest cost for each period is calculated according to the annuity method. Assets with right-of-use are depreciated according to plan over the period of the leasing contract, or if ownership is transferred at the end of the leasing period, over the shorter of the economic life of the asset and the length of the leasing contract. The right-of-use asset is initially valued at acquisition value, which consists of the initial value of the lease liability plus lease fees paid on or before the commencement date plus any initial direct expenses.

The right-of-use asset is depreciated on a straight-line basis from the start date to the earlier of the end of the asset's useful period and the end of the lease period, which is normally the end of the lease period for the Group. In the rarer cases where the cost of the right-of-use reflects that the Group will exercise an option to purchase the underlying asset, the asset is written off until the end of the useful life. The lease liability – which is divided into long-term and short-term parts – is initially valued at the present value of the remaining lease payments during the estimated lease period. Future payments are discounted to present value with the contract's implicit interest rate, or when this cannot be easily determined, the Group's marginal lending rate for a corresponding asset with corresponding security. For currently valid right-of-use assets, future cash flows have been discounted by 8.5 percent.

The right-of-use asset is initially valued at acquisition value and includes the following:

- The present value of future payments at the initial valuation of the lease liability,
- Payments made on or before the start date of the contract, e.g. first increased fee and,
- Direct costs and recovery costs.

Payments attributable to short-term contracts or for contracts of lesser value are expensed on an ongoing basis in the income statement. Short-term contracts refer to contracts with a leasing period of no more than 12 months. Lesser value is assessed by the management as cases where the value of a leased asset, when new, is less than SEK 50,000.

The lease period is set to non-cancellable periods together with extension periods if it is deemed reasonably certain that these will be used.



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 2023.

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

Sweden’s s first production of green mineral fertilizer in industrial scale is starting up.

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	
	Jan–Mar 2024	Jan–Mar 2023	Jan–Mar 2024	Jan–Mar 2023
Consulting services	3.4	1.3	2.0	1.3
Insurance fees	0.4	0.3	0.4	0.3
Other	3.0	0.8	1.8	0.8
Total	6.8	2.4	4.2	2.4

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

SEK million	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023
Opening balance	634.4	49.3	–
Investments in the period	110.6	94.9	585.1
Closing balance	745.0	144.2	634.4
Örnsköldsvik production plant	743.2	143.0	632.8
Skellefteå production plant	1.6	1.2	1.6
Hopkinsville production plant	0.2	0.0	0.0

Investments in tangible fixed assets in the first quarter of 2024 amounted to SEK 745.0 million (634.4), attributable to capitalization of expenses for the company’s first production facility.



Note 9 Other current receivables

SEK million	GROUP			PARENT COMPANY		
	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023
VAT receivable	11.0	12.9	22.6	0.6	12.9	0.4
Receivables from Group company	–	–	–	18.3	2.1	5.4
Accounts receivable	0.0	–	–	0.0	0.0	–
Other current receivables	0.1	–	–	0.1	0.0	–
Tax account	9.8	0.0	–	0,0	0.0	0.0
Total	20.9	12.9	22.6	18.9	15.0	5.8

Note 10 Right-of-use assets

SEK million	GROUP			PARENT COMPANY		
	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023
Opening balance	–	–	–	–	–	–
Additional right-of-use assets	18.6	–	–	–	–	–
Closing balance, historical costs	18.6	–	–	–	–	–
Opening balance, amortization	–	–	–	–	–	–
Amortization of the period	-1.0	–	–	–	–	–
Closing balance, historical costs	-0.6	–	–	–	–	–

Reported value, SEK million **18.0**

The Group has signed four new leasing agreements regarding machinery and equipment linked to the production facility in Örnsköldsvik.

Note 11 Participation in Group companies

SEK million	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023
Opening balance	380.1	0.1	0.1
Acquisitions	0.0	0.0	0,0
Shareholders' contributions	0,0	–	380.0
Closing balance	380.1	0.1	380.1

The Parent company's holdings and participations in subsidiaries

March 31, 2024

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

	GROUP			PARENT COMPANY		
	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023
SEK million						
Cash held on reserved accounts	15.1	–	46.4	–	–	–
Cash and cash equivalents	19.6	308.3	82.4	5.5	308.3	26.5
Total	34.7	308.3	128.8	5.5	308.3	26.5

Cash held on reserved accounts consist of SEK 15.1 million and contains reserved funds for the payment of interest on the loans for the next 12 months.

	GROUP			PARENT COMPANY		
	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023
SEK million						
Non-current liabilities to credit institutions	307.1	0.0	296.4	–	–	–
Current liabilities to credit institutions	12.5	–	–	–	–	–
Total liabilities to credit institutions	319.6	–	296.4	–	–	–

	GROUP			PARENT COMPANY		
	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023
SEK million						
Nordea/SEK	319.6	0.0	296.4	–	–	–
Total liabilities to credit institutions	319.6	0.0	296.4	–	–	–

Cinis Sweden AB has a loan agreement with Nordea Bank Abp and AB Svensk Exportkredit (SEK) corresponding to SEK 350 million. Financing costs of SEK 4.2 million. Amortization six years, starting six months after “Commercial operation date”. Cinis Fertilizer has an arrangement with existing lenders, Nordea and EKN, for an overdraft facility with Nordea of SEK 30 million.

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		
	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023
SEK million						
Corporate mortgages	100.0	–	–	–	–	–
Pledged fixed assets*	100.0	–	–	–	–	–
Total	200.0	–	–	–	–	–

* Pledged fixed assets was registered in October 2023 and February 2024.

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.



Process plant in March. During the first months of the year, work continued to complete Cinis Fertilizer's first production facility and into the second quarter of 2024 the production process is starting up.



The first deliveries of input goods arrived at the port in Köpmanholmen in mid-March 2024.

Photos: Leif Wikberg



See the latest film from Örnsköldsvik and read more about Cinis Fertilizer's project on the company's website.