



Interim report
1 January – 31 March 2023

START FOR CONSTRUCTION OF CINIS FERTILIZER'S FIRST PRODUCTION PLANT

The location is Köpmanholmen in Örnköldsvik, Sweden. Here, the first sod was broken in February 2023 to mark the start of the construction of Cinis Fertilizer's production plant number 1. In May 2023, the Swedish Land and Environmental Court ("MMD") granted the company permit to build and operate a production plant in Örnköldsvik. MMD has already announced that it intends to decide on the documents regarding Cinis Fertilizer's second facility, the one in Skellefteå. These two important events give the company the necessary conditions to deliver environmentally friendly mineral fertilizer (SOP) starting in Örnköldsvik in about a year. In parallel, planning for the company's second production plant, in Skellefteå, is ongoing, with the goal of starting production from mid-2025. At full production, the facilities will deliver 100,000 and 200,000 tons of SOP per year, respectively.

January–March

- Net sales amounted to SEK – million (–)
- Operating profit/loss amounted to SEK -5.7 million (-4.6)
- Profit/loss after financial items amounted to SEK -4.7 million (-4.6)
- Earnings per share, before and after dilution, amounted to SEK -0.07 (-0.08)
- Cash flow from operating activities after changes in working capital amounted to SEK -0.1 million (4.8)

Significant events after the quarter

- The Swedish Land and Environment Court has granted Cinis Fertilizer permission to start operations in the company's production plant in Örnköldsvik
- The nomination committee has proposed the re-election of the current members of the board and the election of Anna-Maria Tuominen-Reini

Significant events during the quarter

- Örnköldsvik municipality granted permission to start construction in Köpmanholmen
- Skellefteå municipality granted a building permit for the production facility in Skellefteå. The Land and Environmental Court has announced it will decide on Cinis Fertilizers' production plan in Skellefteå abstaining from a main hearing
- On 2 February 2023, Anna Kinberg Batra was appointed governor of Stockholm and thus has resigned as Director of the Cinis Fertilizer Board
- The first sod marked the start of construction for the facility in Örnköldsvik

About Cinis Fertilizer

Cinis Fertilizer is a Swedish green tech company aiming to produce an 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. Cinis Fertilizers mineral fertilizer is 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

NEXT YEAR, PRODUCTION WILL BEGIN IN ÖRNSKÖLDSVIK



Jakob Liedberg,
CEO Cinis Fertilizer AB.

In the autumn of 2021, a new board was appointed in Cinis Fertilizer with the focus to list the company on the stock market in the autumn of 2022. With a project team and a small head office, we set the goal of starting production of the world's most sustainable mineral fertilizer in early 2024. A high ambition clearly stating what we strive for, that Cinis Fertilizer should be part of the circular economy, and that we should use fossil-free energy to produce mineral fertilizer with the lowest carbon footprint in the industry. In this way, Cinis Fertilizer will soon become an important part of the green transition that is now taking place in the agricultural sector.

Important and positive decision from the Land and Environment Court

During the first quarter of 2023, Cinis Fertilizer took several important steps, including the Land and Environment Court's processing of our applications for environmental permits for our first two production facilities. On 5 May 2023, we received one of the most important messages from the Land and Environment Court last Friday. The court's decision means that we have permission, following the usual time for appeal, to build and operate the plant in Köpmanholmen just outside Örnsköldsvik. The decisions have taken somewhat longer than we initially expected – but that makes them all the more valued. We look forward to claiming the permit, continuing the construction with full force and in a few months receiving the first deliveries of the process equipment.

Our production technology is well-proven and we expect a short start-up period. Thus, we expect to see positive cash flows from our first production plant as of 2024.

First quarter 2023

During the first quarter have secured equipment delivery plans and that ground preparation measures proceed according to plan. The winter weather did not cause anything unexpected, and our construction partner is doing a fantastic job on site in Köpmanholmen. During the first quarter, we have continued to invest in machinery, land preparation measures and a geo-survey of the property in Skellefteå.

Total investments amounted to a total of approximately SEK 144 million at the end of the period, which is according to our plan, and we estimate that the total investment in Örnsköldsvik will amount to the previously communicated approximately SEK 600 million.

Future activities

We are pleased and proud that we have come this far. In Örnsköldsvik, the groundwork is proceeding according to plan and soon we will see the first building parts rise. Cinis Fertilizer has a fully funded business plan consisting of equity and a credit facility through Nordea and Svensk Exportkredit (*Swedish Export Credit Corporation*).



With the environmental permit in hand, we can complete several important processes, such as concluding agreements with key suppliers for electricity and input goods. We will also start recruiting for operations in Örnköldsvik and I expect that we can contact the first candidates and make an appointment for interviews at the end of the third quarter 2023.

Market movements

The war in Ukraine has had major consequences on commodity markets, with volatile and rising prices. The great concern we saw in the market at the beginning of the autumn of 2022 has been replaced with somewhat calmer price formation at a clearly higher level than before the war and during the Covid-19 pandemic. The global economy continues to develop negatively, which among other things weakens the Swedish krona against both USD and EUR.

Starting with this quarterly report, we publish a graph of the pricing of our input potassium chloride (MOP) and of potassium sulphate (SOP), corresponding to our finished product. The graph on page 5 shows the price development on the world market for MOP and SOP as a bulk commodity. The SOP price is the basis for the pricing of our water-soluble SOP.

SOP is, compared to MOP, a premium commodity and priced accordingly. Historically, SOP has traded at a premium to MOP of around USD 250 per tonne. Water-soluble SOP is also traded at an even higher price of 20 percent over regular SOP. In the long term, we also see an opportunity to charge a higher price as a result of the product's environmentally friendly profile. However, have initially we chosen to sign long-term contracts to secure future income in order to achieve a quick impact on the market.

Cinis Fertilizer will sell all its production of water-soluble SOP from production facilities 1 and 2 to a Dutch player in agricultural products. The price of SOP is locked and hedged against the spot price of water-soluble SOP at a discount.

There is today a great demand for sustainable and locally produced mineral fertilizers that can contribute to strengthening Sweden's and Europe's independence and reducing agriculture's carbon footprint. Cinis Fertilizer has an ambitious plan and together with my colleagues, our financiers, shareholders and partners I look forward to realizing Cinis Fertilizer's purpose and vision – to enable sustainable agriculture by reducing carbon dioxide emissions from the production of plant nutrition.

Jakob Liedberg, CEO



CINIS FERTILIZER'S DEVELOPMENT

Cinis Fertilizer's business idea is to produce a sustainable and water-soluble mineral fertilizer, sulphate 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 (Köpmanholmen) and in Skellefteå (Bergsbyn), both sites in Northern Sweden.

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 save the planet's resources. Cinis Fertilizer's circular products contribute to reducing agricultural emissions of greenhouse gases and strengthening global food production.

The market

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 sulphate, 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 plants, as well as sell SOP from plant 3 and 4, and sodium chloride from plant 1 and 2.

The company's revenue will be approximately 98 percent made up of revenue generated from the sale of water-soluble SOP. Additional income will derive from the sale of sodium chloride (salt).

"Fossil-free mineral fertilizer is produced with renewable energy and thus reduces the climate impact from cereal cultivation by 20 percent. Precision cultivation and optimized fertilization can have a great effect through reduced soil emissions of nitrous oxide, but also a reduced nutrient leakage. In Sweden, agriculture accounts for approximately half of the human-caused emissions of nitrogen and phosphorus to the sea."

Source: RISE, June 2022



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. MOP is an important input in the production of Cinis Fertilizer's main product, SOP.

With Russia and Belarus accounting for just over 30 percent of the world's MOP capacity and since sanctions have been imposed on these countries, prices rose sharply in 2022, from already high levels in the second half of 2021. At the end of the quarter, the price of Standard MOP in bulk, Northwest Europe, amounted to EUR 495 per tonne.

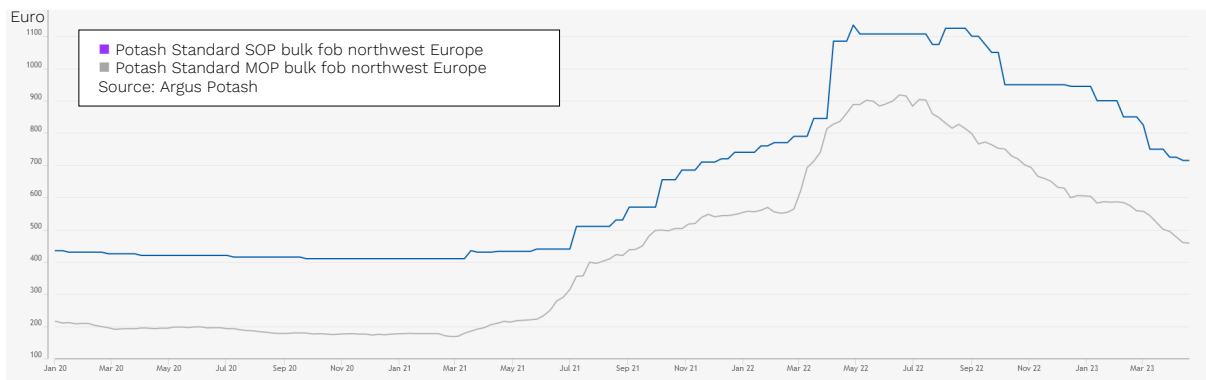
Sulphate of Potash, SOP

The mineral fertilizer sulphate of Potash, SOP, is usually produced through a chemical process where MOP is used as input. Since MOP is an input in the production of SOP, the price of SOP depends on the pricing of MOP. Because of this, the price of SOP has a certain lag to the price of MOP price fluctuations. SOP is 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 on the back of the high MOP price. At the end of the quarter, the price of standard SOP in bulk, Northwest Europe, amounted to EUR 725 per tonne. Water-soluble SOP has an additional price premium of approximately 20 percent compared to standard SOP.

Historically, the price has varied due to the pricing of inputs and the underlying prices of the input components.

Since MOP is an input in the production of SOP, the price of SOP depends on the pricing of MOP. Because of this, the price of SOP has a certain lag to MOP's price fluctuations.





FINANCIAL DEVELOPMENT

GROUP

January–March 2023

Net sales and earnings

Net sales amounted to SEK – million (–).

Operating profit/loss amounted to SEK -5.7 million (4.6).

Interest expenses and similar profit/loss items amounted to SEK 0.9 million (-0.0).

Profit/loss after financial items amounted to SEK -4.7 million (-4.6).

Cash flow

Cash flow for the first quarter 2023 amounted to SEK -94.2 million, following investments in ongoing construction.

Cash flow from operating activities after changes in working capital amounted to SEK -0.1 million (-4.8), whereof the change in working capital amounted to SEK 5.5 million (-0.2).

Cash flow from investing activities amounted to SEK -94.9 million (0.0).

Cash flow from financing activities amounted to SEK 0.9 million (0.0).

Financial position

At the end of the period, cash and cash equivalents amounted to SEK 308.4 million (33.3). The equity/assets ratio was 91.8 percent (88.9) and the net gearing ratio was 0.09 times (0.12). The company has an undrawn credit facility of SEK 300 million from Nordea and Swedish Export Credit Corporation ("SEK") with a green credit guarantee from the Swedish Export Credit Agency ("EKN").

Equity amounted to SEK 431.7 million (33.2).

Equity per share amounted to SEK 6.0 (0.6).

Deferred tax claim

The Group has unused loss carry forwards in Sweden amounting to SEK 69.8 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 property, plant, and equipment in the first quarter amounted to SEK 94.2 million. Accumulated investments on 31 March 2023 amounted to 144.2 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

January–March 2023

Parent Company

The Parent company's net sales during the quarter January–March amounted to SEK – million (–).

Operating profit/loss amounted to SEK -5.7 million (-4.6) and the profit/loss after financial items amounted to SEK -4.7 million (-4.6).

Group operations are essentially run through the Parent company.



FINANCIAL SUMMARY AND KEY FIGURES

SEK m	GROUP			PARENT COMPANY	
	Jan–Mar 2023	Jan–Mar 2022	Full-year 2022	Jan–Mar 2023	Jan–Mar 2022
Installed production capacity, tonnes *	–	–	–	–	–
Net sales	–	–	–	–	–
Balance sheet total	470.3	37.0	461.6	470.3	37.0
EBITDA,	-5.7	-4.6	-24.1	-5.7	-4.6
EBITDA-margin (%)*	neg	neg	neg	neg	neg
Profit/loss after financial items	-4.7	-4.6	-23.6	-4.7	-4.6
Cash flow from investment activities	-94.9	0.0	-45.7	-94.9	0.0
Equity	431.7	33,2	436,5	431.7	33.2
Equity/asset ratio (%)	91.8	89.6	94.6	91.8	89.6
Net debt (+) / Net cash (-)	-269.7	-29.4	-377.4	-269.7	-29.4
Net debt/EBITDA (times)*	47.7	6.4	15.7	47.7	6.4

* Operational and financial targets from 2024

DEFINITIONS

Installed production capacity

Installed annual production capacity

EBITDA

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

EBITDA-marginal (%)

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/asset ratio

Equity divided by total assets



OTHER INFORMATION

FINANCIAL CALENDAR

Annual General Meeting
25 May 2023

Interim report
January–June 2023
25 August 2023

Interim report
January–September 2023
16 November 2023

Year-end report 2023
14 February 2024

CONTACT

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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, 9 May 2023, at 8.00 a.m. CEST.

Personnel and organisation

The average number of employees in the first quarter 2023 amounted to 9 (6), whereof 33 (33) percent women and 67 (65) percent men. At the end of March, the number of employees amounted to 9 (8).

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 31 March 2023, the company had one warrant program outstanding. More information about the warrants can be found in the Annual Report 2022.

Annual General Meeting 2023

Annual General Meeting (AGM) of Cinis Fertilizer AB will be held on 25 May 2023, at 4.00 p.m. CEST at Advokatfirman Schjødt at Hamngatan 27, Stockholm, Sweden. Among other things, the nomination committee has proposed the re-election of the current members of the board and the election of Anna-Maria Tuominen-Reini. Further information about the annual general meeting can be found in the notice published on 25 April 2023.

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.



The 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 differs 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, 9 May 2023

Roger Johansson
Chair

Viktoria Bergman
Board member

Sten Hedbäck
Board member

Åsa Källenius
Board member

Morgan Sadarangani
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 m	Note	Jan–Mar 2023	Jan–Mar 2022	Full-year 2022
Net sales		–	–	–
Other operating income		0.3	0.0	0,0
Other external expenses	7	-2.3	-2.5	-12.4
Personnel costs		-3.2	-2.1	-11.6
Depreciation/amortisation		0.0	0.0	0.0
Other operating expenses		-0.5	0.1	0.1
Operating profit/loss		-5.7	-4.6	-24.1
Interest income		0.9	–	0.5
Interest expense		0.0	0.0	0.0
Profit/loss after financial items		-4.7	-4.6	-23.6
Tax		–	–	–
Total profit/loss for the period		-4.7	-4.6	-23.6
Profit or loss for the period attributable to:				
Owners of the parent company		-4.7	-4.6	-23.6

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK m	Note	Jan–Mar 2023	Jan–Mar 2022	Full-year 2022
Profit/loss for the period		-4.7	-4.6	-23.6
Other comprehensive income for the year		–	–	–
Comprehensive income for the period		-4.7	-4.6	-23.3
Comprehensive income for the period attributable to:				
Owners of the parent company		-4.7	-4.6	-23.6
Earnings per share before and after dilution, SEK*		-0.07	-0.08	-0.32
Number of shares		72,526,498	56,664,400	72,526,498
Average number of shares before and after dilution**		72,526,498	56,664,400	59,591,183

* Share split 40:1 implemented on 30 May 2022

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



CONSOLIDATED BALANCE SHEET

SEK m	Note	31 Mar 2023	31 Mar 2022	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	144.2	–	49.3
Equipment		0.0	–	0.0
<i>Total property, plant, and equipment</i>		<i>144.2</i>	<i>–</i>	<i>49.3</i>
<i>Total non-current assets</i>		<i>144.2</i>	<i>–</i>	<i>49.3</i>
<i>Current assets</i>				
Accounts receivables		–	0.0	0.0
Other current receivables		12.9	0.7	8.2
Prepaid expenses and accrued income		4.9	3.0	1.6
Cash and cash equivalents		308.4	33.3	402.5
<i>Total current assets</i>		<i>326.2</i>	<i>37.0</i>	<i>412.3</i>
Total assets		470.3	37.0	461.6
EQUITY AND LIABILITIES				
<i>Equity</i>				
Share capital		0.7	0.1	0.7
Other capital contributions		462.9	41.2	462.9
Retained earnings		-27.0	-3.5	-3.5
Profit/loss for the period		-4.7	-4.6	-23.6
<i>Equity attributable to owners of parent company</i>		<i>431.7</i>	<i>33.2</i>	<i>436.5</i>
Non-controlling interests				
Total equity		431.7	33.2	436.5
<i>Liabilities</i>				
<i>Current liabilities</i>				
Accounts payable		36.8	0.2	23.3
Other current liabilities		0.8	0.3	1.1
Deferred income and accrued expenses		1.0	3.3	0.7
<i>Total current liabilities</i>		<i>38.6</i>	<i>3.8</i>	<i>25.1</i>
<i>Total liabilities</i>		<i>38.6</i>	<i>3.8</i>	<i>25.1</i>
Total equity and liabilities		470.3	37.0	461.6



GROUP CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to owners of Parent company

SEK m	Note	Share capital	Other capital contributions	Retained earnings	Profit/loss for the period	Total equity
Opening balance, 1 January 2022		0.1	41.1	-3.5	0.0	37.7
Profit/loss for the period		–	–	–	-4.6	-4.6
Other comprehensive income		–	–	–	–	–
<i>Comprehensive income for the period</i>		–	–	–	-4.6	-4.6
<i>Total transactions with shareholders</i>		0.0	0.0	0.0	0.0	0.0
Closing balance, 31 March 2022		0.1	41.1	-3.5	-4.6	33.2
Opening balance, 1 January 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	
New share issue			0.0			
<i>Total transactions with shareholders</i>		0.0	0.0			0.0
Closing balance, 31 March 2023		0.7	462.7	-27.0	-4.7	431.7



CONSOLIDATED CASH FLOW STATEMENT

SEK m	Note	Jan–Mar 2023	Jan–Mar 2022	Full-year 2022
Operating activities				
Operating profit/loss		-5.7	-4.6	-24.1
Adjustments for non-cash items		0.0	0.0	0.0
Cash flow from operating activities before changes in working capital		-5.7	-4.6	-24.1
Operating receivables (+ decrease)		-8.0	-3.2	-9.3
Operating liabilities (+ increase)		13.5	3.0	24.3
<i>Cash flow from working capital</i>		<i>5.5</i>	<i>0.2</i>	<i>15.0</i>
Cash flow from operating activities		-0.1	-4.8	-9.1
Investing activities				
Investments in property, plant, and equipment		-94.9	-0.0	-45.7
Cash flow from investing activities		-94.9	-0.0	-49.3
Financing activities				
New share issue		0.0	–	422.3
Option premiums				0.1
Interest received		0.9	–	0.5
Interest paid		0.0	–	0.0
Cash flow from financing activities		0.9	0.0	422.9
Cash flow for the period		-94.2	-4.8	364.5
Cash and cash equivalents for the period		402.5	38.1	38.1
Cash and cash equivalents at end of period		308.4	33.3	402.5



PARENT COMPANY INCOME STATEMENT

SEK m	Note	Jan–Mar 2023	Jan–Mar 2022	Full-year 2022
Net sales		–	–	–
Other operating income		0.3	0.0	0.0
Other external expenses	7	-2.3	-2.5	-12.4
Personnel costs		-3.2	-2.1	-11.6
Depreciation/amortisation		0.0	0.0	0.0
Other operating expenses		-0.5	–	-0.1
Operating profit/loss		-5.7	-4.6	-24.1
Interest income and similar profit/loss items		0.9	–	0.5
Interest expense and similar profit/loss items		0.0	0.0	-0.0
Profit/loss after financial items		-4.7	-4.6	-23.6
Tax		–	–	–
Total profit/loss for the period		-4.7	-4.6	23.6

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK m	Note	Jan–Mar 2023	Jan–Mar 2022	Full-year 2022
Profit/loss for the period		-4.7	-4.6	23.6
Other comprehensive income for the period		–	–	–
Comprehensive income for the period		-4.7	-4.6	23.6



PARENT COMPANY BALANCE SHEET

SEK m	Note	31 Mar 2023	31 Mar 2022	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	144.2	–	49.3
Equipment		0.0	0.0	0.0
<i>Total property, plant, and equipment</i>		144.2	0.0	49.3
<i>Financial non-current assets</i>				
Participation in Group companies		0.1	0.0	0.1
<i>Total financial non-current assets</i>		0.1	0.0	0.1
<i>Total non-current assets</i>		144.3	0.1	49.4
<i>Current receivables</i>				
Receivables from Group company		2.1	–	0.8
Other current receivables		12.9	0.7	8.2
Prepaid expenses and accrued income		2.8	3.0	0.7
<i>Total current receivables</i>		17.8	3.7	9.8
<i>Cash and cash equivalents</i>				
Cash and bank equivalents		308.3	33.3	402.4
<i>Total cans and cash equivalents</i>		308.3	33.3	402.4
<i>Total current assets</i>		326.0	37.0	412.2
Total assets		470.3	37.0	461.6
Equity and liabilities				
Share capital		0.7	0.1	0.7
<i>Total restricted equity</i>		0.7	0.1	0.7
<i>Unrestricted equity</i>				
Share premium reserve		462.8	41.0	462.8
Retained earnings		-27.0	-3.4	-3.4
Profit/loss for the period		-4.7	-4.6	-23.6
<i>Total unrestricted equity</i>		431.0	33.0	435.8
Total equity		431.7	33.2	436.5
Liabilities				
<i>Current liabilities</i>				
Accounts payable		36.8	0.2	23.3
Other current liabilities		0.8	0.3	1.1
Deferred income and accrued expenses		1.0	3.3	0.7
<i>Total current liabilities</i>		38.6	3.8	25.1
Total liabilities		38.6	3.8	25.1
Total equity and liabilities		470.3	37.0	461.6



CINIS FERTILIZER'S SHAREHOLDERS AND SHARE

THE COMPANY'S 10 LARGEST SHAREHOLDERS AS PER 31 MARCH 2023

SHAREHOLDER*	NUMBER OF SHARES	SHARE OF CAPITAL AND VOTES, %
Jakob Liedberg	26,400,000	36.4
Roger Johansson	13,947,427	19.3
Thomas Ranje	11,206,895	15.5
Molindo Energy	2,557,457	3.5
Livförsäkringsbolaget Skandia	1,724,137	2.4
Åsa Källenius	1,005,733	1.4
Schroders	998,964	1.4
Poularde AB	862,068	1.2
Nash Invest AB	833,320	1.2
SEB fund	780,798	1.1
<i>Other shareholders</i>	<i>11,939,669</i>	<i>1.7</i>
Total	72,256,468	100.0

* including holding through related parties, endowment insurance and ISK (Investment savings account)

Sources: Euroclear and Cinis Fertilizer

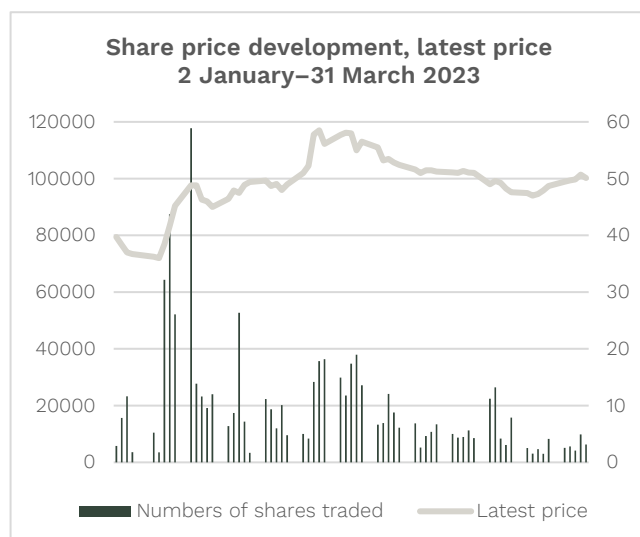
On 31 March 2023 Cinis Fertilizer had 72,256,468 outstanding shares. Each share corresponds to one vote.

The share development

The share at opening on 21 October 2022 was SEK 29. At the close of trading on 31 March 2023, the price for one share in Cinis Fertilizer amounted to SEK 50.10.

Highest paid price at closing amounted to SEK 58.51 on 9 February 2023 and the lowest closing price, SEK 35.99, was noted on 10 January 2023.

During the period 2 January–31 March 2023, daily trading in the share amounted to an average of 19,512 shares.





NOTES

Note 1 General information

Cinis Fertilizer is a Swedish green-tech company that will produce an environmentally friendly mineral fertilizer, potassium sulphate (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 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 31 March 2023 consist of the wholly owned subsidiary Cinis Sweden AB (559322-4156) and Asset-KH (55939-91329). The Group was formed on 23 December 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 1 January 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 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 sulphate, 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 2022.

Note 4 Financial instrument

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

- The Swedish Land and Environment Court has granted Cinis Fertilizer permission to start operations in the company's production plant in Örnsköldsvik
- The nomination committee has proposed the re-election of the current members of the board and the election of Anna-Maria Tuominen-Reini

Note 6 Segment reporting

Cinis Fertilizer's CEO, as the highest executive, follows up and analyses the results and financial position of the company as a whole, 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 m	GROUP		PARENT COMPANY	
	Jan–Mar 2023	Jan–Mar 2022	Jan–Mar 2023	Jan–Mar 2022
Legal fees	0.5	–	0.5	–
Consulting services	0.6	0.4	0.6	0.4
Process consultants	–	0.4	–	0.4
Investor relations	0.2	0.1	0.2	0.1
Travel expenses	0.2	0.2	0.2	0.2
Insurance fees	0.3	0.0	0.3	0.0
Other	0.6	0.5	0.6	0.5
Total	2.3	1.6	2.3	1.6

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

SEK m	31 Mar 2023	31 Mar 2022	31 Dec 2022
Opening balance	49.3	0.0	–
Sourcing	94.9	0.0	–
Reclassifications	–	–	–
Closing balance	144.2	49.3	–
Production plant 1 – Örnköldsvik	143.0	48.3	–
Production plant 1 – Skellefteå	1.2	0.8	–

Investments in property, plant, and equipment in first quarter 2023 amounted to SEK 94.2 million and related to capitalisation of expenses for the company's first production plant. The total investment needed for the first production plant is expected to be around SEK 600 million.

Note 9 Other current receivables

SEK m	GROUP		PARENT COMPANY	
	Jan–Mar 2023	Jan–Mar 2022	Jan–Mar 2023	Jan–Mar 2022
VAT receivable	12.9	0.4	12.9	0.4
Receivables from Group company	–	–	2.1	0.0
Tax account	0.0	0.3	0.0	0.3
Total	12.9	0.7	15.0	0.7

Note 10 Prepaid expenses

SEK m	GROUP		PARENT COMPANY	
	Jan–Mar 2023	Jan–Mar 2022	Jan–Mar 2023	Jan–Mar 2022
Rent	0.0	0.1	0.0	0.1
Insurance	1.6	0.2	0.3	0.2
Legal fees	0.5	0.0	0.5	0.0
Other	2.8	2.7	2.0	2.7
Total	4.9	3.0	2.8	3.0

**Note 11 Seasonal effects**

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

Note 12 Pledged assets and contingent liabilities

Cinis Fertilizer has no pledged assets and contingent liabilities.

Note 13 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 1 October 2024 to and including 31 October 2024.

Note 14 Transactions with related parties

In addition to compensation for senior executives, no purchases of services or goods from senior executives or others related to the group, nor have any corresponding sales been made.



Land preparation measures in Köpmanholmen are proceeding according to plan. Office modules in the foreground are utilized by Cinis Fertilizer's construction contractor. In the background, outside Cinis Fertilizer's property, parts of a wind turbine have been delivered for further transport. Photos: Leif Wikberg

