



INTERIM REPORT JANUARY 1 – SEPTEMBER 30, 2022

With a fully funded business plan, Cinis Fertilizer can now take the next step in establishing the first production facility, located in Örnsköldsvik. The project is proceeding according to plan, and we have now been informed that the main hearing in the case linked to Cinis Fertilizer's environmental permit for Örnsköldsvik will be held in March 2023, which is positive. Planning is also underway for production facility number two, which will be located in Skellefteå.

July – September

- Net sales amounted to SEK 0 million (-)*
- Operating profit/loss amounted to SEK -3.0 million (-0.0)*
- Profit/loss after financial items amounted to SEK -3.0 million (-)*
- Earnings per share, before and after dilution, amounted to SEK -2.1 (-)*
- Cash flow from operating activities after changes in working capital amounted to SEK -7.6 million (-)*

**The group was formed on December 23, 2021*

January – September

- Net sales amounted to SEK 0 million (-)*
- Operating profit/loss amounted to SEK -15.3 million (-)*
- Profit/loss after financial items amounted to SEK -15.3 million (-)*
- Earnings per share, before and after dilution, amounted to SEK -10.8 (-)*
- Cash flow from operating activities after changes in working capital amounted to SEK -29.0 million (-)*

**The group was formed on December 23, 2021*

Significant events during the quarter

- The environmental permit application for the second planned production facility in Skellefteå was announced by the Land and Environment Court
- The company was granted a loan of SEK 300 million from Nordea and The Swedish Export Credit Corporation with a green credit guarantee from The Swedish Export Credit Agency

Significant events after the quarter

- On October 21, Cinis Fertilizer was listed on Nasdaq First North Growth Market. In connection with the listing a heavily oversubscribed share issue was completed, and the company received SEK 460 million before transaction costs (including over-allotment option)
- The Land and Environment Court announced that the main hearing in the case linked to Cinis Fertilizer's environmental permit for the production facility in Örnsköldsvik is to be held in March 2023
- The over-allotment option in connection with Cinis Fertilizer's listing and share issue was fully exercised

About Cinis Fertilizer

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



CEO'S COMMENT

SECURED FINANCING ENABLES OUR GROWTH JOURNEY



CEO Jakob Liedberg

Our purpose and our vision at Cinis Fertilizer is to enable sustainable agriculture by decarbonizing plant nutrition. We have now taken a big step forward towards that as we secured the funding of our long-term business plan through the listing on Nasdaq First North Growth Market and the loan from Nordea and the Swedish Export Credit Corporation. This also means that the construction of our first production plant for fossil-free mineral fertilizer can start.

In September, we were granted a loan of SEK 300 million by the Swedish Export Credit Corporation and Nordea, with a green credit guarantee from the Swedish Export Credit Agency. Shortly thereafter we carried out a share issue and listed the company on Nasdaq First North Growth Market. The share issue was heavily oversubscribed, and the company received SEK 460 million before transaction costs. We are proud of the great interest in participating in Cinis Fertilizer's listing and share issue, and I want to take the opportunity to extend a warm welcome to all new shareholders on our continued growth journey. It is incredibly gratifying to see the range of players who have chosen to support our venture in circular and fossil-free potassium sulfate (SOP) produced in Sweden. Lenders as well as private individuals and institutional investors in several countries clearly signal that the green transition is important, and that Cinis Fertilizer is part of the solution.

With the financing in place, we are now taking the next step in the establishment of our first production facility in Örnsköldsvik. The project team together with our suppliers are preparing for the start of construction. We have now been able to place the first major orders with our process supplier, which is of great importance for the project's execution and schedule. At the beginning of November, the Land and Environment Court also announced that they are planning for a main hearing in March 2023. We are pleased to now have a clear timetable for the first environmental permit to adhere to. With the main hearing in March, we make the assessment that our timetable, with the start of production in the first quarter of 2024, still holds, as the longest lead times in the project are related to delivery of process equipment and not construction time.

At the beginning of July, the environmental permit application for our second production facility, in Skellefteå, was also announced by the courts. This means that production facility number two is also moving forward according to plan.

At the moment, there is a great demand for sustainable and locally produced mineral fertilizers that can contribute to strengthening Sweden's and Europe's independence while reduce the carbon footprint of agriculture. With a strong project team and funding in place, we can finally start contributing to just this. We have an ambitious plan ahead of us and look forward to enabling more sustainable agriculture step by step.

Jakob Liedberg, CEO



CINIS FERTILIZER'S DEVELOPMENT

Cinis Fertilizer's business idea is to produce a sustainable and water-soluble mineral fertilizer, sulfate of potash (SOP), by recycling industrial waste from the pulp and paper industry and electric vehicle battery production. The company plans to establish six production facilities until 2030. The first two production facilities will be based in Örnsköldsvik and Skellefteå in Northern Sweden. The following two are also planned to be located in the Nordics.

Cinis Fertilizer has signed an agreement to sell all SOP from the first two production facilities to Van Iperen International for 10+5 years. The company has also signed an agreement with electric vehicle battery producer Northvolt to purchase their waste product, sodium sulfate, for 10 + 10 years, thus securing an important input. Cinis Fertilizer has also signed a letter of intent with K+S to purchase the input material Muriate of Potash (MOP) for all four production facilities, as well as sell SOP from facilities three and four, and sodium chloride from facilities one and two.

During the quarter, the project team, together with subcontractors, has started preparing for the start of construction in Örnsköldsvik. In parallel, the financing efforts have continued. During the quarter, the company was granted a loan of SEK 300 million from Nordea and the Swedish Export Credit Corporation with a green credit guarantee from the Swedish Export Credit Agency. After the end of the quarter, the company carried out a successful share issue and listed the company on Nasdaq First North Growth Market, securing the financing of our planned production facility.

MARKET DEVELOPMENT

Muriate of Potash (MOP)

MOP, or Muriate of Potash, is a naturally occurring mineral fertilizer produced through mining. The largest findings are in Canada, Russia and Belarus followed by China, Germany and USA. As Russia and Belarus represent around 30 percent of the world's MOP capacity, the prices have increased significantly during 2022 from already high levels in 2021. By the end of the quarter, the price of Standard MOP in bulk, Northwestern Europe, amounted to 613–859 dollars per ton¹.

Sulfate of Potash (SOP)

The mineral fertilizer Sulfate of Potash, SOP, is usually produced through a chemical process where MOP is used as input. Since SOP generally requires a processing of MOP fertilizer, SOP fertilizer is considered a premium commodity and is thus traded at a price premium compared to MOP. The price of SOP has also risen sharply during the end of 2021 and the first half of 2022 because of the high MOP price. At the end of the quarter, the price of standard SOP in bulk, Northwest Europe, amounted to 1,050–1,100 dollars per ton¹. Water-soluble SOP has an additional price premium of approximately 20 percent compared to standard SOP.

¹ Argus Potash, issue 22-39



THE GROUP'S* FINANCIAL DEVELOPMENT

JULY – SEPTEMBER

Net sales and earnings

Net sales amounted to SEK 0 million (-).

Operating profit/loss amounted to SEK -3.0 million (-).

Interest expenses and similar profit/loss items amounted to SEK 0 million (-).

Profit/loss after financial items amounted to SEK -3.0 million (-).

Cash flow

Cash flow from operating activities after changes in working capital amounted to SEK -7.6 million (-), whereof the change in working capital amounted to SEK -4.6 million (-).

Cash flow from investing activities amounted to SEK -3.6 million (-).

Cash flow from financing activities amounted to SEK 0 million (-).

Cash flow for the quarter amounted to SEK -11.2 million (-).

JANUARY – SEPTEMBER

Net sales and earnings

Net sales amounted to SEK 0 million (-).

Operating profit/loss amounted to SEK -15.3 million (-).

Profit/loss from financial items amounted to SEK -0 million (-).

Profit/loss after financial items amounted to SEK -15.3 million (-).

Cash flow

Cash flow from operating activities after changes in working capital amounted to SEK -29.0 million (-), whereof the change in working capital amounted to SEK -13.7 million (-).

Cash flow from investing activities amounted to SEK -3.6 million (-).

Cash flow from financing activities amounted to SEK 0.1 million (-).

Cash flow for the period amounted to SEK -32.6 million (-).

Financial position

At the end of the period, cash and cash equivalents amounted to SEK 5.5 million (-). The equity/assets ratio was 70.3 percent (-) and the net gearing ratio was 0.42 times (-). Equity amounted to SEK 22.5 million (-). Equity per share amounted to SEK 15.9 (-).

Deferred tax claim

The group has unused loss carry forwards in Sweden amounting to SEK 15.2 million (-), 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 third quarter amounted to SEK 3.6 million, attributable to capitalization of costs for the company's first production facility. The total investment requirement for the first production facility is expected to amount to approximately SEK 600 million.

Parent Company

The parent company's net sales during the period July-September amounted to SEK 0 million (-). The operating profit amounted to SEK -3.0 million (-0.1) and the profit/loss after financial items amounted to SEK -3.0 million (-0.1). For the period Jan-Sep, net sales amounted to SEK 0 million (-). The operating profit amounted to SEK -15.3 million (-1.1) and the profit/loss after financial items amounted to SEK -15.3 million (-1.1).

*The group was formed on December 23, 2021



FINANCIAL SUMMARY AND KEY FIGURES

	Group	Parent company	
	January - September		
	2022	2022	2021
Installed production capacity*, tonnes	N/A	N/A	N/A
Net sales, SEKm	-	-	-
Balance sheet total, SEKm	32.0	32.0	1.0
EBITDA, SEKm	-15.3	-15.3	-1.1
EBITDA Margin (%)*	N/A	N/A	N/A
Profit/loss after financial items, SEKm	-15.3	-15.3	-1.1
Equity/asset ratio (%)	70.3	70.3	65.7
Net debt	-5.5	-5.5	-38.1
Net debt/EBITDA* (times)	N/A	N/A	N/A

*Operational and financial targets from 2024

DEFINITIONS

Installed production capacity

Annual installed 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

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

Net debt/EBITDA (times)

Net debt in relation to EBITDA

Equity/asset ratio

Equity divided by total assets at the end of the period



OTHER INFORMATION

FINANCIAL CALENDAR

Year-End Report 2022
February 16, 2023

Annual Report 2022
April 2023

Interim report first quarter 2023
May 9, 2023

Annual General Meeting
May 25, 2023

CONTACT

Jakob Liedberg, CEO
jakob@cinis-fertilizer.com
+46 768 58 12 86

Charlotte Becker, IR & Communications Director
charlotte@cinis-fertilizer.com
+46 730 37 07 07

Henrik Andersson, CFO
henrik@cinis-fertilizer.com
+46 705 70 87 53

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, on November 30, 2022 at 08:00 CET.

Personnel and organization

The average number of employees during the period of January to September amounted to 8 (0), whereof 35 (0) percent women and 65 (0) percent men. At the end of September, the number of employees amounted to 9 (0).

Warrant programs

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 September 30, 2022 the company has one warrant program outstanding. More information about the warrants can be found in the Annual Report 2021 and in the prospectus.

Comparative figures

Comparative figures for income statement items refer to the corresponding period of the previous financial year. For the group's income statement and cash flow comparative figures refer to the period 23 - 31 December 2021, which is the period that the group has existed in 2021. Comparative figures for balance sheet items refer to the end of the previous fiscal year and for the parent company the corresponding period of the previous year.

Signatures

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

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

Örnsköldsvik 2022-11-30

Roger Johansson
Chairman

Viktoria Bergman
Board member

Sten Hedbäck
Board member

Anna Kinberg Batra
Board member

Åsa Källenius
Board member

Morgan Sadarangani
Board member

Jakob Liedberg
CEO



FINANCIAL REPORTS IN BRIEF

GROUP CONSOLIDATED INCOME STATEMENT

SEK, million	Note	2022		2021*
		Jul-Sep	Jan-Sep	Jan-Dec
Net Sales		-	-	-
Other operating income		0.0	0.0	-
				0.0
Other external expenses	7	-0.6	-7.6	0.0
Personnel costs	7	-2.4	-7.6	0.0
Depreciation		0.0	0.0	-
Other operating expenses		0.0	0.0	0.0
Operating profit/loss		-3.0	-15.3	0.0
Interest expenses & similar expense items		0.0	0.0	-
Profit/loss after financial items		-3.0	-15.3	0.0
Tax		-	-	-
Total profit/loss of the period		-3.0	-15.3	0.0
Profit of the period attributable to Parent Company's shareholders		-3.0	-15.3	0.0

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK, million	Note	2022		2021*
		Jul-Sep	Jan-Sep	Jan-Dec
Profit/loss of the period		-3.0	-15.3	0.0
Other comprehensive income of the period		-	-	-
Comprehensive income of the period		-3.0	-15.3	0.0
Comprehensive income for the period attributable to:				
Parent company's shareholders		-3.0	-15.3	0.0
Earnings per share before and after dilution, SEK		-0.1	-0.3	-0.0
Number of shares		56,664,400	56,664,400	56,664,400
Average number of shares during the period		56,664,400	56,664,400	56,664,400

*Group formed on December 23, 2021



GROUP CONSOLIDATED BALANCE SHEET

SEK, million	Note	30 Sep 2022	31 Dec 2021
Assets			
<i>Non-current assets</i>			
Ongoing new facilities and advances regarding tangible fixed assets		3.6	-
Inventories		0.0	-
<i>Total property, plant and equipment</i>		3.6	-
<i>Total non-current assets</i>		3.6	-
<i>Current assets</i>			
Account receivables		0.0	-
Other current receivables		0.6	0.5
Prepaid expenses and accrued income	8	22.3	-
Cash and bank balance		5.5	38.1
<i>Total current assets</i>		28.4	38.6
Total assets		32.0	38.6
Equity and liabilities			
<i>Equity</i>			
Share capital		0.6	0.1
Other capital contributions		40.8	41.1
Retained earnings		-18.9	-3.5
<i>Equity attributable to owners of parent company</i>		22.5	37.7
Non-controlling interests			
Total equity		22.5	37.7
Liabilities			
<i>Current liabilities</i>			
Account payable		0.7	0.6
Other current liabilities		0.6	0.2
Deferred income and accrued expenses		8.1	0.1
<i>Total current liabilities</i>		9.5	0.8
<i>Total liabilities</i>		9.5	0.8
Total equity and liabilities		32.0	38.6



GROUP CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK, million	Note	Share Capital	Other capital contributions	Retained earnings	Total equity
<i>Opening balance on 23 December 2021</i>		0.1	41.1	-3.5	37.7
Result of the year		-	-	0.0	0.0
Other comprehensive income		-	-	-	-
<i>Comprehensive income of the year</i>		-	-	0.0	0.0
<i>Total transactions with shareholders</i>		0.0	0.0	0.0	0.0
<i>Closing balance on 31 December 2021</i>		0.1	41.1	-3.5	37.7
<i>Opening balance on 1 January 2022</i>		0.1	41.1	-3.5	37.7
Profit of the period				-15.3	-15.3
Other comprehensive income					
<i>Comprehensive income of the period</i>		0.0	0.0	-15.3	-15.3
Bonus issue		0.5	-0.5		
Option contract			0.1		
<i>Total transactions with shareholders</i>		0.5	-0.4		0.0
<i>Closing balance 30 September 2022</i>		0.6	40.7	-18.9	22.5



GROUP CONSOLIDATED CASH-FLOW STATEMENT

SEK, million	Note	2022		2021*
		Jul-Sep	Jan-Sep	Jan-Dec
Operating activities				
Operating profit/loss before financial items		-3.0	-15.3	0.0
Adjustments for items not included in cash flow		0.0	0.0	0.0
Cash flow from operating activities before changes in working capital		-3.0	-15.3	0.0
Operating receivables (+decrease)		0.1	-22.4	0.0
Operating liabilities (+ increase)		-4.6	8.7	0.0
<i>Cash flow from working capital</i>		<i>-4.6</i>	<i>-13.7</i>	<i>0.0</i>
Cash flow from operating activities		-7.6	-29.0	0.0
Investing activities				
Acquisitions of tangible fixed assets		-3.6	-3.6	-
Cash flow from investing activities		-3.6	-3.6	0.0
Financing activities				
Option premium		-	0.1	0.0
Interest paid		-	0.0	-
Cash flow from financing activities		0.0	0.1	0.0
Cash flow for the period		-11.2	-32.6	0.0
Cash and cash equivalents at the beginning of the year		16.6	38.1	38.1
Cash and cash equivalents at the end of the period		5.5	5.5	38.1

*Group formed on December 23, 2021



INCOME STATEMENT FOR THE PARENT COMPANY

SEK, million	Note	Jul - Sep		Jan - Sep		Jan - Dec
		2022	2021	2022	2021	2021
Net sales		-	-	-	-	-
Other operating income		-	-	0.0	-	-
Other external expenses	7	-0.6	-0.7	-7.6	-1.1	-3.0
Personnel costs	7	-2.4	-	-7.6	-	-0.4
Depreciation		0.0	-	0.0	-	-
Other operating expenses		0.0	-	0.0	-	-
Operating profit/loss (EBITDA)		-3.0	-0.7	-15.3	-1.1	-3.4
Interest expenses & similar expenses items		-	0.0	0.0	0.0	0.0
Profit/loss after financial items		-3.0	-0.7	-15.3	-1.1	-3.4
Tax		-	-	-	-	-
Total profit/loss of the period		-3.0	-0.7	-15.3	-1.1	-3.4

COMPREHENSIVE INCOME FOR THE PARENT COMPANY

	Note	Jul - Sep		Jan - Sep		Jan - Dec
		2022	2021	2022	2021	2021
Income for the period		-3.0	-0.7	-15.3	-1.1	-3.4
Other comprehensive income net after tax		-	-	-	0.0	0.0
Comprehensive income for the period		-3.0	-0.7	-15.3	-1.1	-3.4



BALANCE SHEET FOR THE PARENT COMPANY

SEK, million	Note	30 Sep 2022	2021	31 Dec 2021
Assets				
<i>Non-current assets</i>				
		-	-	-
Ongoing new facilities and advances regarding tangible fixed assets		3.6	-	-
Inventories		0.0	-	0.0
<i>Total non-current assets</i>		3.6	-	0.0
<i>Financial non-current assets</i>				
Participations in Group companies		0.1	-	0.0
<i>Total financial non-current assets</i>		0.1	-	0.0
<i>Total non-current assets</i>		3.7	-	0.1
<i>Current assets</i>				
Other current receivables		0.5	0.1	0.7
Prepaid expenses and accrued income		22.3	-	3.0
<i>Total current receivables</i>		22.8	0.1	3.7
<i>Cash and cash equivalents</i>		5.5	0.9	33.3
<i>Total current assets</i>		28.3	1.0	37.0
Total assets		32.0	1.0	37.0
Equity and liabilities				
Share capital		0.6	0.1	0.1
<i>Total restricted equity</i>		0.6	0.1	0.1
<i>Unrestricted equity</i>				
Share premium reserve		40.7	1.7	41.1
Retained earnings		-3.4	0.0	-3.4
Profit/loss of the period		-15.3	-1.1	-4.6
<i>Total unrestricted equity</i>		21.9	0.5	33.0
Total unrestricted equity		22.5	0.7	33.2
Liabilities				
<i>Current liabilities</i>				
Account payables		0.7	0.3	0.2
Other current liabilities		0.6	0.0	0.3
Accrued expenses and prepaid income		8.1	0.0	3.3
<i>Total current liabilities</i>		9.5	0.3	0.8
Total liabilities		9.5	0.3	0.8
Total equity and liabilities		32.0	1.0	38.6



CINIS FERTILIZER'S SHAREHOLDERS AND SHARE

THE COMPANY'S 10 LARGEST SHAREHOLDERS AS PER SEPTEMBER 30, 2022

SHAREHOLDER	NUMBER OF SHARES	SHARE OF CAPITAL AND VOTES, %
Jakob Liedberg	26,400,000	46.59
Roger Johansson	13,600,000	24.00
Thomas Ranje	10,000,000	17.65
Åsa Källenius	833,320	1.47
Molindo Energy AB	833,320	1.47
Nash Invest AB	833,320	1.47
Libra Invest AB	668,000	1.18
GNSO Teknikinvest AB	500,000	0.88
Investment AB Jarlen	500,000	0.88
Haurick Holding AB	333,320	0.59
<i>Other shareholders</i>	2,163,120	3.82
Total	56,664,400	100.00

As of September 30, 2022, Cinis Fertilizer had 56,664,400 outstanding shares. Each share corresponds to one vote.

After the end of the third quarter, on October 21, 2022, Cinis Fertilizer's shares were listed on the Nasdaq First North Growth Market (short name: CINIS). In connection with the listing, a new share issue was carried out. After the IPO offering, including the over-allotment option, the number of outstanding shares amounts to 72,526,468.





NOTES

Note 1 General Information

Cinis Fertilizer is a Swedish green tech company that will produce an environmentally friendly mineral fertilizer, potassium sulfate (SOP), by recycling industrial waste from the pulp and paper industry and from the manufacture of electric car batteries. The parent company Cinis Fertilizer AB with registration number (559154-0322) is a Swedish limited liability company based in Örnsköldsvik. The parent company's holdings of shares in group companies as of June 30, 2022 consist of the wholly owned subsidiary Cinis Sweden AB (559322-4156) and Asset-KH (55939-91329). 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 2021. New standards and interpretations that came into force from and including January 1, 2022 have not had any effect on the group's or parent company's financial reports for the interim period.

Tangible fixed assets

Applied depreciation

Equipment, tools and installations

Number of years

3

Note 3 Significant risks and uncertainties

Cinis Fertilizer's operations and financial position are affected by a number of 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 a number of operational and financial risks. The company's financial position is affected, among other things, by the price of the end product potassium sulfate, SOP, and the input potassium chloride, MOP. An account of the company's significant risks and risk management can be found in the company's annual report 2021 and in the company's prospectus.

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

On October 21, Cinis Fertilizer was listed on Nasdaq First North Growth Market. In connection with the listing, a heavily oversubscribed share issue, including an over-allotment option, was carried out and the company received SEK 460 million before transaction costs.

The Land and Environment Court announced that the main hearing in the case linked to Cinis Fertilizer's environmental permit for the production facility in Örnsköldsvik will be held in March 2023.

Note 6 Segment reporting

Cinis Fertilizer's CEO, as the highest executive, follows up and analyzes the results and financial position of the company as a whole, whereupon the company only consists of one reporting segment.

Note 7 Operating expenses

The operating costs essentially consist of personnel costs and other external costs attributable to the start-up of the business.

Note 8 Prepaid costs

Prepaid costs essentially consist of fees for electricity connection and financing costs.



Note 9 Seasonal effects

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

Note 10 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 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.

Note 11 Transactions with related parties

On November 1, 2019, the patent "Process for production of fertilizer comprising potassium sulfate with application number 3004882 in Canada" was transferred from Arotech Engineering AB to Cinis Fertilizer. The transfer was documented on 15 February 2022 in a separate agreement. According to the shareholder agreement between the shareholders in Cinis Fertilizer, dated April 1, 2021, patent 1451569-5 in Sweden (SE 537 954) "Process for production of fertilizer comprising potassium sulfate" and patent 3004882 in Canada "Process for production of fertilizer comprising potassium sulfate" transferred to Cinis Fertilizer from Arotech Engineering. The transfer was documented on 20 January 2022 in a separate agreement. Arotech Engineering AB is owned by Jakob Liedberg (CEO and shareholder in Cinis Fertilizer AB). There have been no purchases of services or goods from senior executives or others related to the group, nor have any corresponding sales been made.