



Interim report
1 January – 30 September 2023

CINIS FERTILIZER SECURES GROWTH PLAN THROUGH SUPPLY AGREEMENT AND ESTABLISHMENT IN THE USA

Cinis Fertilizer's circular business model creates value for a broad group of stakeholders and with growing global interest, new markets are opening up. At the end of September, the company signed a supply agreement with Ascend Elements, a leading American manufacturer of battery materials, and a letter of intent with K+S, a global player in salts, for the supply of potassium chloride and the sale of all production of potassium sulphate. There are thus the conditions for the company to establish production of environmentally friendly mineral fertilizer for the North American market in a facility in Hopkinsville, Kentucky. The establishment in the USA is part of Cinis Fertilizer's growth plan to reach a production of 1.5 million tons of potassium sulphate by the end of 2030 in six plants, three of which are now designated.

July – September

- Net sales amounted to SEK 0.0 million (0.0)
- Operating profit/loss amounted to SEK -8.0 million (-3.0)
- Profit/loss after financial items amounted to SEK -8.1 MSEK (-3.0)
- Earnings per share, before and after dilution, amounted to SEK -0.11 (-0.05)
- Cash flow from operating activities after changes in working capital amounted to SEK 11.0 million (-7.6)

Significant events during the quarter

- Extraordinary general meeting on 30 August 2023 decided on incentive program for senior executives and board members
- Fredrik Eide appointed Chief Commercial Officer
- Cinis Fertilizer signed a long-term agreement with K+S regarding the purchase and delivery of potassium chloride
- Cinis Fertilizer has signed an agreement with Ascend Elements, Inc, and a cooperation agreement with K+S Minerals and Agriculture GmbH, which creates the conditions for Cinis Fertilizer to establish a production facility in the US state of Kentucky

January – September

- Net sales amounted to SEK 0.0 million (0.0)
- Operating profit/loss amounted to SEK -22.1 million (-15.3)
- Profit/loss after financial items amounted to SEK -21.3 million (-15.3)
- Earnings per share, before and after dilution, amounted to SEK -0.29 (-0.27)
- Cash flow from operating activities after changes in working capital amounted to SEK 30.6 million (-29.0)

Significant events during the quarter

- Following the extensive investments now being made in green industrial projects in North America, Cinis Fertilizer has decided to prioritize the construction of its planned facility in Kentucky before the one in Skellefteå

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 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

CONSTRUCTION IN ÖRNSKÖLDSVIK ACCORDING TO PLAN – PRODUCTION SCHEDULED TO START EARLY 2024



Jakob Liedberg,
CEO Cinis Fertilizer AB.

Cinis Fertilizer made several important strategic decisions in the third quarter of 2023. We secured agreements with established partners in North America and quickly progressed in the preparations for our planned production facility in Hopkinsville, Kentucky, parallel to the continued high pace of ongoing construction in Örnköldsvik in Sweden.

Cinis Fertilizer's purpose is to enable sustainable agriculture. We are part of the circular economy and with the help of fossil-free energy we shall produce mineral fertilizer with the industry's lowest carbon dioxide footprint. Cinis Fertilizer has an important role in the green transition and our business model will create profitable growth and better conditions for our stakeholders. We have a climate-friendly solution for residual products from the manufacture of battery materials, among other things, which are key products in reducing dependence on fossil fuels. Our fossil-free and efficient process for producing mineral fertilizers means reduced emissions of carbon dioxide and increases the yield in food production, especially in areas with an arid climate.

Establishment in Kentucky, USA

In September, we received yet another clear support for our circular business model through a ten-year agreement with a leading American manufacturer of engineered battery materials, Ascend Elements, in Kentucky for the supply of the input product sodium sulphate. This agreement, in combination with K+S signing a letter of intent ("LOI") for the purchase of all our production of potassium sulphate, means that we have now started work on our production facility in the USA, which will be the second, after the one in Örnköldsvik.

The rapid handling of important contractual issues and the great interest of key players in our establishment means that we are changing the timetable. Ascend Element's battery material manufacturing facility is being built quickly and we have already managed to establish a strong network on site. The market for the production of electric vehicle batteries is growing rapidly in North America as a result of the favourable government incentive programs introduced in the United States and Canada. It is favourable for green investments and many battery manufacturers are now shifting their focus from Europe to North America. Cinis Fertilizer wishes to share in this growth and therefore we choose to focus on Hopkinsville as our second facility. This means that we are waiting a bit with the planning of the Skellefteå facility, which means that it will now be number three of our planned six facilities. The investments in Kentucky are estimated to amount to approximately one billion SEK. and financing is planned through internal cash flows and loans. The company is also investi-



gating supplementary financing solutions, which include state and federal investment grants.

The Örnsköldsvik site

The high pace of construction, which is taking place just outside Örnsköldsvik, continues. We have brought in all the process equipment, assembled walls and in the next few days are finishing the roof that will allow us to have a tight building before the end of November, all according to our schedule. The focus now is on installing equipment and completing construction of the 6,000 square meters salt storage facility.

Cinis Fertilizer will soon have a unique plant in operation. To draw attention to this and that the work has so far been carried out in a good way, we organized a roofing party on 5 October 2023. Together with the majority of the partners who have been on site from the start, over a hundred people celebrated on site in Köpmanholmen. Of course, there have been deviations and unforeseen events, but with a common goal, we have managed to solve these in the best way. Many thanks to everyone – I look forward to soon celebrating the next milestone on our journey towards our common goal – starting production in early 2024!

Great interest in new job opportunities

We are also pleased that there is a great interest in working with us. Our recruitment campaign this autumn has been successful, there are many people with the right skills who want to be involved when Cinis Fertilizer becomes part of the green transition. The interviews for several key positions have begun and in this context I would like to welcome Mikael Hörlin to Cinis Fertilizer. At the beginning of December, he takes up his new position as site manager in Örnsköldsvik. He most recently came from a role as process & quality manager at Nouryon Functional Chemicals AB. Mikael also has extensive experience from Akzo Nobel Functional Chemicals AB, in roles as production manager and process engineer.

Cinis Fertilizer's competence and unique process for the production of environmentally friendly mineral fertilizers contributes to reducing agriculture's carbon dioxide footprint and increases the yield from cultivated areas. For manufacturers of battery materials and batteries, we offer circular solutions that contribute to the entire production chain meeting high demands on resource efficiency and environmental friendliness. In parallel with the focus on the start of production in Örnsköldsvik at the beginning of next year, work is underway to establish Cinis Fertilizer in more geographical locations and to consolidate the image of Cinis Fertilizer as a knowledgeable partner for circular and environmentally friendly business.

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 growth, which in a first step (2024–2028) includes the construction of four production facilities, three of which are located: Örnsköldsvik (SE), Hopkinsville (US) and Skellefteå (SE). With two further planned facilities, total capacity will amount to approximately 1.5 million tonnes at the end of 2030. See also table at the bottom of this page.

In order to take advantage of secured contracts and to manage input deliveries more efficiently, Cinis Fertilizer's production facilities will be located in strategic locations, with access to fossil-free electricity at favourable prices, 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 life 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 of global food production.



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

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

1) Signed agreement with Van Iperen for sales and distribution of potassium sulphate

2) Signed LOI with K+S for sales and distribution of potassium sulphate

3) Signed long-term agreement with Northvolt for sodium sulphate intake

4) Signed long-term agreement with BASF for sodium sulphate intake

5) Signed long-term agreement with Ascend Elements for sodium sulphate intake

6) Signed agreement with K+S for potassium chloride



THE MARKET

Customers

Cinis Fertilizer has signed an agreement to sell all potassium sulphate production from the first two Swedish 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).

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

Suppliers

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

Cinis Fertilizer has also signed a letter of intent with K+S to purchase the input product potassium chloride for the company's three designated production facilities.

Potassium sulphate

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

The price of potassium sulphate also rose sharply in the latter part of 2022 due to the high price of potassium chloride and then followed it downwards. At the end of the quarter, the price of Standard potassium sulphate in bulk North-West Europe amounted to EUR 490 per tonne. Water-soluble potassium sulphate has an additional price premium of approximately 20 percent compared to standard potassium sulphate.

Potassium chloride

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



As Russia and Belarus accounted for roughly 30 percent of the world's sales of potassium chloride and since sanctions have been imposed on these countries, prices rose sharply in 2022. However, over the past year, prices have moved towards levels corresponding to those just before Russia's invasion. At the end of the quarter, the price for Standard potassium chloride in bulk, Northwest Europe, amounted to EUR 311 per tonne.

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.

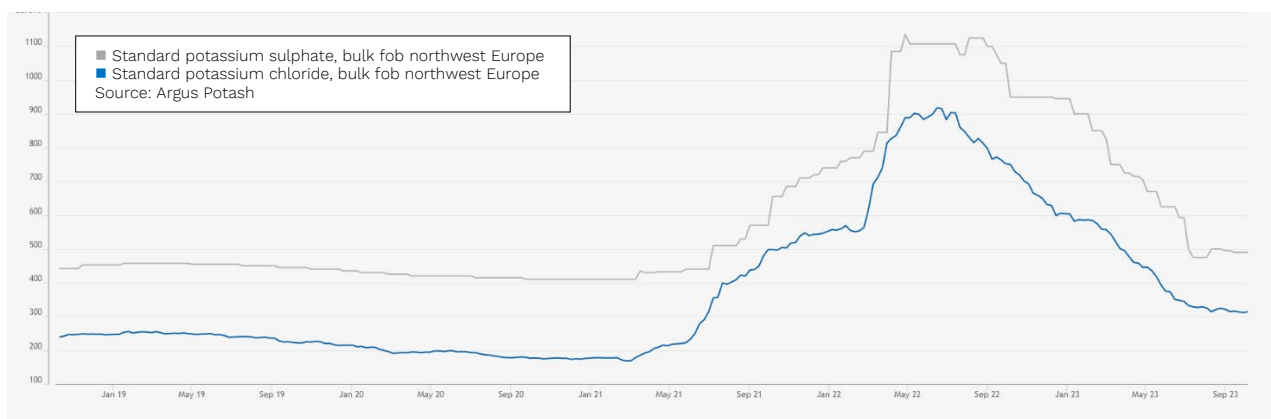
The graph below shows the price development on the world market for potassium sulphate and potassium chloride as bulk goods. The price of potassium sulphate is the basis for the pricing of the water-soluble product that Cinis Fertilizer will produce.

Potassium sulphate is, compared to potassium chloride, a premium product and is priced accordingly. Historically, potassium sulphate has traded at a premium to potash of approximately EUR 250 per tonne. Water-soluble potassium sulphate is also traded at a premium of 20 percent over ordinary 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.

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 EUR 200–300 per tonne has been maintained.

Price development 30 Sep 2018 – 30 Sep 2023. Euro per tonne





FINANCIAL DEVELOPMENT

GROUP

July – September 2023

Net sales and earnings

Net sales amounted to SEK 0.0 million (0.0).

Operating profit/loss amounted to SEK -8.0 million (-3.0).

Interest expenses and similar profit/loss items amounted to SEK -0.1 million (0.0).

Profit/loss after financial items amounted to SEK -8.1 million (-3.0).

Cash flow

Cash flow for the second quarter 2023 amounted to SEK 136.1 million, following investments in ongoing construction.

Cash flow from operating activities after changes in working capital amounted to SEK 11.0 million (-7.6), whereof the change in working capital amounted to SEK 19.0 million (-4.6).

Cash flow from investing activities amounted to SEK -171.9 million (-3.6).

Cash flow from financing activities amounted to SEK 297.0 million (0.0).

GROUP

January – September 2023

Net sales and earnings

Net sales amounted to SEK 0.0 million (0.0).

Operating profit/loss amounted to SEK -22.1 million (-15.3).

Interest expenses and similar profit/loss items amounted to SEK 0.8 million (-0.0).

Profit/loss after financial items amounted to SEK -21.3 million (-15.3).

Cash flow

Cash flow during the nine first months of 2023 amounted to SEK -58.5 million following investments in ongoing construction.

Cash flow from operating activities after changes in working capital amounted to SEK 30.6 million (-29.0), whereof the changes in working capital amounted to SEK 52.7 million (-13.7).

Cash flow from investing activities amounted to SEK -387.0 million (-3.6).

Cash flow from financing activities amounted to SEK 297.8 million (0.0).

Cash flow for the period amounted to SEK -58.5 million (-32.6)

Financial position

At the end of the period, cash and cash equivalents amounted to SEK 344.0 million (5.4). The equity/assets ratio was 51.6 percent (70.3) and the net gearing ratio was 0.94 times (0.42).

Equity amounted to SEK 416.0 million (22.5).

Equity per share amounted to SEK 5.7 (0.4).

Deferred tax claim

The Group has unused loss carry forwards in Sweden amounting to SEK 86.5 million (15.2), 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 third quarter 2023 amounted to SEK 171.9 million. Accumulated investments on 30 September 2023 amounted to SEK 387.0 million, attributable to capitalisation of costs for the company's first production facility. As a result of the weakening of SEK against mainly EUR and the inflation in Sweden during the construction period, the investment cost for the first production facility has increased slightly and is expected to amount to approximately SEK 650 million, which is within the total investment framework of SEK 710 million.

PARENT COMPANY

January – September 2023

The Parent company's net sales during the third quarter, Jul-Sep 2023, amounted to SEK 0.0 million (0.0). Operating profit/loss for the quarter amounted to SEK -7.5 million (-3.0) and the profit/loss after financial items amounted to SEK -7.5 million (-3.0).

The Parent company's net sales for the period Jan-Sep 2023 amounted to SEK 0.0 million (0.0). Operating profit/loss amounted SEK -21.2 million (-15.3) and the profit/loss after financial items amounted to SEK -20.3 million (-15.3).

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.



FINANCIAL SUMMARY AND KEY FIGURES

SEK million	GROUP			PARENT COMPANY		
	Jan-Sep 2023	Jan-Sep 2022	Full-year 2022	Jan-Sep 2023	Jan-Sep 2022	Full-year 2022
Installed production capacity, tonnes*	-	-	-	-	-	-
Net sales	-	-	-	-	-	-
Balance sheet total	805.5	32.0	461.6	420.5	32.0	461.6
EBITDA	-22.1	-15.3	-24.1	-21.2	-15.3	-24.1
EBITDA-margin (%)*	neg	neg	neg	neg	neg	neg
Profit/loss after financial items	-21.3	-15.3	-23.6	-20.3	-15.3	-23.6
Cash flow from investment activities	-387.0	-3.6	-49.3	-332.0	-3.6	-49.4
Equity	416.0	22.5	436.5	417.0	22.5	436.5
Equity/assets ratio (%)	51.6	70.3	94.6	90.2	70.3	89,6
Net debt (+) / Net cash (-)	-250.8	-5.5	-377.4	-29.7	-5,5	-377.3
Net debt/EBITDA (times)*	11.4	-0.6	15.7	1.4	-0.3	15.7

* Operational and financial targets as of 2024

DEFINITIONS

Installed production capacity, tonnes

Installed annual production capacity

EBITDA

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

EBITDA-margin (%)

EBITDA in relation to net sales plus other operating income

Net debt (+) / Net cash (-)

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

Net debt/EBITDA (times)

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

Equity/assets ratio

Equity divided by total assets

OPERATIONAL TARGETS

2024

Annual installed production capacity of 100,000 metric tonnes
Annual production volume of 100,000 metric tonnes

2026

Annual installed production capacity of 700,000 metric tonnes
Annual production volume of 500,000 metric tonnes

2028

Annual installed production capacity of 900,000 metric tonnes
Annual production volume of 850,000 metric tonnes

2030

Annual installed production capacity of 1,500,000 metric tonnes
Annual production volume of 1,500,000 metric tonnes

FINANCIAL TARGETS 2024

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



OTHER INFORMATION

FINANCIAL CALENDAR

Year-end report 2023

14 February 2024

Interim report

January – March 2024

8 May 2024

Annual General Meeting 2024

23 May 2024

Interim report

January – June 2024

22 August 2024

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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, 16 November 2023, at 8.00 a.m. CET.

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

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

Personnel and organisation

The average number of employees in the first quarter 2023 amounted to 10 (9), whereof 30 percent (33) women and 70 percent (67) men. At the end of September, the number of employees amounted to 10 (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 September 2023, the company had three warrant programmes outstanding. More information about the warrants can be found in the Annual Report 2022 and in the notice to the Extraordinary General Meeting.

Annual General Meeting 2024

The Annual General Meeting of Cinis Fertilizer AB will take place on 23 May 2024, at 4.00 pm CEST, in Stockholm, Sweden.

Nomination Committee ahead of the Cinis Fertilizer's Annual General Meeting 2024

The nomination committee consists of members appointed by the shareholders with the largest number of votes as per 30 September 2023, as well as the Chairman of the Board. The nomination committee consists of Frederik Nilner, appointed by shareholder Jakob Liedberg (36.4% of the votes and capital per 30 September 2023), Thomas Ranje, representing himself (15.5% of the votes and capital as of 30 September 2023), Morgan Sadarangani, appointed by shareholder Molindo Energy AB (3.5% of the votes and capital as of 30 September 2023) and Roger Johansson, Chairman of the Board.

Shareholders who wish to submit proposals to the nomination committee are welcome to contact the nomination committee via e-mail, info@cinis-fertilizer.com. Proposals shall be submitted in due time before the 2024 Annual General Meeting to ensure that the proposals can be considered by the nomination committee.

Comerative 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.



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, 16 November 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



FINANCIAL REPORTS IN BRIEF

CONSOLIDATED INCOME STATEMENT

SEK million	Note	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Full-year 2022
Net sales		0.0	-	0.0	-	-
Other operating income		0.6	0.0	1.1	0.0	0.0
Other external expenses	7	-4.8	-0.6	-12.0	-7.6	-12.4
Personnel costs		-2.9	-2.4	-9.2	-7.6	-11.6
Depreciation/amortisation		0.0	0.0	0.0	0.0	0.0
Other operating expenses		-0.8	0.0	-2.0	0.0	-0.1
Operating profit/loss		-8.0	-3.0	-22.1	-15.3	-24.1
Interest income		0.1	-	1.0	-	0.5
Interest expenses		-0.2	0.0	-0.2	0.0	0.0
Profit/loss after financial items		-8.1	-3.0	-21.3	-15.3	-23.6
Tax		-	-	-	-	-
Total profit/loss for the period		-8.1	-3.0	-21.3	-15.3	-23.6
Profit or loss for the period attributable to:						
Owners of the Parent company		-8.1	-3.0	-21.3	-15.3	-23.6

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Note	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Full-year 2022
Profit/loss for the period		-8.1	-3.0	-21.3	-15.3	-23.6
Other comprehensive income		-	-	-	-	-
Comprehensive income for the period		-8.1	-3.0	-21.3	-15.3	-23.6
Comprehensive income for the period attributable to:						
Owners of the Parent company		-8.1	-3.0	-21.3	-15.3	-23.6
Earnings per share before and after dilution, SEK*		-0.11	-0.05	-0.29	-0.27	-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 Sep 2023	30 Sep 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	436.2	3.6	49.3
Equipment		0.0	0.0	0.0
<i>Total property, plant, and equipment</i>		436.2	3.6	49.3
<i>Total non-current assets</i>		436.2	3.6	49.3
<i>Current assets</i>				
Accounts receivables		–	0.0	0.0
Other current receivables	9	23.8	0.6	8.2
Prepaid expenses and accrued income	10	1.4	22.3	1.6
Cash and cash equivalents	12	344.0	5.5	402.5
<i>Total current assets</i>		369.3	28.4	412.3
Total assets		805.5	32.0	461.6
Equity and liabilities				
<i>Equity</i>				
Share capital		0.7	0.6	0.7
Other capital contributions		463.6	40.8	462.9
Retained earnings		-40.2	-18.8	-3.5
Profit/loss for the period		-8.1	0.0	-23.6
<i>Equity attributable to owners of Parent company</i>		416.0	22.5	436.5
Total equity		416.0	22.5	436.5
Liabilities				
<i>Non-current liabilities</i>				
Interest-bearing liabilities	12	296.3	–	–
<i>Total non-current liabilities</i>		296.3	–	–
<i>Current liabilities</i>				
Accounts payable		89.6	0.7	23.3
Other current liabilities		1.1	0.6	1.1
Deferred income and accrued expenses		2.6	8.1	0.7
<i>Total current liabilities</i>		93.3	9.5	25.1
<i>Total liabilities</i>		389.5	9.5	25.1
Total equity and liabilities		805.5	32.0	461.6



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to owners of Parent company

SEK million	Note	Share capital	Other capital contributions	Retained earnings	Profit/loss for the period	Total equity
Opening balance, 1 January 2022		0.1	41.1	-3.5	0.0	37.7
Profit/loss for the period		–	–	–	-15.3	-15.3
Other comprehensive income		–	–	–	–	–
<i>Comprehensive income for the period</i>		–	–	–	-15.3	-15.3
<i>Retained earnings</i>				0.0	0.0	
Bonus issue		0.5	-0.5			
Option premiums			0.1			0.1
<i>Total transactions with shareholders</i>		0.5	-0.4	0.0	0.0	0.1
Closing balance, 30 September 2022		0.6	40.8	-3.5	-15.3	22.5
Opening balance, 1 January 2023		0.7	462.8	-3.4	-23.6	436.5
Profit/loss for the period		–	–	–	-21.3	-21.3
Other comprehensive income		–	–	–	–	–
<i>Comprehensive income for the period</i>		–	–	–	-21.3	-21.3
<i>Retained earnings</i>				-23.6	23.6	
New share issue			0.0			
Option premiums			0.8			
<i>Total transactions with shareholders</i>		0.0	0.8			0.8
Closing balance, 30 September 2023		0.7	463.6	-27.0	-21.3	416.0



CONSOLIDATED CASH FLOW STATEMENT

SEK million	Note	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Full-year 2022
Operating activities						
Operating profit/loss		-8.0	-3.0	-22.1	-15.3	-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		-8.0	-3.0	-22.1	-15.3	-24.1
Operating receivables (+ decrease)		2.3	0.1	-15.4	-22.4	-9.3
Operating liabilities (+ increase)		16.7	-4.6	68.1	8.7	24.2
<i>Cash flow from working capital</i>		<i>19.0</i>	<i>-4.6</i>	<i>52.7</i>	<i>-13.7</i>	<i>15.0</i>
Cash flow from operating activities		11.0	-7.6	30.6	-29.0	-9.1
Investing activities						
Investments in property, plant, and equipment		-171.9	-3.6	387.0	-3.6	-49.3
Cash flow from investing activities		171.9	-3.6	-387.0	-3.6	-49.3
Financing activities						
New share issue		-	0.0	0.0	0.1	422.3
Option premiums		0.8	-	0.8	-	0.1
Loans raised		296.3	-	293.3	-	-
Interest received		0.1	-	1.0	-	0.5
Interest paid		-0.2	-	-0.2	0.0	0.0
Cash flow from financing activities		297.0	0.0	297.8	0.1	422.9
Cash flow for the period		136.0	-11.2	-58.5	-32.6	364.5
Cash and cash equivalents for the period		208.0	16.6	402.5	38.1	38.1
Cash and cash equivalents at end of period		344.0	5.5	344.0	5.5	402.5



PARENT COMPANY INCOME STATEMENT

SEK million	Note	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Full-year 2022
Net sales		0.0	–	0.0	–	0.0
Other operating income		0.0	–	0.4	0.0	0.0
Other external expenses	7	-4.6	-0.6	-11.8	-7.6	-12.4
Personnel costs		-2.9	-2.4	-9.2	-7.6	-11.6
Depreciation/amortisation		0.0	0.0	0.0	0.0	0.0
Other operating expenses		0.0	0.0	-0.8	0.0	-0.1
Operating profit/loss		-7.5	-3.0	-21.2	-15.3	-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		-7.5	-3.0	-20.3	-15.3	-23.6
Tax		–	–	–	–	–
Total profit/loss for the period		-7.5	-3.0	-20.3	-15.3	-23.6

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK million	Note	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Full-year 2022
Profit/loss for the period		-7.5	-3.0	-20.3	-15.3	-23.6
Other comprehensive income for the period		–	–	–	–	–
Comprehensive income for the period		-7.5	-3.0	-20.3	-15.3	-23.6



PARENT COMPANY BALANCE SHEET

SEK million	Note	30 Sep 2023	30 Sep 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	3.6	49.3
Equipment		0.0	0.0	0.0
<i>Total property, plant, and equipment</i>		1.3	3.6	49.3
<i>Financial non-current assets</i>				
Participations in Group companies	11	0.1	0.1	0.1
Shareholder contribution to Group companies	11	380.0	–	–
<i>Total financial non-current assets</i>		380.1	0.1	0.1
<i>Total non-current assets</i>		381.4	3.7	49.4
<i>Current receivables</i>				
Receivables from Group company	9	3.7	–	0.8
Other current receivables	9	0.8	0.5	8.2
Prepaid expenses and accrued income	10	1.4	22.3	0.7
<i>Total current receivables</i>		5.9	22.8	9.8
<i>Cash and cash equivalents</i>				
Cash and bank equivalents		33.2	5.5	402.4
<i>Total cash and cash equivalents</i>		33.2	5.5	402.4
<i>Total current assets</i>		39.1	28.3	412.2
Total assets		420.5	32.0	461.6
Equity and liabilities				
Share capital		0.7	0.6	0.7
<i>Total restricted equity</i>		0.7	0.6	0.7
<i>Unrestricted equity</i>				
Share premium reserve		463.6	40.7	462.8
Retained earnings		-39.8	-3.4	-3.4
Profit/loss for the period		-7.5	-15.3	-23.6
<i>Total unrestricted equity</i>		416.2	21.9	435.8
Total equity		417.0	22.5	436.5
Liabilities				
<i>Current liabilities</i>				
Accounts payable		1.4	0.7	23.3
Other current liabilities		1.1	0.6	1.1
Deferred income and accrued expenses		1.0	8.1	0.7
<i>Total current liabilities</i>		3.5	9.5	25.1
Total liabilities		3.5	9.5	25.1
Total equity and liabilities		420.5	32.0	461.6



CINIS FERTILIZER'S SHAREHOLDERS AND SHARE

THE COMPANY'S 10 LARGEST SHAREHOLDERS AS PER 30 SEPTEMBER 2023

SHAREHOLDER*	NUMBER OF SHARES	SHARE OCH 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
Schroders	1,073,096	1.5
Åsa Källenius	1,005,733	1.4
Poularde AB	862,068	1.2
Nash Invest AB	716,316	1.0
GADD & Cie	682,617	0.9
<i>Other shareholders</i>	<i>12,350,722</i>	<i>1.7</i>
Total	72,526,468	100.0

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

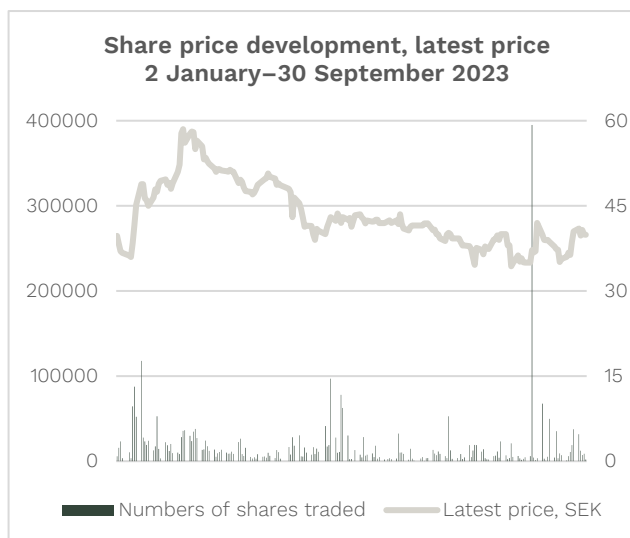
On 30 September 2023 Cinis Fertilizer had 72,526,468 outstanding shares. Each share corresponds to one vote.

The share development

The share at opening on 21 October 2022 was SEK 29. At close of trading on 29 September 2023, the prices for one share in Cinis Fertilizer amounted to SEK 39.90.

Highest paid price at closing amounted to SEK 58.51 on 9 February 2023. Lowest closing price, SEK 34.35 SEK, was noted on 17 August 2023.

During the period 1 July–30 September 2023 trading in the share amounted to an average of 16,829 shares.





NOTES

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

Cinis Fertilizer has decided to prioritize the construction of its planned facility in Kentucky, USA before the facility in Skellefteå, Sweden. The decision to advance the Kentucky facility for the production of 300,000 annual tonnes of environmentally friendly mineral fertilizer is largely a consequence of the extensive investments that are now being made in green industrial projects in North America.

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-Sep 2023	Jan-Sep 2022	Full-year 2022	Jan-Sep 2023	Jan-Sep 2022	Full-year 2022
Legal fees	3.2	0.2	2.8	3.2	0.2	2.8
Consulting services	2.2	1.1	1.9	2.3	1.1	1.9
Process consultants	0.0	1.8	1.8	0.0	1.8	1.8
Investor relations	0.5	0.1	0.9	0.5	0.1	0.9
Travel expenses	0.9	0.5	0.7	0.9	0.5	0.7
Insurance fees	1.2	0.2	0.6	1.2	0.2	0.6
Rental storage and offices	0.8	0.2	0.3	0.7	0.2	0.3
Other	3.3	3.6	3.5	3.0	3.6	3.5
Total	12.0	7.6	12.4	11.8	7.6	12.4

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

SEK million	30 Sep 2023	30 Sep 2022	31 Dec 2022
Opening balance	49.3	–	–
Sourcing	387.0	3.6	49.3
Reclassifications	–	–	–
Closing balance	436.2	3.6	49.3
Örnsköldsvik production plant	435.0	3.1	48.4
Skellefteå production plant	1.3	0.5	0.8

Investments in property, plant, and equipment in third quarter 2023 amounted to SEK 170.4 million, related to capitalisation of expenses for the company's first production plant. The total investment needed for the first production plant is expected to amount to around SEK 650 million.

Note 9 Othe current receivables

SEK million	GROUP			PARENT COMPANY		
	Jan-Sep 2023	Jan-Sep 2022	Full-year 2022	Jan-Sep 2023	Jan-Sep 2022	Full-year 2022
VAT receivable	17.5	0.6	8.2	0.5	0.5	8.2
Receivables from Group company	–	–	–	3.7	–	0.8
Accounts receivable	4.7	–	–	–	–	–
Other current receivables	0.3	0.0	–	0.3	0.0	–
Tax account	1.3	0.0	–	0.0	0.0	0.0
Total	23.8	0.6	8.2	4.5	0.5	9.0



Note 10 Prepaid expenses and accrued income

SEK million	GROUP			PARENT COMPANY		
	Jan-Sep 2023	Jan-Sep 2022	Full-year 2022	Jan-sep 2023	Jan-Sep 2022	Full-year 2022
Rent	0.2	0.1	0.0	0.2	0.1	0.0
Insurance	0.8	0.1	0.0	0.8	0.1	0.0
Legal fee	–	–	0.5	–	0.5	0.5
Other	0.4	22.1	1.0	0.4	21.6	0.2
Total	1.4	22.3	1.6	1.4	22.3	0.7

Note 11 Participation in Group companies

SEK million	30 Sep 2023	30 Sep 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

The Parent company's holdings and participations in subsidiaries

2023

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

Note 12 Financing

SEK million	GROUP			PARENT COMPANY		
	30 Sep 2023	30 Sep 2022	31 Dec 2022	30 Sep 2023	30 Sep 2022	31 Dec 2022
Cash held on reserved accounts	125.0	–	–	–	–	–
Cash and cash equivalents	219.0	–	–	33.2	5.5	402.4
Total	344.0	–	–	33.2	5.5	402.4

Cash held on reserved accounts consist of SEK 125 million, of which "Debt Service Reserve" accounts for SEK 15 million and "Contingency reserve" accounts for SEK 110 million. "Debt Service Reserve" contains reserved funds for the payment of interest on the loans for the next 12 months.



Note 12 Financing, continued

Interest-bearing liabilities	GROUP			PARENT COMPANY		
	30 Sep 2023	30 Sep 2022	31 Dec 2022	30 Sep 2023	30 Sep 2022	31 Dec 2022
SEK million						
Non-current liabilities to credit institutions	296.3	–	–	–	–	–
Current liabilities to credit institutions	–	–	–	–	–	–
Total liabilities to credit institutions	296.3	–	–	–	–	–
Terms and repayment dates	GROUP			PARENT COMPANY		
SEK million	30 Sep 2023	30 Sep 2022	31 Dec 2022	30 Sep 2023	30 Sep 2022	31 Dec 2022
Nordea/SEK	296.3	–	–	–	–	–
Total liabilities to credit institutions	296.3	–	–	–	–	–

Cinis Sweden AB has a loan agreement with Nordea and Svenska Export Kredit AB corresponding to SEK 300 million. Financing costs of SEK 3.7 million. Amortization six years, starting six months after "Commercial operation date".

Note 13 Seasonal effects

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

Note 14 Pledged assets and contingent liabilities

	GROUP			PARENT COMPANY		
	30 Sep 2023	30 Sep 2022	31 Dec 2022	30 Sep 2023	30 Sep 2022	31 Dec 2022
SEK million						
Corporate mortgages	50.0	–	–	–	–	–
Pledged shares	–	–	–	380.0	–	–
Pledged fixed assets*	12.5	–	–	–	–	–
Pledged cash and cash equivalents and cash held on reserved accounts	125.0	–	–	–	–	–
Total	187.5	–	–	380.0	–	–

* Pledged fixed assets was registered in October 2023

Note 15 Warrants

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

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

Note 16 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.



Auditor's Report of the review engagement on the interim report

**To the Board of Directors and the Managing Director of Cinis Fertilizer AB
company registration no. 559154-0322**

We have conducted a review engagement of the interim report for Cinis Fertilizer AB as of September 30, 2023, and the nine-month period ending on this date. It is the responsibility of the Board of Directors and CEO to draw up and present this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to state a conclusion regarding this interim report on the basis of our review engagement.

Aim and scope of the review engagement

We have conducted our review engagement in accordance with International Standard on Review Engagements ISRE 2410 *“Review of Interim Financial Information Performed by the Independent Auditor of the Entity”*. A review engagement consists of inquiries made primarily to individuals responsible for financial and accounting matters, analytical review, and other review engagement procedures. A review engagement has a different emphasis and a significantly lesser scope compared with the emphasis and scope that an audit per ISA and generally accepted accounting principles would otherwise have. The review activities carried out in a review engagement do not enable us to acquire such a level of assurance that we are become aware of all the important circumstances that could have been identified if a true audit were to be performed. The conclusion given based on a review engagement therefore does not have the same assurance that a conclusion given on the basis of an audit would have.

Conclusion

Based on our review engagement, no circumstances have been identified that give us reason to believe that the interim report has not been prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act for the Group and in accordance with the Annual Accounts Act for the Parent Company.

Lund, November 16, 2023

Mazars AB

Martin Kraft
Certified public accountant



At the beginning of November, the process building on the left in the picture, is being roofed. The work should result in a waterproof house before the end of November. The salt storage in the center of the image will be approximately 6,000 square meters and will hold the four types of salt that will be handled in the process, the inputs sodium sulphate and potassium chloride and the end products potassium sulphate and sodium chloride, respectively.

Photos: Leif Wikberg



The walls of the salt storage are built in durable glue-laminated timber, a construction material produced from a renewable raw material that produces the least possible climate impact throughout the entire life cycle.

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

