



Interim report
1 January – 30 June 2023

CONSTRUCTION ACCORDING TO PLAN. START OF PRODUCTION PLANNED FOR EARLY 2024

The Land and Environment Court in Umeå has granted permission for Cinis Fertilizer to construct and operate a plant for the production of environmentally friendly mineral fertilizer in Örnsköldsvik and Skellefteå respectively. Both decisions have now gained legal force. The company can thus use the previously signed loan agreement of SEK 300 million to partially finance its first facility.

In Örnsköldsvik, construction and installation of process equipment is carried out according to plan. Recruitment for around thirty positions to run the facility has begun. The goal is to start the production of environmentally friendly potassium sulphate at the beginning of 2024 and at full production rate, the plant will deliver 100,000 tonnes of potassium sulphate per year.

April – June

- Net sales amounted to SEK 0.0 million (–)
- Operating profit/loss amounted to SEK -8.5 million (-7.7)
- Profit/loss after financial items amounted to SEK -8.5 million (-7.7)
- Earnings per share, before and after dilution, amounted to SEK -0.12 (-0.14)
- Cash flow from operating activities after changes in working capital amounted to SEK 19.7 million (-16.7)

Significant events during the quarter

- The Land and Environment Court granted Cinis Fertilizer a permit according to the Environmental Code for the construction and operation of the company's production facilities in Örnsköldsvik and Skellefteå
- The general meeting elected Anna-Maria Tuominen-Reini as a new board member
- Roger Svensk was appointed Chief Operating Officer (COO) and will take office in December 2023 at the latest
- Cinis Fertilizer signed a long-term agreement with BASF regarding supplies of the input product sodium sulphate to the company's first facilities

January – June

- Net sales amounted to SEK 0.0 million (–)
- Operating profit/loss amounted to SEK -14.1 million (-12.3)
- Profit/loss after financial items amounted to SEK -13.2 million (-12.3)
- Earnings per share, before and after dilution, amounted to SEK -0.18 (-0.22)
- Cash flow from operating activities after changes in working capital amounted to SEK 19.6 million (-21.5)

Significant events after the quarter

- Notice to attend an extraordinary general meeting on 30 August 2023 to resolve on proposed incentive programmes
- Fredrik Eide appointed Chief Commercial Officer

About Cinis Fertilizer

Cinis Fertilizer is a Swedish green tech company aiming to produce an environmentally friendly mineral fertilizer, potassium sulphate, by recycling industrial waste products from the car battery manufacturing industry as well as the pulp & paper 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 Fertilizer's 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

IMPORTANT AND INSPIRING MILESTONES REACHED – FOCUS NOW ON PREPARING FOR THE START OF PRODUCTION



Jakob Liedberg,
CEO Cinis Fertilizer AB.

Establishing a company is an intensive operation. Much of the work involves telling and conveying a vision to people who will participate and contribute with their investment in the form of capital, knowledge and/or time. I am happy to have so many talented and committed colleagues in Cinis Fertilizer and with all partners and financiers who see and understand what we can create together. Cooperation, trust and confidence are necessary foundations for every successful project. I would also like to thank the public actors, municipalities and authorities who contribute to ensuring that we have legally secure and transparent permit processes. However, such processes can be perceived as time-consuming and drawn-out, but I am convinced that they contribute to ensuring good quality of the ventures that get their permits granted.

With binding environmental permits to construct and operate our first two facilities, in combination with long-term agreements with various suppliers for deliveries of our input sodium sulphate, we have important parts in place. This and the fact that our first facility is now clearly taking shape in Örnsköldsvik is confirmation that our ideas and plans are about to come to fruition.

Cinis Fertilizer is well on its way to becoming part of the circular economy and with the help of fossil-free energy we will produce mineral fertilizer with the industry's lowest carbon footprint. Many actors are acknowledging Cinis Fertilizer as an important part of the green transition that is now taking place in the agricultural sector in several countries. We are in contact with leading actors and stakeholders, also outside Europe, who give us inspiration and propositions on how we can develop our business. I see very good opportunities to create additional value for us who are shareholders in Cinis Fertilizer.

Second quarter 2023

During the second quarter, construction in Örnsköldsvik has come quite a bit above ground. The concrete slab has been laid, walls have been erected and installation of process equipment has begun. In the coming months we will publish videos and current information about the project. Feel free to follow the development via the "Current projects" page on our website.

During the third quarter, we will be able to draw on the SEK 300 million credit facility signed through Nordea and Svensk Exportkredit (*Swedish Export Credit Corporation*). This is made possible by the fact that we now have a binding environmental permit for the Örnsköldsvik facility.



Organisation ready for the next step

I am happy to be able to welcome Roger Svensk and Fredrik Eide as members of Cinis Fertilizer's management team. Roger Svensk takes up a new position as operations manager with responsibility for establishing and running current and future's production facilities. As Chief Commercial Officer, Fredrik Eide will focus on strengthening and developing the Group's supplier and customer relations.

In the coming months, we will continue the recruitment for the Örnsköldsvik facility. During the spring, we received many notices of interest which we are currently following up, in parallel with those who applied via our new recruitment site, jobs.cinis-fertilizer.com. It is gratifying to see that there are many talented and committed candidates who see opportunities to contribute to our and their own development.

Agreements secure growth

Cinis Fertilizer must be an attractive employer and as part of that endeavour we have signed a collective agreement. Our workplaces must be characterized by people with different backgrounds and experiences coming together in cooperation and a desire to contribute to the necessary green transition.

Access to sodium sulphate is an important component in our business and in our circular business model. Therefore, it is gratifying that we get in touch and hold talks with several players in various industries who can deliver what for them is a residual product. An example is the agreement we signed with BASF at the end of June. The long-term agreement replaces the letter of intent we previously had with BASF regarding deliveries of sodium sulphate. The agreement with BASF complements the ones we have with other suppliers of important inputs needed to secure the volumes for the production of environmentally friendly mineral fertilizer from our first four production plants.

There is currently a great demand for environmentally friendly mineral fertilizers that can contribute to strengthening Sweden's and Europe's independence as well as reducing agriculture's carbon footprint. Cinis Fertilizer and our partners are committed to secure a sustainable food supply for the planet's growing population.

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 sulphate, by recycling industrial waste from the manufacture of electric car batteries and from the pulp and paper industry.

Cinis Fertilizer has a clear plan for the company's future growth, the first stage of which includes the construction of four production facilities. The first two production facilities are being built in Örnsköldsvik and Skellefteå. In mid-2026 and 2028, Cinis Fertilizer plans to commission its third and fourth production facilities, both with the capacity to produce around 300,000 tons of potassium sulphate per year. With additional two planned plants, total capacity will amount to approx. 1.5 million tons at the end of the year 2030. See also diagram at the bottom of this page.

To benefit from the signed agreements and to manage input deliveries more efficiently, Cinis Fertilizer's production plants will be in strategic locations, close to, for example, electric vehicle battery manufacturers and pulp mills to facilitate the transport of inputs, as well as to ports to facilitate distribution of the company's sold products.

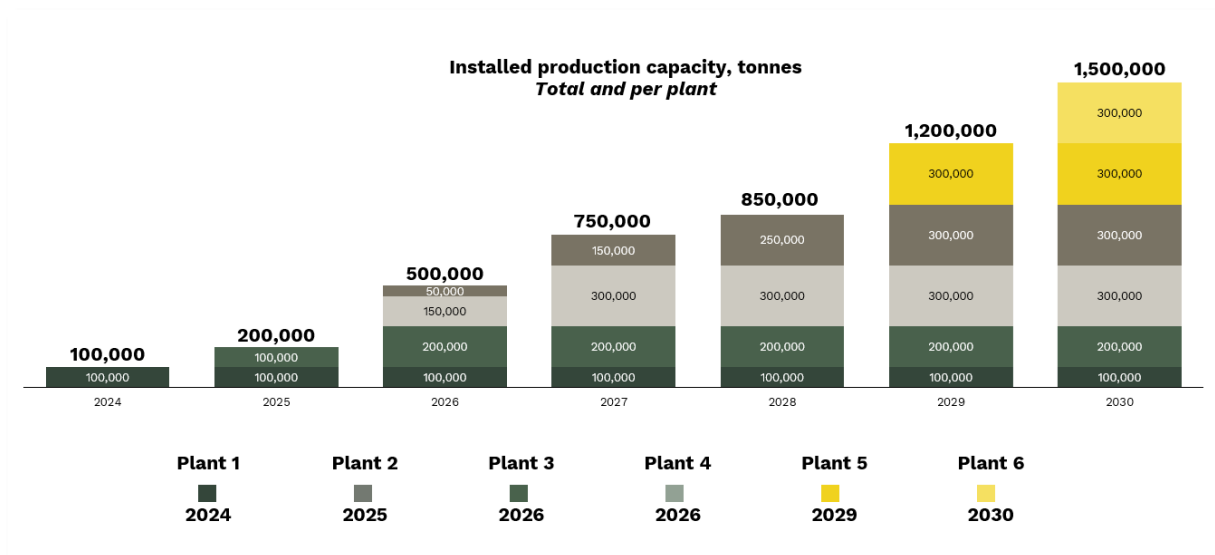
Cinis Fertilizer is part of the circular economy. It is about using materials efficiently with reduced extraction of new raw materials and where landfilling of waste is avoided, so the lifetime and value of the materials increases in order to save the planet's resources. Cinis Fertilizer's circular products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



Cinis Fertilizer plans to commission its first production plant in Örnsköldsvik in early 2024. The plant will produce approximately 100,000 tons of potassium sulphate and 65,000 tons of salt respectively at full production.



In mid-2025, the company plans to commission its second production facility, this time in Skellefteå and with an annual production capacity of approximately 200,000 tons of potassium sulphate or 130,000 tons of salt at full production.





THE MARKET

Customers and suppliers

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

The company has signed an agreement with electric vehicle battery manufacturer Northvolt for supplies of their residual product, sodium sulphate, for a period of 10+10 years. In the second quarter of 2023, Cinis Fertilizer signed an agreement with BASF for the supply of sodium sulphate for a period of 10+10 years. The agreement replaces the previous letter of intent. In combination with the agreement with Northvolt and other suppliers, Cinis Fertilizer has secured deliveries to the four production facilities that are to be in operation by end of 2028.

Cinis Fertilizer has also signed a letter of intent with K+S to buy the input potassium chloride for all production facilities and to sell potassium sulphate from facilities 3 and 4 and sodium chloride from facilities 1 and 2. Final negotiations of these agreements are ongoing.

Pricing

The war in Ukraine has had a major impact on commodity markets, with rising and more volatile prices. The great concern we saw in the market at the beginning of the autumn of 2022 has been replaced by a somewhat calmer price formation ahead of the 2024 growing season.

The diagram below shows the price development on the world market for potassium chloride and potassium sulphate as a bulk commodity. The potassium sulphate price is the basis for the pricing of Cinis Fertilizer water-soluble product.

Potassium sulphate is, compared to potassium chloride, a premium commodity and priced accordingly. Historically, potassium sulphate has traded at a premium to potassium chloride of around USD 250 per tonne. Water-soluble potassium sulphate is also traded at an even higher price of 20 percent premium over regular potassium sulphate. 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.



Potassium chloride

Potassium chloride is a naturally occurring mineral fertilizer produced through mining. The largest findings are in Canada, Russia and Belarus followed by China, Germany and USA. Potassium chloride is an important input in the production of Cinis Fertilizer’s main product, potassium sulphate.

With Russia and Belarus accounting for just over 30 percent of the world’s potassium chloride capacity and since sanctions have been imposed on these countries, prices rose sharply in 2022. Over the past year, prices have moved towards levels corresponding to those just prior to Russia’s invasion. At the end of the quarter, the price of Standard potassium chloride in bulk, Northwest Europe, amounted to EUR 345 per tonne.

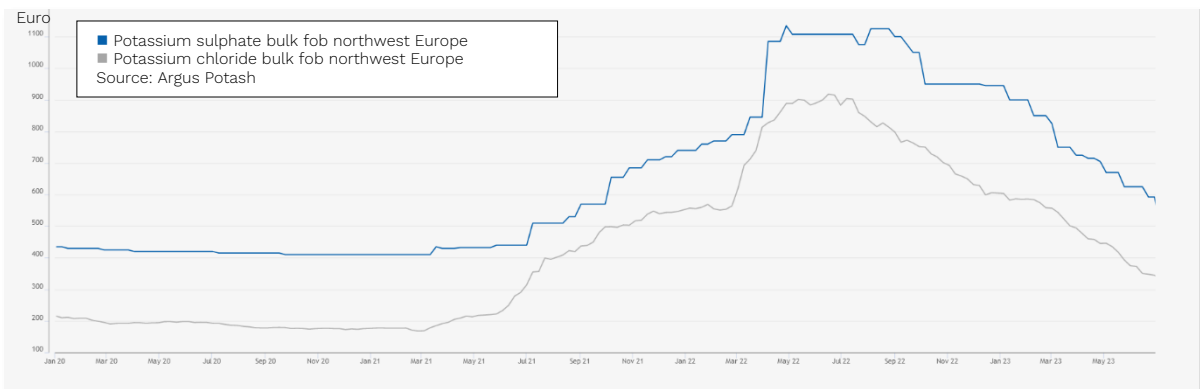
Potassium sulphate

The mineral fertilizer potassium sulphate is usually produced through a chemical process where potassium chloride is used as input. Since potassium chloride is an input in the production of Cinis Fertilizer’s key product, the price depends on the pricing of potassium chloride. Potassium sulphate is a premium commodity 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 sulphate rose sharply in the latter part of 2022 on the back of the high potassium chloride price, and then trailed it down. At the end of the quarter, the price of standard potassium sulphate in bulk Northwest Europe amounted to EUR 593 per tonne. Water-soluble potassium sulphate has an additional price premium of approximately 20 percent compared to standard potassium sulphate.

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

Historically, the price has co-varied over time and the price premium on potassium sulphate of USD 200–300 per tonne has been retained.





FINANCIAL DEVELOPMENT

GROUP

April – June 2023

Net sales and earnings

Net sales amounted to SEK 0.0 million (-).

Operating profit/loss amounted to SEK -8.5 million (-7.7).

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

Profit/loss after financial items amounted to SEK -8.5 million (-7.7).

Cash flow

Cash flow for the second quarter 2023 amounted to SEK -100.4 million, following investments in ongoing construction.

Cash flow from operating activities after changes in working capital amounted to SEK 19.7 million (-16.7), whereof the change in working capital amounted to SEK 28.2 million (-9.0).

Cash flow from investing activities amounted to SEK -120.2 million (0.0).

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

GROUP

January – June 2023

Net sales and earnings

Net sales amounted to SEK 0.0 million (-).

Operating profit/loss amounted to SEK -14.1 million (-12.3).

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

Profit/loss after financial items amounted to SEK -13.2 million (-12.3).

Cash flow

Cash flow during the first six months of 2023 amounted to SEK -194.6 million, following investments in ongoing construction.

Cash flow from operating activities after changes in working capital amounted to SEK 19.6 million (-21.5), whereof the change in working capital amounted to SEK 33.7 million (-9.2).

Cash flow from investing activities amounted to SEK -215.1 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 208.0 million (16.6). The equity/assets ratio was 84.7 percent (64.3) and the net gearing ratio was 0.18 times (0.55). The company has an undrawn credit facility of SEK 300 million from Nordea and Swedish Export Credit Corporation with a green credit guarantee from the Swedish Export Credit Agency.

Equity amounted to SEK 423.3 million (25.5).

Equity per share amounted to SEK 5.8 (0.5).

Deferred tax claim

The Group has unused loss carry forwards in Sweden amounting to SEK 78.4 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 120.2 million. Accumulated investments on 30 June 2023 amounted to SEK 264.3 million, attributable to capitalisation 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 – June 2023

The Parent company's net sales during the second quarter, Apr–Jun 2023, amounted to SEK 0.0 million (-). Operating profit/loss for the quarter amounted to SEK -8.1 million (-7.7).

The Parent company's net sales for the period Jan–Jun 2023 amounted to SEK 0.0 million (-). Operating profit/loss amounted to SEK -13.7 (12.3) and the profit/loss after financial items amounted to SEK 12.8 million (12.3).

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.

During the second quarter of 2023, the Parent company provided a shareholders' contribution to the subsidiary Cinis Sweden AB to finance the construction of the first production facility in Örnköldsvik.



FINANCIAL SUMMARY AND KEY FIGURES

SEK million	GROUP			PARENT COMPANY		
	Jan–Jun 2023	Jan–Jun 2022	Full-year 2022	Jan–Jun 2023	Jan–Jun 2022	Full-year 2022
Installed production capacity, tonnes *	–	–	–	–	–	–
Net sales	0.0	–	–	0.0	–	–
Balance sheet total	499.8	39.7	461.6	427.6	39.7	461.6
EBITDA	-14.1	-12.3	-24.1	-13.7	-12.3	-24.1
EBITDA-margin (%)*	neg	neg	neg	neg	neg	neg
Profit/loss after financial items	-13.2	-12.3	-23.6	-13.2	-12.3	-23.6
Cash flow from investment activities	-120.2	0.0	-49.3	-237.1	-0.1	-0.1
Equity	423.3	25.5	436.5	423.7	25.5	436.5
Equity/asset ratio (%)	84.7	64.3	94.6	84.7	64.3	89.6
Net debt (+) / Net cash (-)	-131.4	-2.5	-377.4	-36.0	-2.4	-29.4
Net debt/EBITDA (times)*	15.5	0.2	15.7	4.5	0.2	6.4

* Operational and financial targets as of 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-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/asset ratio

Equity divided by total assets



OTHER INFORMATION

FINANCIAL CALENDAR

**Interim report
January – September 2023**
16 November 2023

Year-end report 2023
14 February 2024

**Interim report
January – March 2024**
8 May 2024

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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, 25 August 2023, 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 organisation

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

Warrant programme

The purpose of share incentive programmes 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 30 June 2023, the company had one warrant programme outstanding. More information about the warrants can be found in the Annual Report 2022.

Annual General Meeting 2023

The 2023 annual general meeting on 25 May 2023 resolved, in accordance with the nomination committee's proposal, to re-elect Roger Johansson, Viktoria Bergman, Sten Hedbäck, Åsa Källenius and Morgan Sadarangani and to elect Anna-Maria Tuominen-Reini as members of the board. Roger Johansson was re-elected as chairman of the board of directors.

Extraordinary General Meeting 2023

An extraordinary general meeting of Cinis Fertilizer AB will be held on 30 August 2023, at 10 a.m. CEST, at the Schjødt law firm at Hamngatan 27 in Stockholm, Sweden, to resolve on the proposed incentive programmes. Information about the general meeting is available on the company's website.

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, 25 August 2023

Roger Johansson
Chair

Viktoria Bergman
Board member

Sten Hedbäck
Board member

Åsa Källenius
Board member

Morgan Sadarangani
Board member

Anna-Maria
Tuominen-Reini
Board member

Jakob Liedberg
CEO

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



FINANCIAL REPORTS IN BRIEF

CONSOLIDATED INCOME STATEMENT

SEK million	Note	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Full-year 2022
Net sales		0.0	–	0.0	–	–
Other operating income		0.2	0.0	0.4	0.0	0.0
Other externa expenses	7	-4.9	-4.6	-7.2	-7.1	-12.4
Personnel costs		-3.0	-3.1	-6.2	-5.2	-11.6
Depreciation/amortisation		0.0	0.0	0.0	0.0	0.0
Other operating expenses		-0.7	0.0	-1.2	0.0	0.1
Operating profit/loss		-8.5	-7.7	-14.1	-12.3	-24.1
Interest income		0.0	–	0.9	–	0.5
Interest expense		0.0	0.0	0.0	0.0	0.0
Profit/loss after financial items		-8.5	-7.7	-13.2	-12.3	-23.6
Tax		–	–	–	–	–
Total profit/loss for the period		-8.5	-7.7	-13.2	-12.3	-23.6
Profit or loss for the period attributable to:						
owners of the parent company		-8.5	-7.7	-13.2	-12.3	-23.6

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Note	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Full-year 2022
Profit/loss for the period		-8.5	-7.7	-13.2	-12.3	-23.6
Other comprehensive income for the year		–	–	–	–	–
Comprehensive income for the period		-8.5	-7.7	-13.2	-12.3	-23.6
Comprehensive income for the period attributable to:						
owners of the parent company		-8.5	-7.7	-13.2	-12.3	-23.6
Earnings per share before and after dilution, SEK*		-0.12	-0.14	-0.18	-0.22	-0.32
Number of shares		72,526,468	56,664,400	72,526,468	56,664,400	72,526,468
Average number of shares**		72,526,468	56,664,400	72,526,468	56,664,400	59,591,183

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

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



CONSOLIDATED BALANCE SHEET

SEK million	Note	30 Jun 2023	30 Jun 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	264.3	–	49.3
Equipment		0.0	0.0	0.0
<i>Total property, plant, and equipment</i>		264.3	0.0	49.3
<i>Total non-current assets</i>		264.3	0.0	49.3
<i>Current assets</i>				
Accounts receivables		–	0.0	0.0
Other current receivables		22.1	4.1	8.2
Prepaid expenses and accrued income		5.4	18.9	1.6
Cash and cash equivalents		208.0	16.6	402.5
<i>Total current assets</i>		235.4	39.6	412.3
Total assets		499.8	39.7	461.6
Equity and liabilities				
<i>Equity</i>				
Share capital		0.7	0.1	0.7
Other capital contributions		462.7	41.2	462.9
Retained earnings		-27.0	-3.5	-3.5
Profit/loss for the period		-13.2	-12.3	-23.6
<i>Equity attributable to owners of parent company</i>		423.3	25.5	436.5
Total equity		423.3	25.5	436.5
<i>Liabilities</i>				
<i>Current liabilities</i>				
Accounts payable		74.3	8.0	23.3
Other current liabilities		0.9	0.6	1.1
Deferred income and accrued expenses		1.3	5.6	0.7
<i>Total current liabilities</i>		76.5	14.1	25.1
<i>Total liabilities</i>		76.5	14.1	25.1
Total equity and liabilities		499.8	39.7	461.6



GROUP CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to owners of Parent company

SEK million	Note	Share capital	Other capital contributions	Retained earnings	Profit/loss for the period	Total equity
Opening balance, 1 January 2022		0.1	41.1	-3.5	0.0	37.7
Profit/loss for the period		–	–	–	-12.3	-12.3
Other comprehensive income		–	–	–	–	–
<i>Comprehensive income for the period</i>		–	–	–	-12.3	-12.3
<i>Retained earnings</i>				0.0	0.0	
Option premiums			0.1			
<i>Total transactions with shareholders</i>		0.0	0.1	0.0	0.0	0.0
Closing balance, 30 June 2022		0.1	41.2	-3.5	-12.3	25.5
Opening balance, 1 January 2023		0.7	462.8	-3.4	-23.6	436.5
Profit/loss for the period		–	–	–	-13.2	-13.2
Other comprehensive income		–	–	–	–	–
<i>Comprehensive income for the period</i>		–	–	–	-13.2	-13.2
<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, 30 June 2023		0.7	462.7	-27.0	-13.2	423.3



CONSOLIDATED CASH FLOW STATEMENT

SEK million	Note	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Full-year 2022
Operating activities						
Operating profit/loss		-8.5	-7.7	-14.1	-12.3	-24.1
Adjustments for non-cash items		0.0	0.0	0.0	0.0	0.0
Cash flow from operating activities before changes in working capital		-8.5	-7.7	-14.1	-12.3	-24.1
Operating receivables (+ decrease)		-9.7	-19.3	-17.7	-22.5	-9.3
Operating liabilities (+ increase)		37.9	10.3	51.4	13.3	24.2
<i>Cash flow from working capital</i>		28.2	-9.0	33.7	-9.2	15.0
Cash flow from operating activities		19.7	-16.7	19.6	-21.5	-9.1
Investing activities						
Investments in property, plant, and equipment		-120.2	–	-215.1	0.0	-49.3
Cash flow from investing activities		-120.2	0.0	-215.1	0.0	-49.3
Financing activities						
New share issue		–	0.0	0.0	0.1	422.3
Option premiums		–	–	–	–	0.1
Interest received		0.0	–	0.9	–	0.5
Interest paid		0.0	–	0.0	0.0	0.0
Cash flow from financing activities		0.0	0.0	0.9	0.1	422.9
Cash flow for the period		-100.4	-16.7	-194.6	-21.4	364.5
Cash and cash equivalents for the period		308.4	33.3	402.5	38.1	38.1
Cash and cash equivalents at end of period		208.0	16.6	208.0	16.6	402.5



PARENT COMPANY INCOME STATEMENT

SEK million	Note	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Full-year 2022
Net sales		0.0	–	0.0	–	0.0
Other operating income		0.2	0.0	0.4	0.0	0.0
Other external expenses	7	-4.9	-4.6	-7.2	-7.1	-12.4
Personnel costs		-3.0	-3.1	-6.2	-5.2	-11.6
Depreciation/amortisation		0.0	0.0	0.0	0.0	0.0
Other operating expenses		-0.3	0.0	-0.8	0.0	-0.1
Operating profit/loss		-8.1	-7.7	-13.7	-12.3	-24.1
Interest income and similar profit/loss items		0.0	–	0.9	–	0.5
Interest expense and similar profit/loss items		0.0	0.0	0.0	0.0	-0.0
Profit/loss after financial items		-8.1	-7.7	-12.8	-12.3	-23.6
Tax		–	–	–	–	–
Total profit/loss for the period		-8.1	-7.7	-12.8	-12.3	23.6

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK million	Note	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Full-year 2022
Profit/loss for the period		-8.1	-7.7	-12.8	-12.3	23.6
Other comprehensive income for the period		–	–	–	–	–
Comprehensive income for the period		-8.1	-7.7	-12.8	-12.3	23.6



PARENT COMPANY BALANCE SHEET

SEK million	Note	31 Jun 2023	31 Jun 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	1.3	–	49.3
Equipment		0.0	0.0	0.0
<i>Total property, plant, and equipment</i>		1.3	0.0	49.3
<i>Financial non-current assets</i>				
Participations in Group companies	11	380.1	0.1	0.1
<i>Total financial non-current assets</i>		380.1	0.1	0.1
<i>Total non-current assets</i>		381.4	0.2	49.4
<i>Current receivables</i>				
Receivables from Group company		2.8	–	0.8
Other current receivables		1.1	4.1	8.2
Prepaid expenses and accrued income		2.4	18.9	0.7
<i>Total current receivables</i>		6.2	23.0	9.8
<i>Cash and cash equivalents</i>				
Cash and bank equivalents		40.0	16.5	402.4
<i>Total cash and cash equivalents</i>		40.0	16.5	402.4
<i>Total current assets</i>		46.2	39.5	412.2
Total assets		427.6	39.7	461.6
Equity and liabilities				
<i>Share capital</i>				
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		462.7	41.1	462.8
Retained earnings		-27.0	-3.4	-3.4
Profit/loss for the period		-12.8	-12.3	-23.6
<i>Total unrestricted equity</i>		423.0	25.4	435.8
Total equity		423.7	25.5	436.5
Liabilities				
<i>Current liabilities</i>				
Accounts payable		1.7	8.0	23.3
Other current liabilities		0.9	0.6	1.1
Deferred income and accrued expenses		1.3	5.6	0.7
<i>Total current liabilities</i>		4.0	14.1	25.1
Total liabilities		4.0	14.1	25.1
Total equity and liabilities		427.6	39.7	461.6



CINIS FERTILIZER'S SHAREHOLDERS AND SHARE

THE COMPANY'S 10 LARGEST SHAREHOLDERS AS PER 30 JUNI 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	924,134	1.3
Poularde AB	862,068	1.2
Nash Invest AB	833,320	1.2
SEB funds	699,118	1.0
<i>Other shareholders</i>	<i>12,348,179</i>	<i>1.7</i>
Total	72,526,468	100.0

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

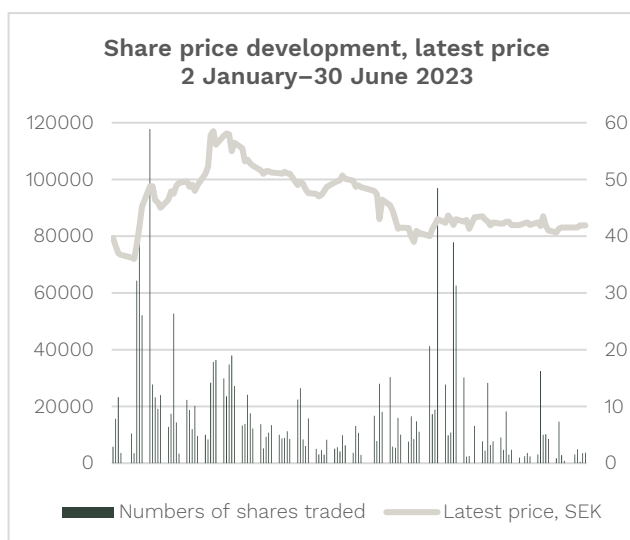
On 30 June 2023 Cinis Fertilizer had 72,526,468 outstanding shares. Each share corresponds to one vote.

The share development

The share at opening on 21 October 2022 was SEK 29. At the close of trading on 30 June 2023, the price for one share in Cinis Fertilizer amounted to SEK 41.90.

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–30 June 2023, daily trading in the share amounted to an average of 14,296 shares.





NOTER

Note 1 General information

Cinis Fertilizer is a Swedish green-tech company that will produce an environmentally friendly mineral fertilizer, potassium sulphate, 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 30 June 2023 consist of the wholly owned subsidiary Cinis Sweden AB (559322-4156) and Asset-KH (559379-9132). 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 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 sulphate, and the input potassium chloride. An account of the company's significant risks and risk management can be found in the company's annual report 2022.

Note 4 Financial 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

- Notice to attend an extraordinary general meeting on 30 August 2023 to resolve on proposed incentive programmes
- Fredrik Eide appointed Chief Commercial Officer

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 million	GROUP			PARENT COMPANY		
	Jan-Jun 2023	Jan-Jun 2022	Full-year 2022	Jan-Jun 2023	Jan-Jun 2022	Full-year 2022
Legal fees	1.9	0.2	2.8	1.9	0.2	2.8
Consulting services	1.9	1.0	1.9	1.9	1.0	1.9
Process consultants	0.0	1.8	1.8	0.0	1.8	1.8
Investor relations	0.4	0.1	0.9	0.4	0.1	0.9
Travel expenses	0.6	0.4	0.7	0.6	0.4	0.7
Insurance fees	0.7	0.5	0.6	0.7	0.5	0.6
Other	1.7	1.1	3.7	1.7	1.1	3.7
Total	7.2	5.0	12.4	7.2	5.0	12.4

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

SEK million	30 Jun 2023	30 Jun 2022	31 Dec 2022
Opening balance	49.3	–	–
Sourcing	215.1	–	49.3
Reclassifications	–	–	–
Closing balance	264.3	–	49.3
Production plant 1 – Örnsköldsvik	263.0	–	48.4
Production plant 2 – Skellefteå	1.3	–	0.8

Investments in property, plant, and equipment in second quarter 2023 amounted to SEK 120.2 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 million	GROUP			PARENT COMPANY		
	Jan-Jun 2023	Jan-Jun 2022	Full-year 2022	Jan-Jun 2023	Jan-Jun 2022	Full-year 2022
VAT receivable	22.1	4.1	8.2	1.1	4.1	8.2
Receivables from Group company	–	–	–	2.8	0.0	0.8
Tax account	0.0	0.0	–	0.0	0.0	0.0
Total	22.1	4.1	8.2	3.8	4.1	9.0

Note 10 Prepaid expenses and accrued income

SEK million	GROUP			PARENT COMPANY		
	Jan-Jun 2023	Jan-Jun 2022	Full-year 2022	Jan-Jun 2023	Jan-Jun 2022	Full-year 2022
Rent	0.2	0.1	0.0	0.2	0.1	0.0
Insurance	1.2	0.2	0.0	1.2	0.2	0.0
Legal fees	–	–	0.5	–	–	0.5
Other	4.0	18.7	1.0	1.0	18.7	0.2
Total	5.4	18.9	1.6	2.4	18.9	0.7



Note 11 Participations in Group companies

SEK million	30 Jun 2023	30 Jun 2022	31 Dec 2022
Opening balance	0.1	0.0	–
Acquisitions	0.0	0.1	0.0
Shareholders' contributions	380.0	–	–
Closing balance	380.1	0.1	0.0
Recognised impairments	0.0	0.0	0.0
Impairments	0.0	0.0	0.0

The Parent company's holdings and participations in subsidiaries

2022

Company, Corporate Identity No.	Registered office	Equity share, %	Reported value, SEK m
Cinis Sweden AB, 559322-4156 (former Asset SK AB)	Örnsköldsvik	100	0,0
Asset-KH AB, 559379-9132	Örnsköldsvik	100	0,0

Note 12 Seasonal effects

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

Note 13 Pledged assets and contingent liabilities

Cinis Fertilizer has no pledged assets and contingent liabilities.

Note 14 Warrants

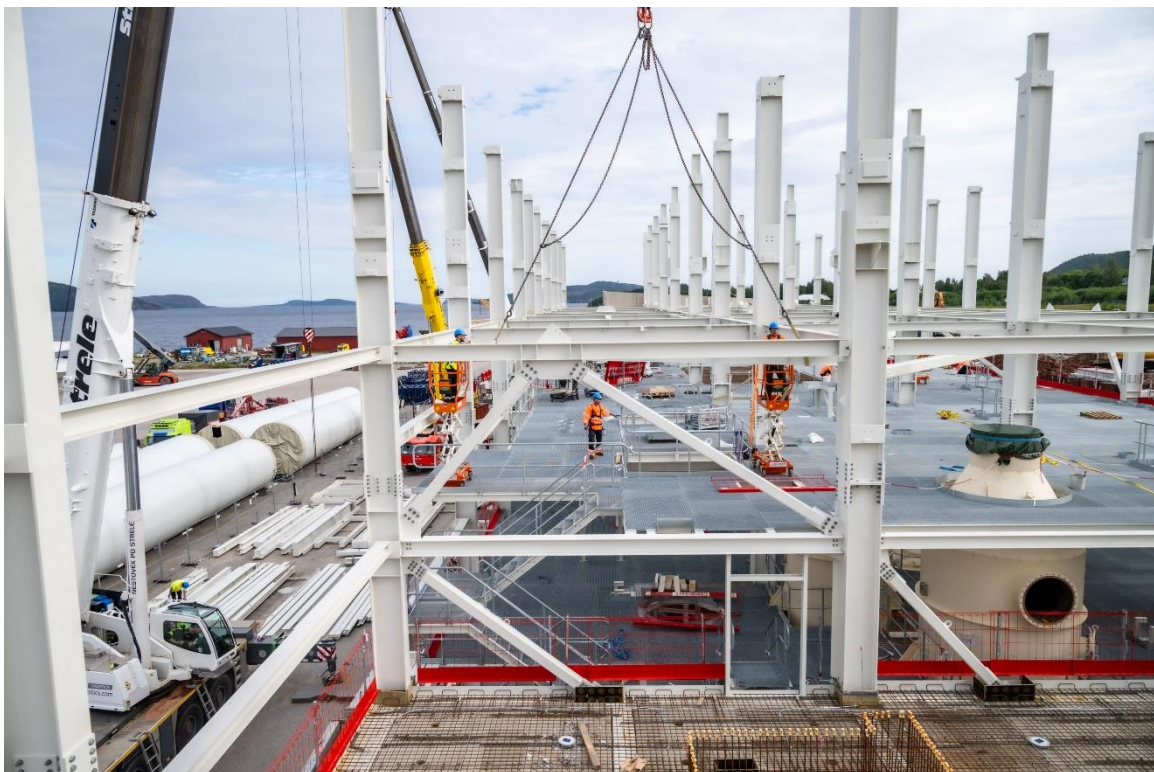
In 2021, the Extra General Meeting decided on the issue of 70,000 warrants in the company. During 2021, 41,000 and during 2022, 1,000 warrants have been transferred to members of the Board and employees of Cinis Fertilizer. The transfers have taken place at market price according to the Black & Scholes 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 15 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 there been any sales of this nature.



Cinis Fertilizer’s facility in the Örnsköldsvik municipality mid-August 2023. In the background is the port facility that the company will use. In the foreground, the floor for the salt storage is being poured. Frame assembly of the process plant is underway, and roofing has begun on the technology building on the far left. The large white elements are parts for wind turbines that are stored in the harbour area. Photos: Leif Wikberg



Frame assembly in the process plant.



The building in the foreground is offices, the larger body of the building is for the production of mineral fertiliser, a total of approx. 2,000 sqm. On the large flat surface on the left, a 6,000 sqm salt storage is being built. Photos: Leif Wikberg



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